

Annual report 2018





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Company profile

Company bodies

Company management

Our mission, vision and values

COMPANY PROFILE

Identification data:

Business name: Bratislavská vodárenská spoločnosť, a.s.

Registered office: Prešovská 48, 826 46 Bratislava

IČO [organization ID No.]: 35 850 370

IČ DPH [VAT Reg No]: SK2020263432

DIČ [TIN]: 2020263432

Date of registration: 7 January 2003

Legal form: akciová spoločnosť [(public) company limited by shares]

Nature of the business:

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

Statutory bodies¹:

- **Board of Directors (Managing Board)** [see current extract from the Business Register on its website]
- **Supervisory Board** [see the current extract from the Business Register on its website]

Shareholders:

Number of shareholders: 89

Majority shareholder:

Bratislava, the Capital of the Slovak Republic: 59.29 %

BVS – treasury shares: 8.43 %

Other municipalities and towns: 32.28 %

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

Share capital: € 281,365,934.89

Face value of one share: € 33.19

Number of shares: 8,477,431

Class of shares: ordinary shares

Type of shares: registered shares

Form of shares: book-entry shares

Limited transferability of registered shares: Pursuant to Art. 7, section 7.4 of the Articles of Association, the transferability of shares is limited. Transfer of a company shares is subject to approval by the company's Supervisory Board.

Subsidiaries

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

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

Other legal facts:

Bratislavská vodárenská spoločnosť, a.s. [Bratislava Waterworks Company, Plc.] [hereinafter referred to as „BVS“], Prešovská 48, Bratislava, was founded in accordance with the Privatization Decision No. 853 issued by the Ministry for the Administration and Privatization of National Property of the Slovak Republic dated 2 October 2002, file No. KM - 1306/2002, by investing as capital contribution the entire assets of the dissolved state-owned enterprise Vodárne a kanalizácie Bratislava [Waterworks and Sewer Systems, Bratislava], with its registered office at Prešovská 48, Bratislava, and parts of the assets of the dissolved state-owned enterprise Západoslovenské vodárne a kanalizácie, štátny podnik [West Slovak Waterworks and Sewer Systems, state-owned enterprise], with registered office at Trnavská 32, Bratislava: the Bratislava – vidiek [Bratislava – surrounding countryside] branch, the Senica branch, the Šamorín long-distance water mains production and operation centre, a part of the company management building, in accordance with the privatization project number 2276.



BVS took over the assets and liabilities, rights and obligations (even unknown ones) of the dissolved state-owned enterprises, including the rights and obligations resulting from labour-law relations (except for rights under section 16 of the Act No. 92/1991 Coll.).

On 22 December 2007, as part of increasing the efficiency of internal economic relations and possible penetration into new markets, one of BVS divisions was split off, and the subsidiary Infra Services, a. s., was founded, in which BVS holds a 51% ownership interest and HEDIN, a. s., a 49% ownership interest. Infra Services continues to do business in the provision of servicing activities for the parent company's water and sewerage

networks, while at the same time endeavouring to successfully expand its portfolio of activities to the surrounding business market and create new business relationships and opportunities.

On 31 December 2009, another subsidiary, BIONERGY, a. s., was created by splitting off a part of the sludge and gas management operations of BVS. The company was created to ensure high quality in the treatment of sludge and bio-waste. The output products are stabilized sludge, biogas and sludge water. Biogas, as an important energy source, is used in cogeneration units for electricity and heat production. BVS owns 100% of the company.



COMPANY BODIES

Board of Directors (Managing Board)

Ing. Zsolt Lukáč, PhD., EMBA - Chairman

Ing. František Sobota - Vice-Chairman

Ing. Radoslav Daniš - member

Peter Hallon - member

Mgr. Andrej Mede - member

Mgr. Rastislav Gajarský - member

PaedDr. Milan Trstenský - member

Supervisory Board

Radovan Jenčík - Chairman

Ing. Juraj Káčer - Vice-Chairman

Ing. Martin Borgulá - member

Richard Dírer - member

Marian Greksa - member

Ing. arch. Mgr. art. Elena Pätoprstá - member

Ing. Jarmila Tvrdá - member

Ing. Vladimír Antonín - member

Jozef Kolla - member

Ing. Alena Trančíková - member

Mgr. Peter Littera - member

Ing. Ľudovít Barát - member

Commencement of office: 29 June 2018

Ing. Stanislav Chovanec - member

Termination of office: 23 May 2018



COMPANY MANAGEMENT

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

Ing. Stanislav Beňo
Chief Production Officer

Mgr. Andrej Mede
Chief Technology Officer

Mgr. Rastislav Gajarský
Chief Economic Officer

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

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

Our values

Openness, decency (fairness), professionalism and responsibility.





Core business

Production and distribution of drinking water

Wastewater drainage and treatment

Laboratory activities

Subsidiaries

Our customers

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

Human resources

The company in the media

Social responsibility and philanthropy

Waterworks museum

CORE BUSINESS

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

BVS Divisions:

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

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

Services related to drinking water:

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

Wastewater-related services:

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

Other services:

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

Laboratory services:

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



PRODUCTION AND DISTRIBUTION OF DRINKING WATER

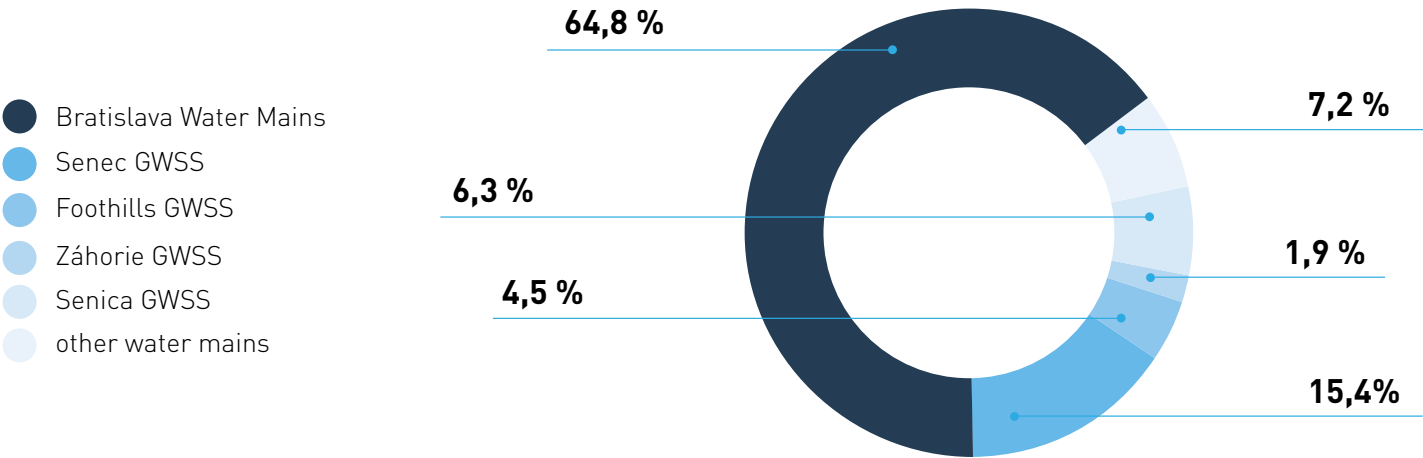
In 2018 BVS administered and operated a total of 19 public water mains in 117 municipalities, 60 water sources with a total capacity of 6,202 l/s, 130 water reservoirs with a total volume of 397,000 m3, 107 water pumping stations with a total capacity of 11,795 l/s and 8 groundwater filtration plants with a total capacity of 2,148 l/s. More than 738 ths. people were supplied with drinking water through public water mains in a water distribution network 3,232 km in length. As of 31 December 2018, a total of 97% of the population in towns and municipalities in which BVS operates public water mains received water from public water mains.

In 2018, 61,986,000 m3 of drinking water were generated and ready for use, which was 1,402 ths. m3 less than in 2017.

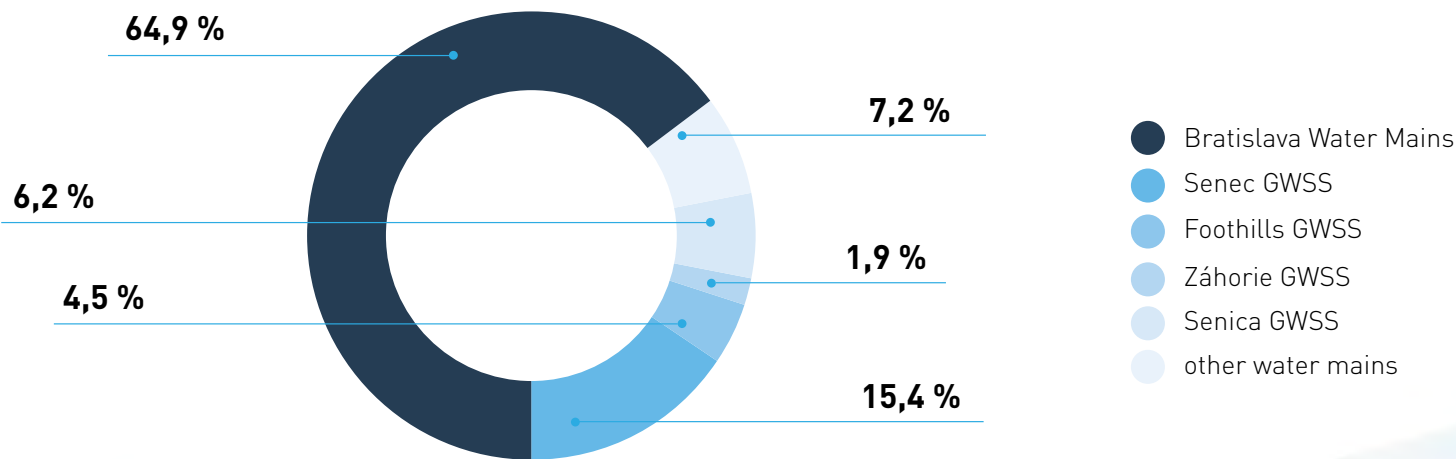
The balance indicators for individual territories are as follows:

		BVS	Bratislava Water Mains	Senec Group Water Supply System (GWSS)	Foothills GWSS	Záhorie GWSS	Senica GWSS	Other water mains
Water sources in use	number	60	6	2	7	8	11	26
Water taken off from water sources	ths. m ³	62 893	40 741	9 687	2 803	1 164	3 963	4 535
Water produced in own facilities	ths. m ³	62 812	40 741	9 687	2 803	1 164	3 909	4 508
Number of residents connected to the WM	number	738 746	436 667	57 766	69 283	36 040	65 372	73 618

Water taken off from water sources



Water produced in own facilities

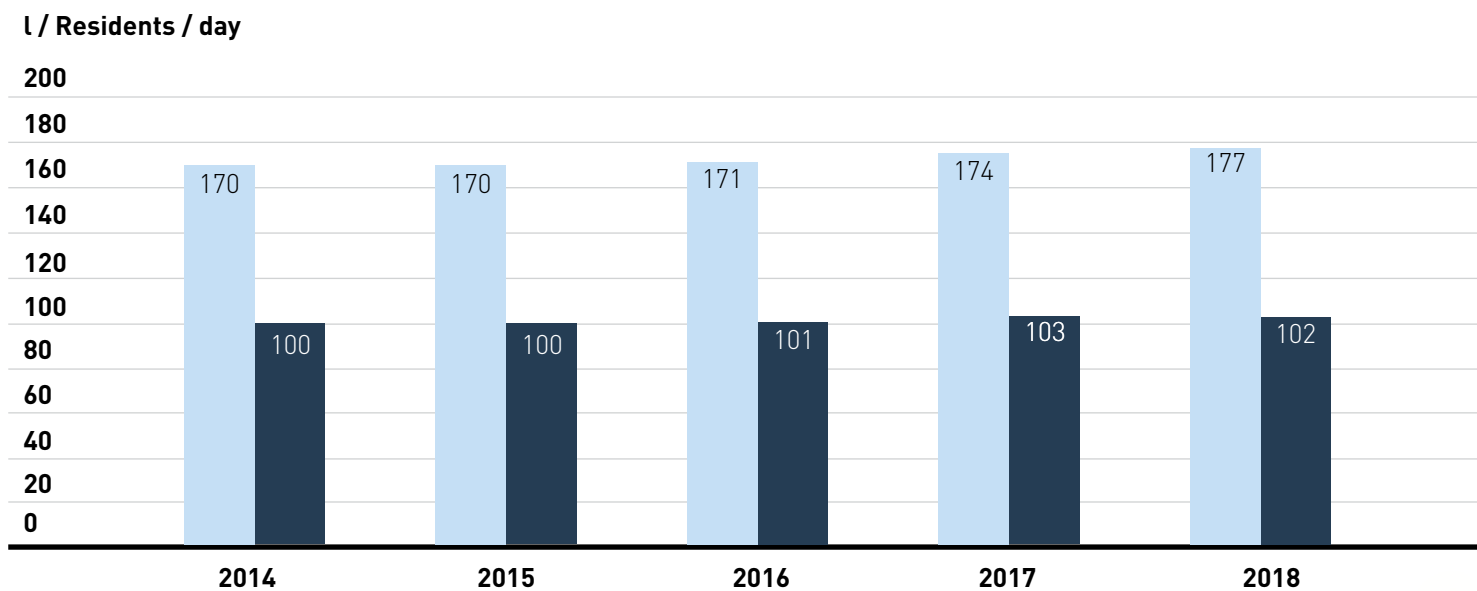
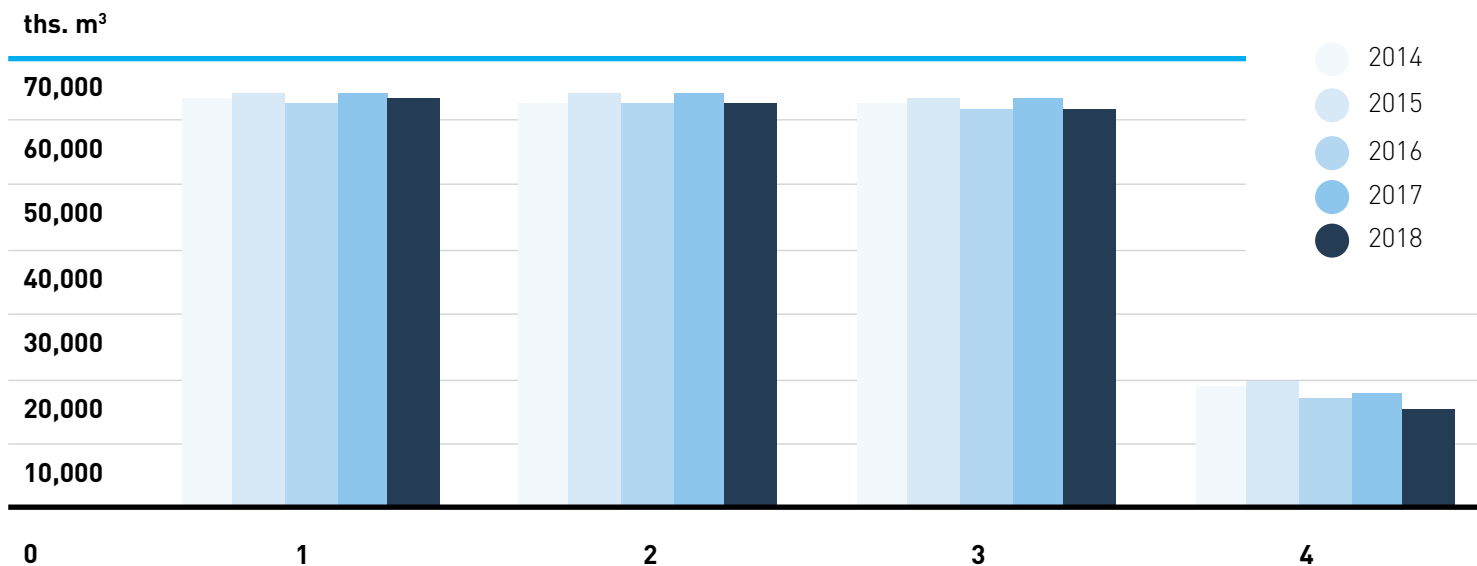


Basic data on the water mains

Indicator	2014	2015	2016	2017	2018
1 Total number of public water mains	19	19	19	19	19
2 Number of municipalities with public water mains	116	116	117	117	117
3 Length of the water mains network (km)	3,106	3,120	3,163	3,213	3,233
4 Number of residents supplied with drinking water	706,495	711,807	721,610	730,170	738,746
5 Total number of water sources	62	60	60	60	60
6 Number of water improvement stations	9	8	8	8	8
7 Number of water reservoirs	128	128	130	130	130
8 Volume of the reservoirs (m³)	388,388	388,588	397,688	397,398	397,398
9 Number of pumping stations	109	110	112	107	107
10 Capacity of the pumping stations (l/s)	12,011	12,069	12,023	11,795	11,795

Drinking water production and distribution (ths. m ³)	2014	2015	2016	2017	2018
1 Water taken off from own water sources	63,196	63,918	62,603	64,214	62,893
2 Water produced in own water supply facilities	63,124	63,849	62,525	64,140	62,812
3 Water ready for use	62,631	63,278	61,859	63,388	61,986
4 Unbilled water	19,202	19,676	17,434	17,683	15,187





- Specific water consumption of total water invoiced
- Municipal specific water consumption (from water invoiced to residents)

WASTEWATER DRAINAGE AND TREATMENT

In 2018, twenty-three (23) wastewater treatment plants (WWTP) were administered by the Wastewater Treatment Division (WWTD), 17 of which were our own WWTPs and 6 of which were owned by municipalities and towns.

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

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

The results of the monitoring of the quality of discharged wastewater for 2018 showed compliance with the quality of discharged wastewater at individual WWTPs according to valid permits for wastewater discharge.

We will pay fees for discharged pollution for 2018 for the Plavecký Štvrtok WWTP and the Senec WWTP.

No inspection was carried out by the state water administration authorities. An inspection in terms of air protection was carried out by the Slovak Environmental Inspectorate (SEI) at the Petržalka WWTP on the initiative of the management company of residential buildings in the Slnečnice locality. The inspection did not reveal any deficiencies on the part of the operator of the Petržalka WWTP.

Wastewater discharge permits were reassessed for the Myjava and Skalica WWTPs.

A renovation of the Rohožník WWTP took place in 2018.

The following activities were implemented and completed as part of the MQNB (machinery and equipment not included in the budget):

- a coarse mechanical rake at the Modra WWTP,
- a sand-washing machine at the Bratislava-Vrakuňa CWWTP (Central Wastewater Treatment Plant),
- the delivery of 5 automatic samplers for the WWTD,
- a double-shell tank for the Skalica WWTP,
- 10 Flygt pumps and mixers for the following operations: Bratislava CWWTP, Petržalka WWTP, Pezinok PS (pumping station), Hamuliakovo WWTP, Malacky WWTP,
- a TYM 503 SM tractor at the Brezová WWTP as a replacement for a 50-year-old out-of-date tractor,
- a gravel grab bucket at the entry PS of the Vrakuňa CWWTP plant.

The following are contracts concluded for activities that will be terminated in 2019:

- coarse mechanical rake at the Pezinok PS,
- sludge conveyors for the Myjava WWTP.

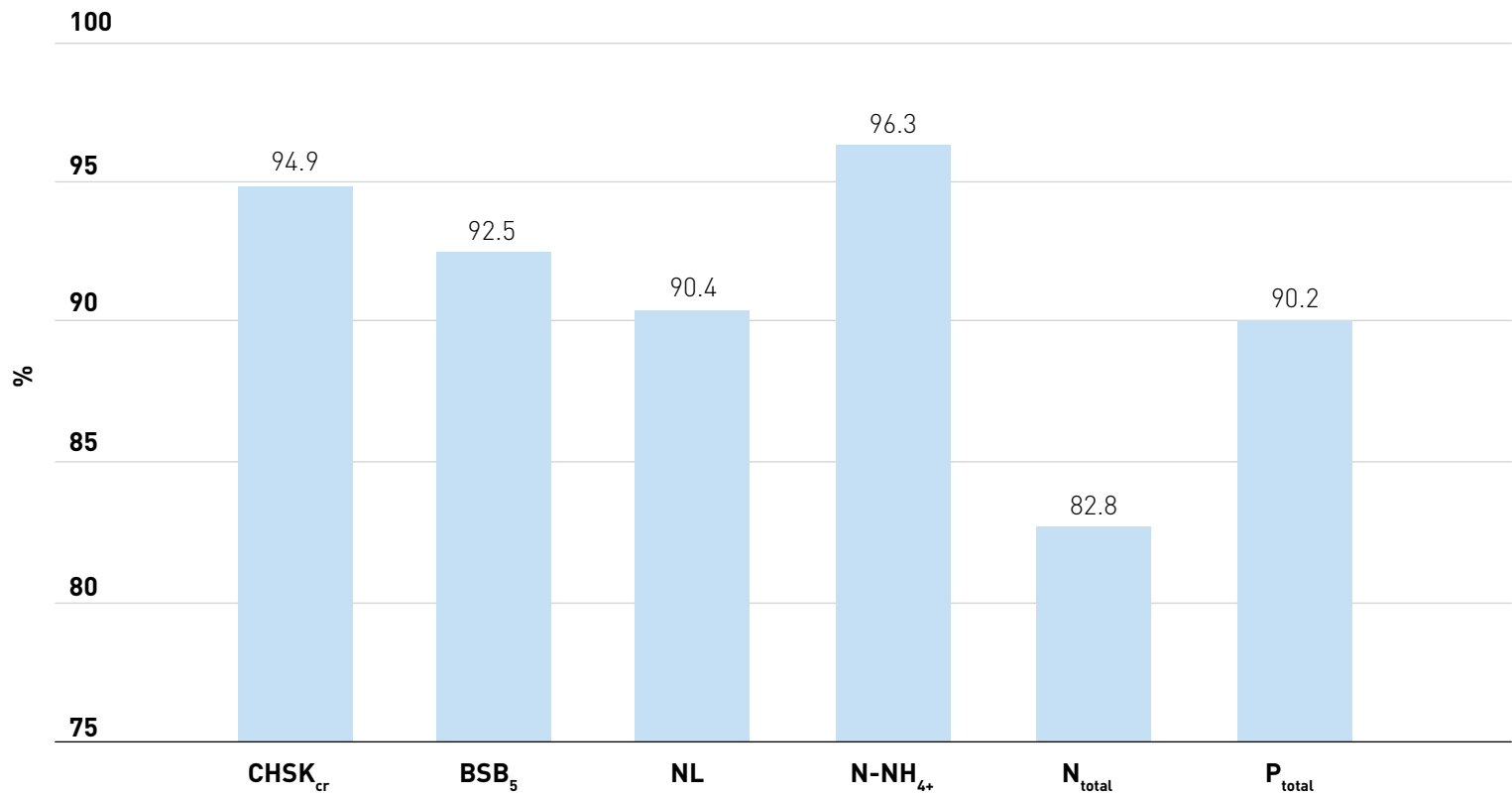
In addition, necessary repairs of technical and technological equipment were carried out at individual WWTPs.

At the Vrakuňa WWTP, a change was made in the system of operation of the biological treatment process in 2018 which brought an average annual saving of coagulant amounting to approx. EUR 240,000.

Quantity of treated wastewater in WWTPs in 2018 (m³.year⁻¹)

Quantity of treated wastewater		63,380,825			
Vrakuňa	38,973,620	Rohožník	140,601	Šaštín	203,999
Petržalka	9,312,889	Pl. Štvrtok	633,798	Gbely	281,164
Devínska Nová Ves	2,059,732	Myjava	1,316,514	Prievaly	16,991
Modra	1,363,681	Brezová pod Bradlom	526,665	Jablonica	63,486
Častá	145,632	Senica	1,888,740	Š. Humence	72,674
Senec	1,356,722	Smrdáky	118,113	Kopčany	77,086
Hamuliakovo	1,036,405	Holíč	1,017,023	Pl. Peter	10,955
Malacky	1,848,727	Skalica	915,608		

Average cleaning effects broken down by individual pollution indicators for 2018 (%)



Quality of wastewater discharged from WWTPs - average values of pollution indicators in 2018 (mg.l⁻¹)

Vrakuňa	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	50	10	20	5	10	1
	achieved	20.8	4.0	11.3	1.32	13.90	0.40
Petržalka	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	50	10	20	5	10	1
	achieved	18.4	3.0	10.6	0.96	7.60	0.66
Devínska Nová Ves	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	50	10	15	3	14	1.5
	achieved	15.5	3.1	10.3	0.08	8.69	0.81
Modra	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	45	10	20	4	14	1
	achieved	17.1	3.7	10.0	0.20	6.80	0.53
Častá	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	50	10	20	2	-	-
	achieved	3.1	19.2	10.0	2.36	-	-
Senec	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	70	20	20	15	15	2
	achieved	23.9	4.0	10.9	4.60	15.30	0.41
Hamuliakovo	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	70	15	20	10	15	2
	achieved	16.4	3.0	10.0	0.10	10.10	1.28
Malacký	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	35	7	20	0.5	15	1
	achieved	20.8	4.0	11.3	1.32	13.90	0.44
Rohožník	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	650	300	350	60	-	-
	achieved	26.6	4.5	13.1	14.90	-	-
Pl. Štvrtok	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	47	10	25	-	-	-
	achieved	44.5	20.6	22.8	-	-	-

Myjava	indicator	CHSK_{Cr}	BSK₅	NL	N-NH₄₊	N_{total}	P_{total}
	permit	60	15	15	3	15	1
	achieved	14.8	3.0	10.0	1.24	11.33	0.55
Brezová pod Bradlom	indicator	CHSK_{Cr}	BSK₅	NL	N-NH₄₊	N_{total}	P_{total}
	permit	40	8	20	1.5	-	-
	achieved	13.9	3.0	10.0	0.17	-	-
Senica	indicator	CHSK_{Cr}	BSK₅	NL	N-NH₄₊	N_{total}	P_{total}
	permit	50	10	10	3	15	1
	achieved	20.8	3.0	10.0	0.90	13.10	0.59
Smrdáky	indicator	CHSK_{Cr}	BSK₅	NL	N-NH₄₊	N_{total}	P_{total}
	permit	40	15	25	-	-	-
	achieved	21.8	3.4	11.8	-	-	-
Holíč	indicator	CHSK_{Cr}	BSK₅	NL	N-NH₄₊	N_{total}	P_{total}
	permit	50	10	10	5	15	1
	achieved	17.2	3.1	10.0	0.10	8.80	0.75
Skalica	indicator	CHSK_{Cr}	BSK₅	NL	N-NH₄₊	N_{total}	P_{total}
	permit	45	10	15	4	15	1.5
	achieved	24.0	3.1	10.5	1.60	12.30	0.38
Gbely	indicator	CHSK_{Cr}	BSK₅	NL	N-NH₄₊	N_{total}	P_{total}
	permit	40	10	20	2	-	-
	achieved	21.0	3.2	10.7	1.50	-	-
Šaštín	indicator	CHSK_{Cr}	BSK₅	NL	N-NH₄₊	N_{total}	P_{total}
	permit	40	10	20	2	-	-
	achieved	20.0	3.0	10.0	2.10	-	-
Prievaly	indicator	CHSK_{Cr}	BSK₅	NL	N-NH₄₊	N_{total}	P_{total}
	permit	135	30	30	-	-	-
	achieved	52.8	6.1	13.3	-	-	-
Jablonica	indicator	CHSK_{Cr}	BSK₅	NL	N-NH₄₊	N_{total}	P_{total}
	permit	70	30	30	-	-	-
	achieved	34.0	4.1	10.3	-	-	-

Šajd. Humence	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	135	30	30	-	-	-
	achieved	34.0	3.8	12.8	-	-	-
Kopčany	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	90	15	25	-	-	-
	achieved	54.3	4.4	14.8	-	-	-
Pl. Peter	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	100	30	30	-	-	-
	achieved	52.7	4.4	20.0	-	-	-

Reused sludge from WWTPs in 2018 (raw thickened sludge, stabilized dewatered sludge in tonnes of 100% dry matter.y⁻¹)

	raw thickened sludge	dewatered stabilized sludge
Vrakuňa	14,700.35	-
Petržalka	1,778.56	-
Devínska Nová Ves	720.16	-
Modra + 1 malá ČOV	-	245.39
Senec	-	351.43
Hamuliakovo	-	251.48
Malacky + 2 malé ČOV	-	434.83
Myjava	-	186.58
Brezová pod Bralom	-	42.72
Senica + 6 malých ČOV	953.21	-
Holíč + 2 malé ČOV	-	115.275
Skalica	-	237.98

Biogas production in WWTPs in 2018 (m3.y-1), biogas treatment (%)

	biogas production	biogas consumption		
		boiler combustion	cogeneration	residual gas burner
Hamuliakovo	142,545	100	0	0
Myjava	73,939	4.1	95.9	0
Holíč	74,988	0	100	0

In 2018, the Wastewater Drainage Division (WWDD) operated professionally a total of 22 public sewer systems in 45 municipalities in the territory of BVS activities. The public sewer systems operated consist of 1,774 km of a sewer system network, 308 sewerage pumping stations, and other facilities (relief chambers, relief sewers, drainage structures, rainwater tanks, inverted siphons, sediment traps, etc.).

Smooth and failure-free drainage of wastewater into wastewater treatment plants was ensured by the individual WWDD operations in Bratislava, Modra and Senica through continuous inspections, revisions, repairs and cleaning of the sewerage networks and pumping stations, as well as other facilities, in line with the approved operating rules of public sewer systems.

In addition to the said operating activities, the WWDD carried out, together with BVS's other organizational units, regular quality checks of wastewater from industrial producers drained by means of public sewer systems, with subsequent fines to penalize those who exceeded contractually agreed values of maximum permissible wastewater pollution.

	Bratislava	Bratislava - vidiek	Senica	Total
Number of public sewer systems	1	5	16	22
Number of municipalities with a public sewer system	3	17	25	45
Length of the sewerage network (km)	968	408	398	1,774
Pumping stations	75	176	57	308
Wastewater quality contracts	240	24	28	292

Note. : we do not keep records on the number of sewer connections and quantities of drained wastewater at the WWDD

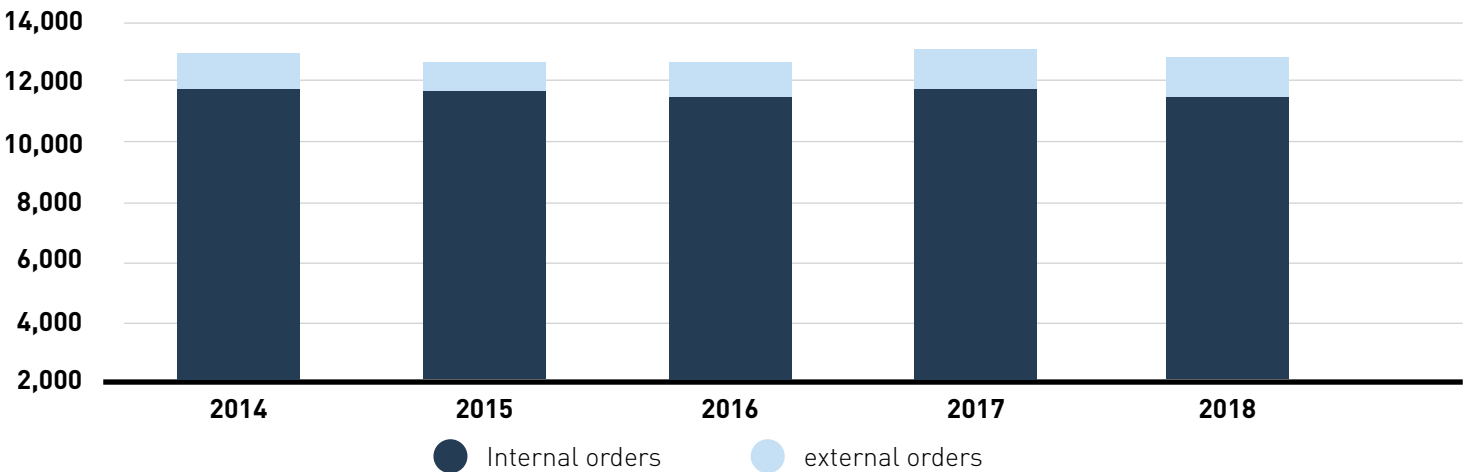
LABORATORY ACTIVITIES

The accredited testing laboratory carried out water quality monitoring checks of the quality of drinking water in all public water-main facilities operated by our company from the water source to the final consumer. A similar process of water quality monitoring checks is used to inspect drained and treated wastewater from all public sewer system facilities, from sewer connections through the individual technological stages of

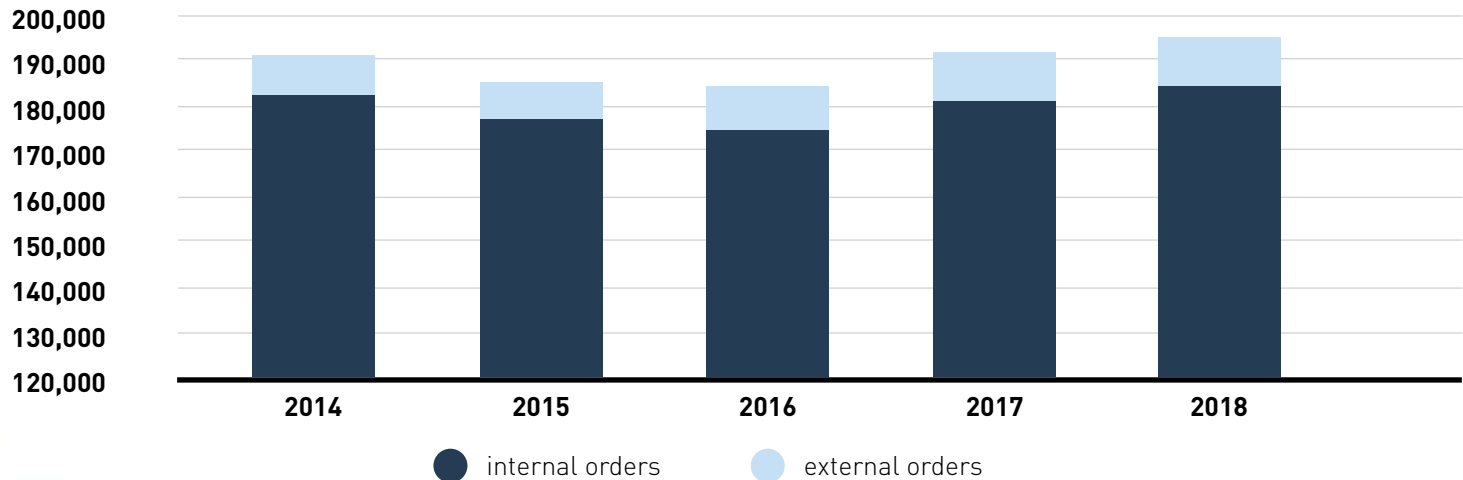
wastewater treatment plants (WWTP) all the way to purified wastewater discharged released into surface watercourses from the sewer system outlets. In addition to monitoring both drinking and wastewater for our company's needs, the testing laboratory used its free capacity to perform water analyses ordered by external customers

Overview of the activities of the testing laboratory in the years 2014 - 2018:

Number of samples



Number of analyses



Overview of the testing laboratory's activities in 2018:

Year 2018	Drinking water	Wastewater	Total
Number of samples			
Internal orders	3,915	7,735	11,650
External orders	273	997	1,270
Total	4,188	8,732	12,920
Number of analyses			
Internal orders	121,982	62,629	184,611
External orders	5,001	5,295	10,296
Total	126,983	67,924	194,907

The total **number of samples** represents the total number of drinking water and wastewater samples analysed. The number of drinking water samples is based on the annual Drinking Water Quality Monitoring Checks Programmes drawn up in accordance with the Regulation of the Ministry of the Environment of the Slovak Republic No. 636/2004 Coll. and the Regulation of the Ministry of Health of the Slovak Republic No. 247/2017 Coll. approved annually by local regional public health offices, as well as on the needs of the company in terms of the monitoring of water sources and the operation of public water mains. The number of wastewater samples is based on annual programmes of operational monitoring of WWTPs and the inspection monitoring of wastewater producers connected to the public sewer system, drawn up in accordance with the Regulation of the Ministry of the Environment of the Slovak Republic No. 315/2014 Coll. and the Regulation of the Ministry of the Environment of the Slovak Republic No. 55/2004 Coll., as well as on the current needs of the company in the operation of the WWTP and of the sewerage network.

The total **number of analyses** represents the total number of performed analyses of the individual drinking water or wastewater quality indicators, i.e. the total number of laboratory tests performed. The testing laboratory performs laboratory

analyses of all drinking and wastewater indicators required by applicable legislation except for radiochemical indicators, which are sub-contracted to the Water Research Institute (Výskumný ústav vodného hospodárstva, VÚVH) in Bratislava.

The capability of the testing laboratory to perform accredited activities (i.e. sampling and analyses of drinking and wastewater) in an impartial and credible way by demonstrating the fulfilment of the requirements of the international standard ISO/IEC 17 025:2005 was verified in 2018 by the accreditation supervision of the Slovak National Accreditation Service, which, as part of the supervision, also assessed an extension of the scope of the accreditation of the testing laboratory by adding 20 more tests (determination of bromates, polar pesticides and metals using the ICP/MS method in drinking water and determination of extractable substances in wastewater).

The testing laboratory passed the accreditation supervision and the extension of the scope of accreditation successfully; this was also confirmed by the Slovak National Accreditation Service in its decision No. 326/7667/2018/1 of 3 October 2018 and by awarding the Certificate of Accreditation No. S-235 with effect from 3 October 2018 to 9 June 2020.

SUBSIDIARIES

BIONERGY, a. s.

Sales (Net turnover):	EUR 7,869,782
Profit/loss before tax:	EUR 325,055
Profit/loss after tax:	EUR 220,343

Nature of the business:

- doing business in non-hazardous waste management,
- corporate, organizational and economic consulting,
- purchase of goods for the purpose of their sale to the end consumer (retail) or for the purpose of their sale to other persons (entities) carrying on a trade (wholesale)
- brokerage activities in trade
- brokerage activities in production
- brokerage activities in services
- generation and supply of electricity through power generating equipment with a maximum output of 1 MW,
- generation and supply of electricity,
- rental (lease) of movable property,
- services related to computerized data processing,
- informative testing, measuring, analysis and inspections,
- generation of heat, distribution of heat,
- research and development in the field of natural sciences and engineering



Statutory, supervisory and other bodies of the company:

Board of Directors (Managing Board):

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

Pavol Bulla - Chairman
JUDr. Richard Mikulec - member
Miroslav Sabovčík - member

Information on changes in the Board of Directors and Supervisory Board

11 April 2018 Zdenka Zaťovičová – termination of the office of the Chairman of the Supervisory Board of BIOENERGY
27 April 2018 Pavol Bulla – appointed the new Chairman of the Supervisory Board of BIOENERGY



SUBSIDIARIES

INFRA SERVICES, a. s.

Sales (Net turnover):	EUR 44,988,863
Profit/loss before tax:	EUR 2,107,577
Profit/loss after tax:	EUR 1,612,313

Nature of the business:

- plumbing and heating,
- concrete work,
- cleaning and maintenance of roads,
- implementation of built structures and modifications thereof,
- engineering activities - procurement services in the construction sector within the scope of an unqualified trade,
- earthworks,
- brokerage activities in the field of trade, services and production within the scope of an unqualified trade,
- rental (lease) of machinery, devices, equipment, means of transport and computer technology,
- doing business in non-hazardous waste management;
- locksmithery,
- mechanical cleaning of sewerage networks within the scope of an unqualified trade,
- repairs of electrical selected technical equipment,
- repairs and installation of water overflow meters,
- verification of specified measuring instruments (until 1 July 2018),
- informative reading of numerical data recorded on measuring instruments,
- services related to computerized data processing,
- computer services,
- administrative services,
- advertising and marketing services,
- management and maintenance of residential and non-residential premises within the scope of an unqualified trade,
- research and development in the field of natural and technical sciences,
- operation of category I public water mains (from 2 February 2018),
- operation of category I public sewer systems (from 2 February 2018).



Statutory, supervisory and other bodies of the company:

Board of Directors:

Ing. Zsolt Lukáč , PhD., EMBA - Chairman

Mgr. Juraj Bugala - Vice-Chairman (termination of office: 1 October 2018)

JUDr. Alžbeta Calpaš Mordinová - Vice-Chairman (commencement of office: 1 October 2018)

Ing. Tomáš Filípek - member

Ing. Roman Masár - member

Ing. Peter Hamaj - member

Ing. František Sobota - member

Supervisory Board:

Ing. Milan Roman – Chairman

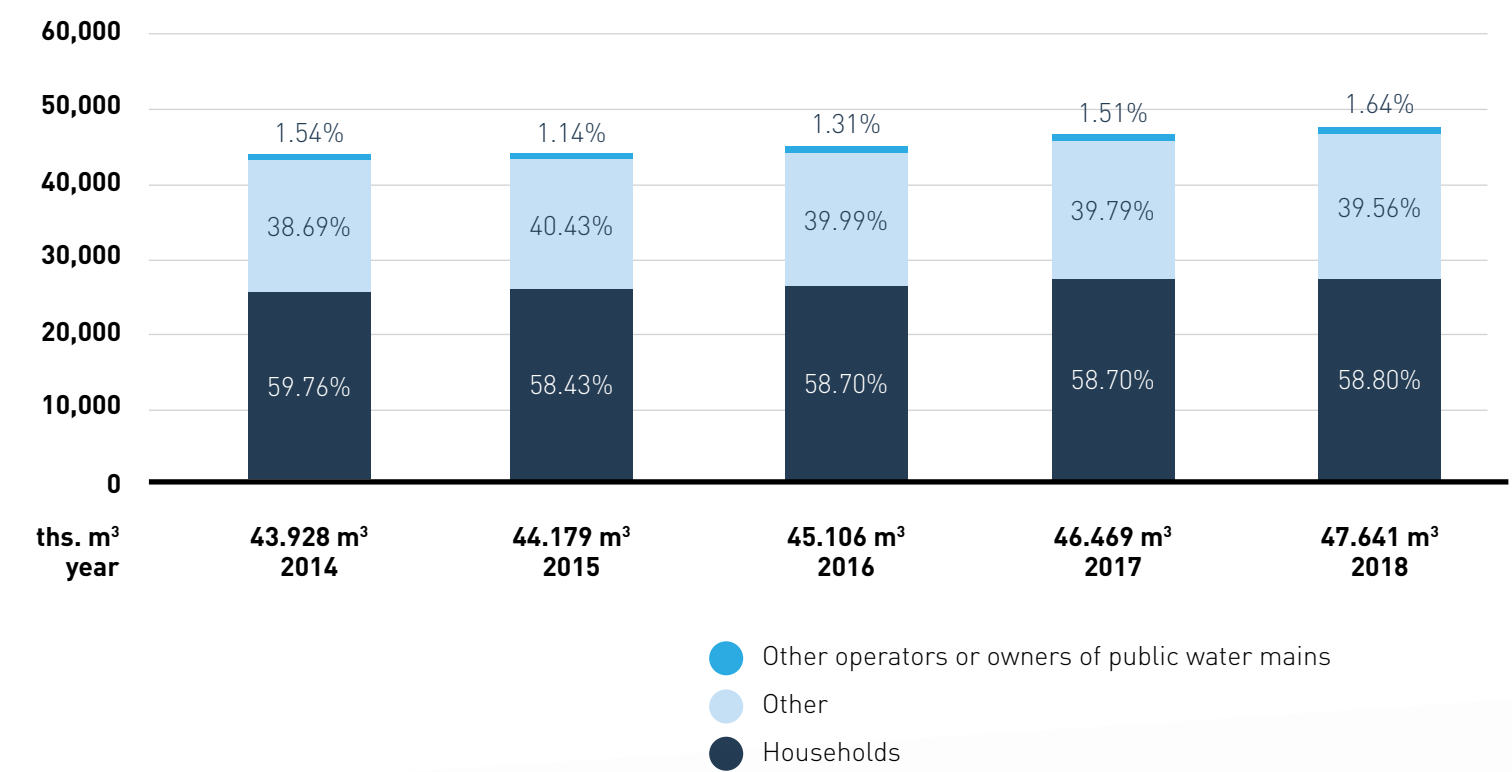
Ing. Roman Weinštuk – member

Mário Hesek - member

OUR CUSTOMERS

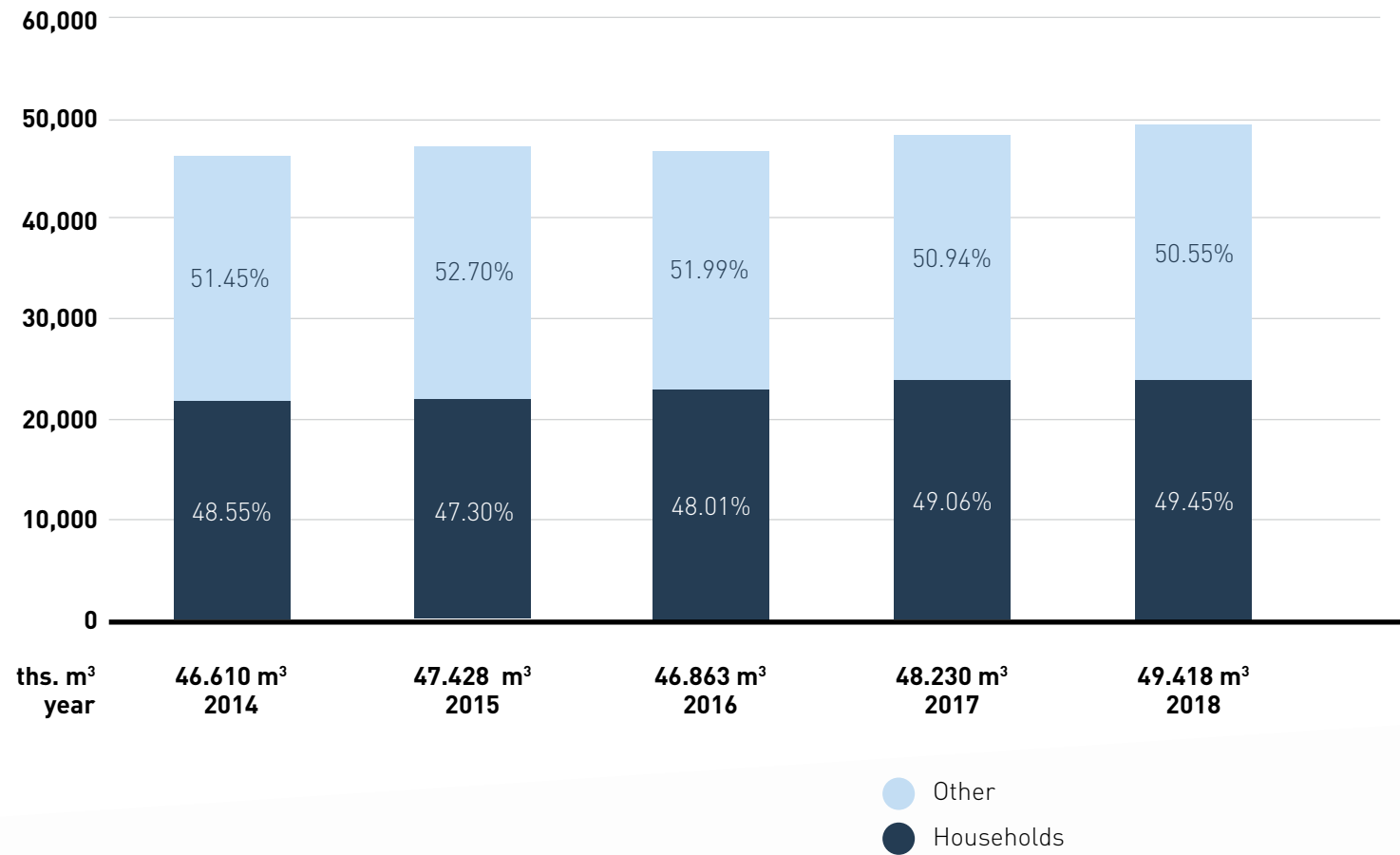
BVS supplies drinking water to three basic segments – households, other operators or owners of public water mains, and other customers. Other operators or owners of public water mains include entities that further supply drinking water to customers through public water mains that they either own or operate.

		2014	2015	2016	2017	2018
Drinking water (ths. m³)		43,928 ths. m³	44,179 ths. m³	45,106 ths. m³	46,469 ths. m³	47,641 ths. m³
Households	ths. m³	25,667	25,935	26,478	27,324	27,611
Other	ths. m³	17,762	17,666	17,946	18,381	19,188
Other operators or owners of public water mains	ths. m³	499	578	681	764	842



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

		2014	2015	2016	2017	2018
Water drained (ths. m³)		46,610 ths. m³	47,428 ths. m³	46,863 ths. m³	48,230 ths. m³	49,418 ths.m³
Households	ths. m³	22,048	22,770	22,990	23,852	24,078
Other	ths. m³	24,562	24,658	23,873	24,378	25,340



TOP CUSTOMERS OF BVS IN 2018

Veolia Energia Slovensko, a.s.

Bratislavská teplárenská, a.s.

Bratislava, the Capital of the Slovak Republic

Bytové družstvo Petržalka
[Petržalka Housing Cooperative]

RAJO a.s.

SLOVNAFT, a.s.

Stavebné bytové družstvo občanov so sídlom v Pezinku
[Residential Building Cooperative of Citizens based in Pezinok]

Železnice Slovenskej republiky, Bratislava
[Railways of the Slovak Republic, Bratislava]

Univerzitná nemocnica Bratislava
[Bratislava University Hospital]

Okresné stavebné bytové družstvo Senica
[District Residential Building Cooperative in Senica]



PRICE FOR THE PRODUCTION, DISTRIBUTION AND SUPPLY OF DRINKING WATER AND DRAINAGE AND TREATMENT OF WASTEWATER

Prices in the water industry and the conditions for their application are set by the Regulatory Office for Network Industries (hereinafter referred to as the "RONI") by Act No. 250/2012 Coll. on Regulation in Network Industries, as amended, and RONI Decree No. 204/2018 Coll. of 27 June 2018 amending RONI Decree No. 21/2017 Coll. of 13 February 2017 Laying Down a Price Regulation for the Production, Distribution and Supply of Drinking Water through Public Water Mains and the Drainage and Treatment of Wastewater through the Public Sewer System.

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

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

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



Final price decision No. 0158/2017/V, by which the Regulatory Office for Network Industries sets prices for the period from 1 January 2017 to 31 December 2021

Final price decision	€/m³ excl. VAT	€/m³ incl. VAT
Maximum price for the production and supply of drinking water through public water mains	0.9359	1.1231
Maximum price for the production and distribution of drinking water through public water mains	0.6547	0.7856
Maximum price for the drainage and treatment of wastewater through the public sewer system	0.9216	1.1059

No new prices for the production and supply of drinking water through public water mains, the production and distribution of drinking water through public water mains and for the drainage and treatment of wastewater through the public sewer system were approved during the 2014-2018 period by the RONI for BVS.

Development of prices approved by the RONI during the years 2014 – 2018 per m³ (excl. VAT)

BVS	2014	2015	2016	2017	2018
Price for the production and supply of drinking water through public water mains	0.9359	0.9359	0.9359	0.9359	0.9359
Price for the production and distribution of drinking water through public water mains	0.6547	0.6547	0.6547	0.6547	0.6547
Price for the drainage and treatment of wastewater through the public sewer system	0.9216	0.9216	0.9216	0.9216	0.9216

Development of prices approved by the RONI during the years 2014 – 2018 per m³ (incl. VAT)

BVS	2014	2015	2016	2017	2018
Price for the production and supply of drinking water through public water mains	1.1231	1.1231	1.1231	1.1231	1.1231
Price for the production and distribution of drinking water through public water mains	0.7856	0.7856	0.7856	0.7856	0.7856
Price for the drainage and treatment of wastewater through the public sewer system	1.1059	1.1059	1.1059	1.1059	1.1059

HUMAN RESOURCES

On 31 December 2018, BVS employed a total of 757 employees. The number of employees increased by 7 employees compared to the previous year. Of the total of 757 employees, 463 were in the technical and business professionals (TBP) category and 294 were in the blue-collar workers (BC) category.

The share of employed women in the total number of employees was 30.64% (232 women in absolute terms), 31 of whom were in management positions. On 31 December 2018, there were a total of 24 female employees on maternity or parental leave, as recorded in the company's records.

The average recorded number of employees in terms of natural persons in 2018 was 754 employees. The average recorded number of employees recalculated to full-time employees in 2018 was comparable, at 762 employees.

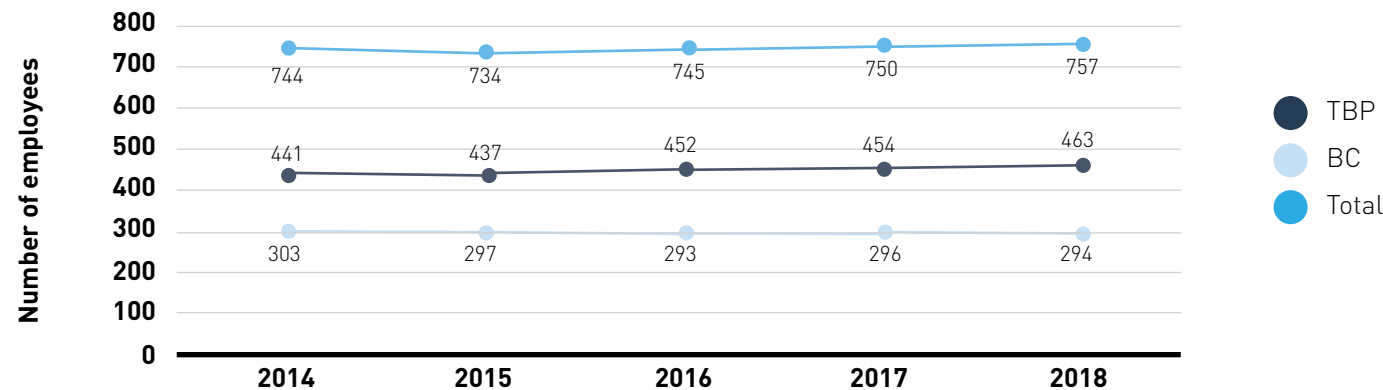
On 31 December 2018, the average age of employees was 47.27 years.

An overview of planned - systemized jobs and the actual physical number of employees as of 31 December 2018, broken down by departments and divisions, is shown in the following table:

BVS	Plan for 2018	Number of natural persons
	Status as of 31 Dec. 2018	Status as of 31 Dec. 2018
HQ – CEO Department	66	59
HQ – Production and Distribution Department	34	34
HQ – Economic Department	121	120
HQ – Investment Department	31	29
HQ – Technical Department	41	39
HQ – Strategy and Development Department	10	8
Water Production Division	150	150
Wastewater Drainage Division	27	26
Wastewater Treatment Division	152	150
Water Distribution Division	94	91
Chemical Technology and Laboratory Activities Division	52	51
BVS –total	778	757

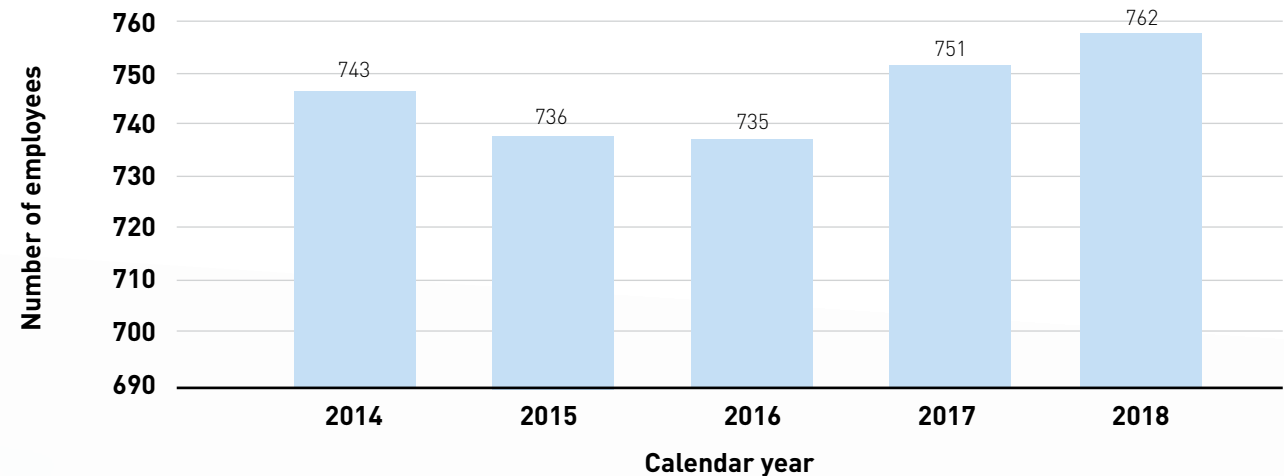
Development of the total number of BVS employees

Development of BVS employees in the period
2014 - 2018 (physical state as at 31 December)



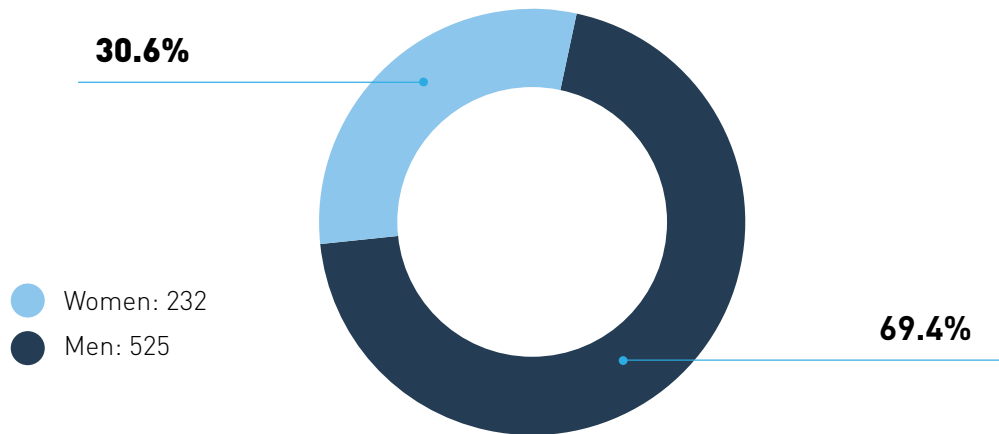
Development of the recalculated number of BVS employees

Development of the recalculated number
of BVS employees in the period 2014 - 2018



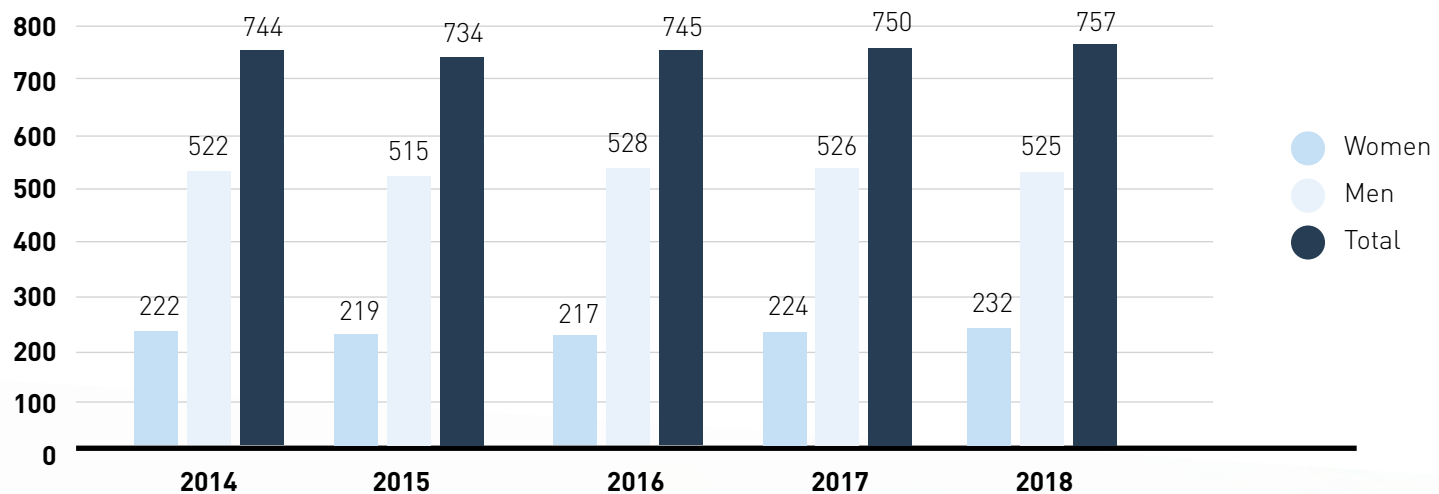
Structure of employees broken down by sex as of 31 December 2018

Structure of employees broken down by sex as of 31 December 2018



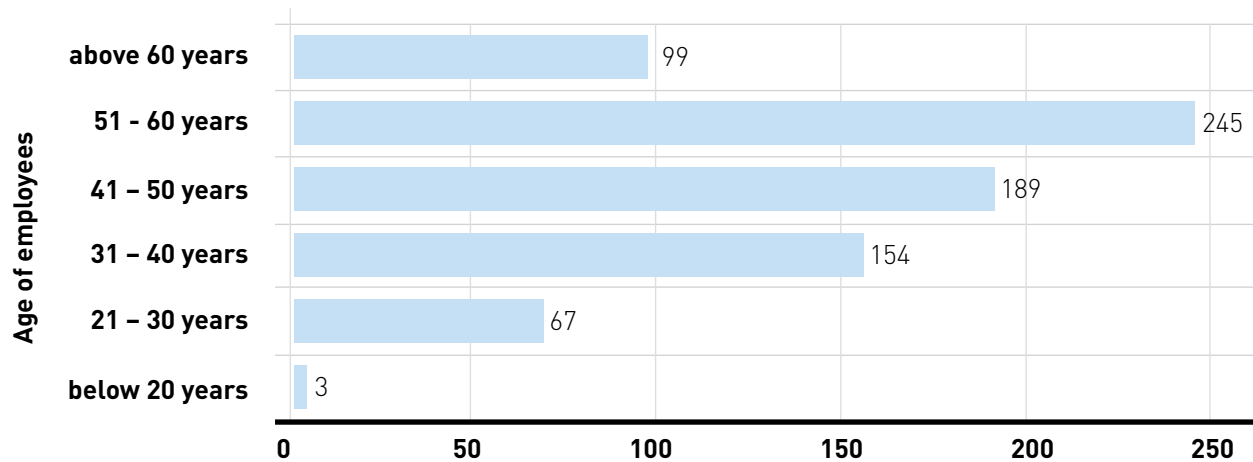
Development of the number of BVS employees broken down by sex

Development of the number of BVS employees broken down by sex in the period 2014 - 2018



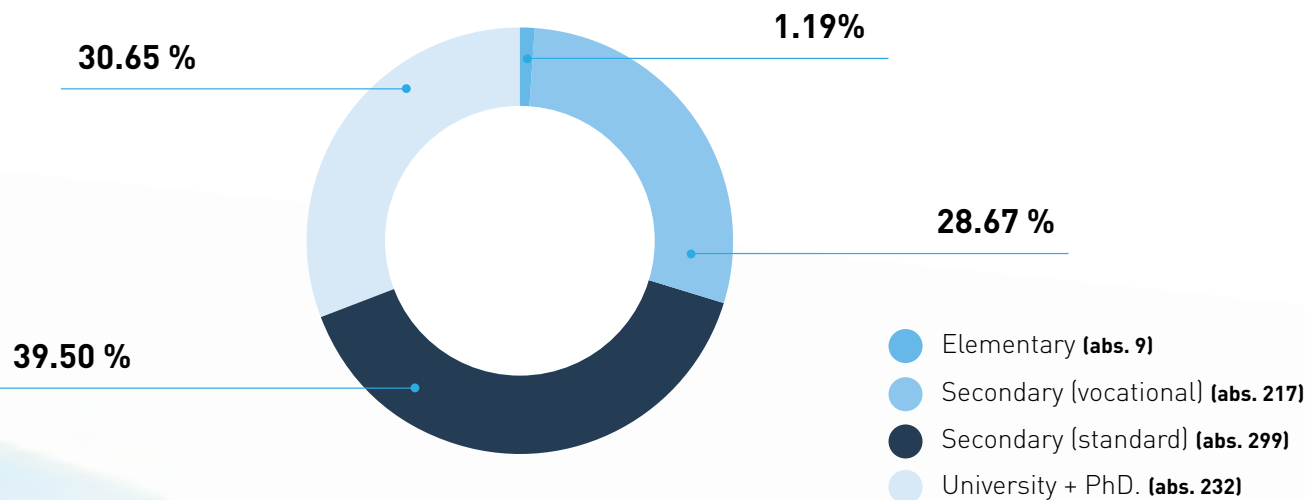
Structure of BVS employees broken down by age as of 31 December 2018

Age structure of BVS employees as at 31 December 2018



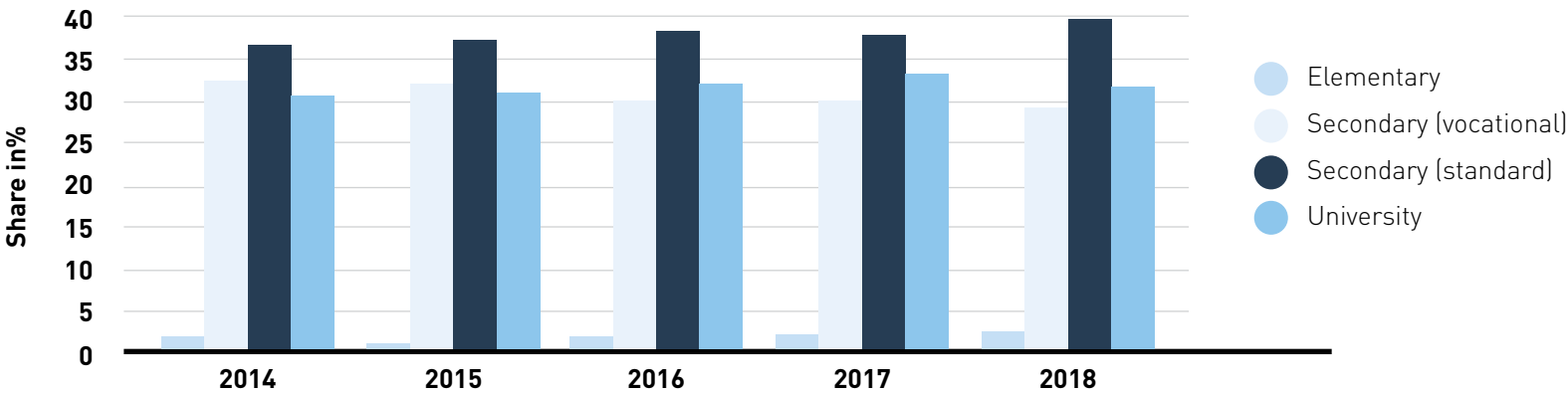
Structure of employees broken down by the highest education level achieved as of 31 December 2018

Education level of BVS employees as of 31 December 2018



Development of the educational structure of BVS employees over 5 years

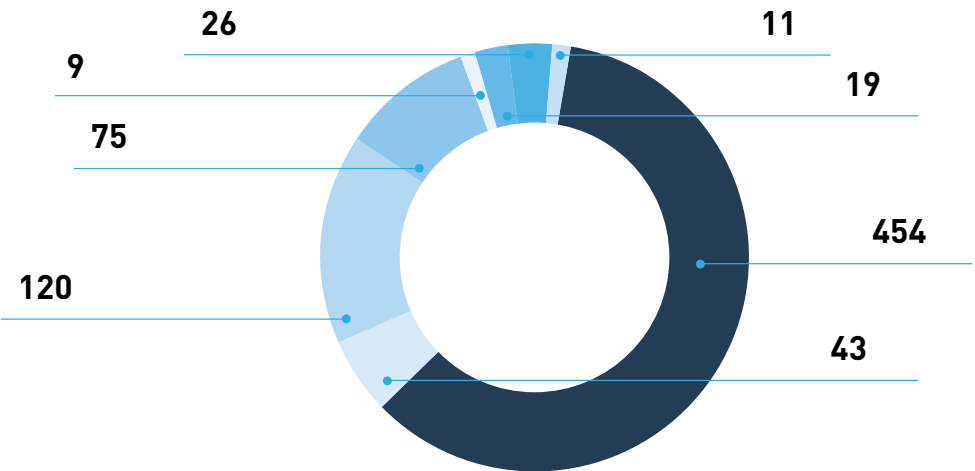
Qualification structure of BVS during the period 2014 - 2018



Occupational structure of employees as of 31 December 2018

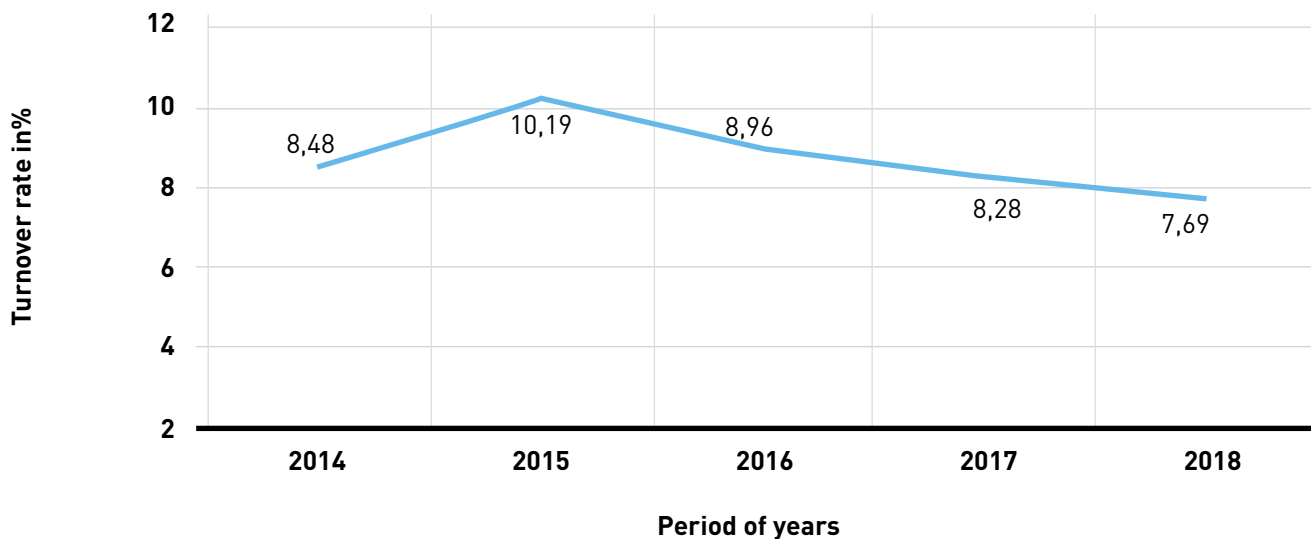
Occupational structure of employees of BVS as of 31 December 2018

- THP
- Water network technician
- Water equipment engine operator - WWTP
- Water equipment engine operator - WWTP
- Measurement and water network diagnostics specialists
- Water supply facilities engineer - electrician
- Water supply facilities engineer - fitter
- Other manual worker professions



During the period under review (2018) a total of 66 employees were hired and 58 employees terminated their employment. The overall staff turnover rate in 2018 was 7.69%.

Development of the turnover rate for the years 2014 - 2018



Social policy

In 2018, BVS continued with its pre-set social program, and in the area of employee care and as part of implementation of its social policy, it contributed from the Social Fund for employees mainly to a supplementary pension saving scheme (SPS), for employee dining services and for social financial support for long-term sick leaves. It also provided allowances for individually organized child recreation for the children of employees, for a childbirth, for a first marriage and for becoming independent from parents and the associated purchase of a first apartment or construction of a first single-family house, as well as an optional social allowance to cover various social, regenerative, sports and cultural activities.

As part of the employer's and employee's participation in the SPS, a total of 490 employees took part in the saving scheme; in addition to payments out of company expenses (totalling EUR 136,544.80 in 2018), the company also made contributions totalling EUR 62,167.00 from the Social Fund.

Like in previous years, in 2018 the company paid attention to the implementation of an employee health care program, including preventive vaccines against hepatitis A and B and tick-borne encephalitis, and a program to support the adaptation of graduates and new employees of the company.

The program of social policy implemented in the year under review also included social, cultural and sports activities for employees, as well as social activities for seniors – former employees of the company.

In 2018, the company's social and wage policy continued to include the provision of bonuses to employees on the occasion of important work-related anniversaries and bonuses to non-contributory blood donors.

Education (training) and development of employees

BVS has for a long time been devoting attention to the process of education (training) and development of the professional knowledge and skills of its employees, and in 2018 it again focused its activities on increasing the quality of the pre-set process and on increasing the expertise and skills of its employees. In order to fulfil the stated mission (to be a reliable partner in the supply of high-quality drinking water and its ecological restoration within the natural cycle of water in nature) and vision of the company (to get services to every consumer in the territory of our company's activities and achieve the maximum possible level of satisfaction of all our customers), in 2018, employees completed educational and training activities focusing mainly on maintaining the quality of their professional competencies in the operation of public water mains and public sewer systems, on improving the quality of services provided, on learning and maintaining technological procedures and environmental protection and deepening their knowledge for the provision of other services to customers. They also participated in educational activities in the area of occupational safety and health and personal growth in the company. Great emphasis was placed on expanding and improving the qualification of employees and also providing professional courses in the area of managerial skills for specifically selected successors to company employees (so-called career replacements) in important positions designated by the employer.

As part of the 2018 education scheme, employees completed educational (training) activities aimed at developing communication skills for contact employees and managerial skills for specifically selected successors to company employees

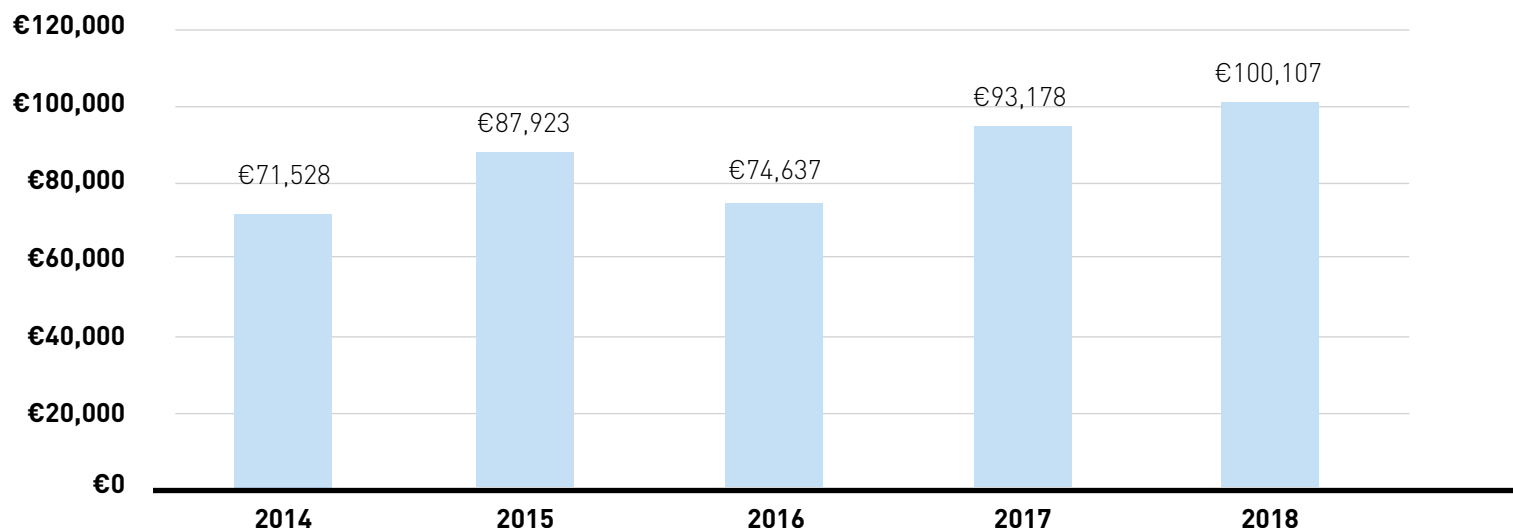
(so-called career replacements) in important positions designated by the employer.

Support for improving the language skills of employees in the English language in the form of individual and group courses directly at the workplace and in increasing the qualification of employees in various professional areas related to the particular jobs of employees in the company made up a separate group in the system of employee education (training) and development.

The company continued to cooperate with secondary vocational schools within the system of practical education of pupils with the aim of ensuring productive work of pupils. The cooperation consists in providing practical training for pupils learning to be plumbers and electricians at the premises of BVS under the supervision of designated employees in the individual company plants. To increase visibility in the awareness of future job applicants, BVS was actively involved in cooperation as part of Open Days at secondary vocational schools.

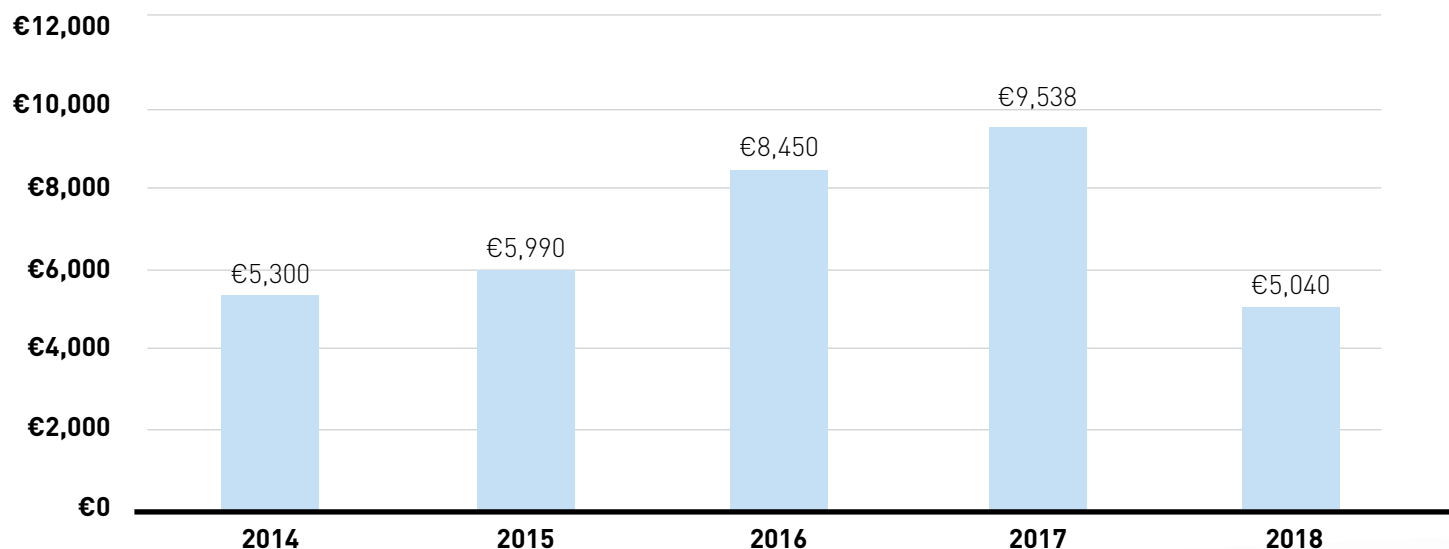
In 2018, the company invested € 100,107.00 in employee education (training) and development for mandatory professional update retraining activities resulting from OSH and PPE regulations and other legislation, as well as professional workshops, domestic and foreign professional conferences, courses, seminars aimed at increasing professional and occupational knowledge of employees, language training and qualification improvement.

Overview of the development of staff training and education costs (in €) for the years 2014 - 2018:



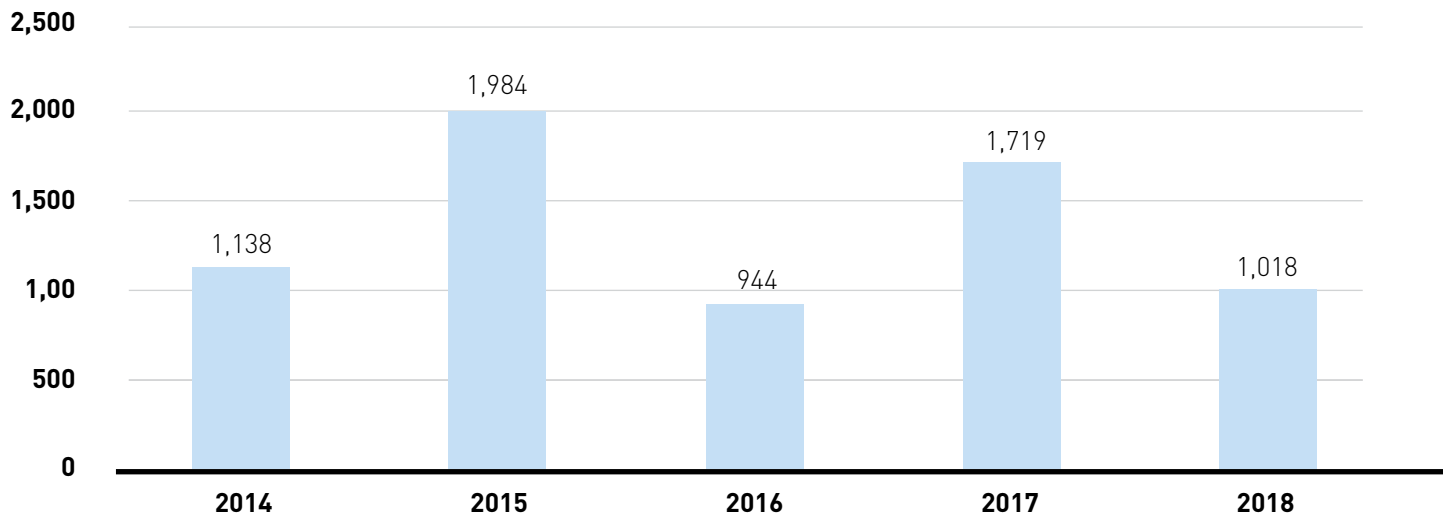
In 2018, the company again created conditions for the possibility of improving employee qualification and enabled 5 employees to improve their qualification, particularly in terms of economy, law and natural science.

Overview of the development of employee qualification improvement costs (in €) for the years 2014 -2018:

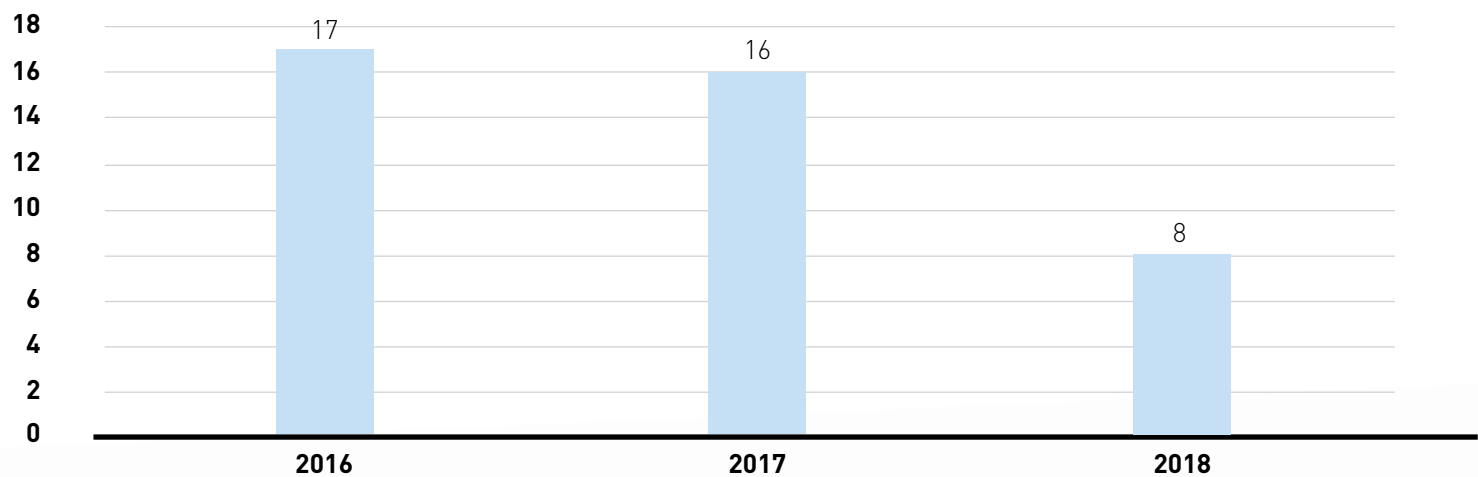


In 2018, a total of 1018 employees participated in various training activities in the BVS employee training and development system.

Overview of the number of employees participating in the process of employee education and development for the years 2014 - 2018:



Overview of the number of pupils of secondary vocational schools who performed productive work as part of the provision of professional training for the years 2016 - 2018:



THE COMPANY IN THE MEDIA

Thomas Puskailer will show schoolchildren how not to waste water

The ECO H2O TOUR continues.

Bratislava, 6 February (SkolskyServis.sk) - Thomas Puskailer is a fresh father of little Noah and therefore has an even greater motivation to protect the environment. Today, the popular singer kicked off another part of the unique ECO H2O TOUR, where he decided to show everybody how to protect water and use it responsibly. Thomas Puskailer's environmental project is unparalleled in Slovakia. Last year, he held 24 concerts in 20 cities for 10,000 pupils as part of the project. He invited his colleagues Martin Madej and Ondrej Antálek to the tour, and they already have 20 more concerts scheduled – from Bratislava to Poprad. Get to know the water cycle in nature with a smiling Thomas Puskailer!

The ECO H2O TOUR is a project with no time limit, initiated by the singer and enthusiastic environmentalist Thomas Puskailer. The popular singer, actor and presenter is an example of how popularity can be put to use for environmental protection. Thomas Puskailer is not hiding his joy: "We had 24 successful concerts in 2017, in 20 cities. Due to the great success, we decided to continue this project, and today we are starting this year's part. Schools still apply, sometimes we even have two concerts in a row. I'm looking forward to all of Slovakia ..."

ECO H2O TOUR was created in cooperation with the Tree of Life and the Blue School, a long-term educational program of Bratislavská vodárenská spoločnosť. Its aim is to raise the environmental awareness of elementary school pupils in an entertaining way and to elucidate the topic of water for them. The project is designed to gradually increase and to keep the attention of viewers from beginning to end.

"Thank you for the fantastic ECO H2O TOUR show. It was illustrative, engaging, dynamic and carried out at a high professional level. Not only did the pupils enjoy it, but the teachers, too," says Iveta Slovinská from the Kráľovský Chlmec Elementary School.

"The event was perfect, inspiring, engaging, simply professional. It attracted everyone's attention. Definitely the best educational concert for me, and that's not only my opinion, but also the opinion of teachers and younger and older pupils. The involvement of pupils in competitions for nice T-shirts was very nice," praises Radovan Skyba of the Tomášov Elementary School.

Thomas Puskailer and his colleagues Martin Madej and Ondrej Antálek illustrate every aspect of water – beginning with its origin, the water cycle, states of aggregation, exploitation, water supplies, scarcity, pollution and above all how not to waste it in households.

"We're presenting a one-hour interactive program during the tour. It includes competitions, a quiz, eco-songs and short videos with famous show business personalities. At the end, we always please the children with an autograph session. I'm very happy about their reactions; we get a great response. One girl literally said that the ECO H2O TOUR was the best concert in her life!" Thomas says with enthusiasm.

For the likeable Thomas, ecology is not just a pose, but a true life attitude. He thinks there are indeed many possibilities for living ecologically. First of all, you have to have the will to do so, and then it's easy. Concerts are organized in cooperation with the schools. The role of the school is to provide the necessary space, ideally an arts and leisure centre, and Thomas will ensure the technical implementation, including the sound technology. If you are interested, just apply at info@ecotour.sk. You can find more information about the ECO H2O TOUR at www.ecotour.sk

www.teraz.sk, 6 February 2018

Water cycle in water treatment

Zuzana Straková-Wenzlová, presenter: "More than 80 percent of the drinking water in Slovakia comes from groundwater. These resources are also used by Bratislavská vodárenská spoločnosť. Although water from Žitný ostrov is high-quality water and requires only minimum treatment, it must pass a variety of laboratory tests. But this is only the beginning – the average consumer doesn't see what happens to the water afterwards, how it becomes wastewater. However, the water cycle in water treatment is a complex and expensive process."

Dagmar Hrubšová, editor: "The laboratory of Bratislavská vodárenská spoločnosť has two parts. One checks the quality of wastewater and the other the quality of drinking water. We have no problems with drinking water quality in our country. Therefore, it is not necessary to treat the water technologically; it only has to be provided for in terms of health issues. But water quality analysis is the result of many research processes."

Eva Spáčová, Head of the Chemical and Technological Laboratory Activities of BVS: "About 26 indicators are measured as part of the minimum analysis. We monitor 85 to 86 indicators as part of the full range of analysis."

Dagmar Hrubšová: "More than 12,000 samples per year pass through the hands of laboratory staff, representing over 185,000 different analyses per year."

Eva Spáčová: "In order for us to ensure the full range of indicators stipulated by regulations, these analyses need to be carried out using expensive instrumentation. The price of a minimum analysis is about 110 euros without VAT; the price of a full analysis without radiochemical indicators is about 700 - 710 euros per sample."

Dagmar Hrubšová: "This is how hygienically safe drinking water is distributed to the final consumer."

Michal Dušanič, Head of the Water Distribution Division of BVS: "In the environment of Bratislava, the distribution system

means a system of reservoirs forming pressure zones. These reservoirs are situated at the same altitude. Subsequently, water is accumulated in these reservoirs and is gravitationally released to the point of consumption."

Dagmar Hrubšová: "Both service water and high-quality drinking water become wastewater very quickly. It then reaches a wastewater treatment plant through the public sewer system. Residents expect a smooth outflow. But, there are often things in the pipes that don't belong there."

Peter Valachovič, Head of the Wastewater Drainage Division of BVS: "Solid material, some stones, boards and of course various oils, chemical compounds. We certainly don't recommend pouring used oil into the sewer when cooking."

Dagmar Hrubšová: "Such materials damage the pipelines, and the treatment plant is unable to process them. Many parts of the waste end up in this container."

Pavel Levársky, Head of the Wastewater Treatment Division of BVS: "It also contains materials and things that should not be in the sewer system. In the case of larger wastewater treatment plants, there are even Christmas trees or boards."

Dagmar Hrubšová: "Wastewater is purified in four basic stages. The purified water is then discharged into the Danube."

Pavel Levársky: "A wastewater treatment plant will purify wastewater to a level enabling it to be discharged into the recipient in the quality and within the limits permitted."

Dagmar Hrubšová: "Wastewater treatment is an important method of improving the quality of surface water."

Žurnál TV TA3, 17 February 2018

The wastewater treatment plant in Rohožník is being modernized, the work will be completed by November

The original technological equipment of the wastewater treatment plant was already past its design life.

The wastewater treatment plant (WWTP) in Rohožník, in the Malacky District, is being modernized for EUR 2.78 million, excluding VAT. The work is due to be completed in November.

Quality improvement

By introducing more progressive and more environmentally efficient technologies, Bratislavská vodárenská spoločnosť (BVS) wants to achieve an improvement in the quality indicators of water discharged into the surface stream after treatment.

The Rohožník WWTP belongs to the category of treatment plants for 2,000 to 10,000 residents and is subject to stricter criteria for the quality of the water discharged after treatment.

"The work carried out includes a comprehensive renovation and modernization of the mechanical treatment stage, the biological part of the WWTP, the separation part, in which the purified wastewater is separated from the sludge, with the subsequent addition of a tertiary treatment stage," said BVS spokesman Ján Pálffy. The original technological equipment of the wastewater treatment plant has already exceeded its design life.

The renovation and modernization of the Rohožník WWTP is being carried out by Vodohospodárske stavby. The contract price is EUR 2.78 million, excluding VAT. After completion of the work in November, a 12-month trial operation of the treatment plant will follow.

www.dnes24.sk, 19 February 2018



A lot will be happening today at the Waterworks Museum, too. You can come to an event on the occasion of the World Fish Migration Day

On Saturday (21 April) the life of migrating fish will be illustrated in Bratislava by excursions, information stands with demonstrations of living Danube fishes, as well as film screenings and creative workshops for children.

On the occasion of the World Fish Migration Day (21 April), a public event organized by the Ministry of the Environment in cooperation with non-governmental and state organizations will take place on the premises of the Waterworks Museum in Bratislava.

The program will include an excursion to the opening of the Karloveské rameno [Karlova Ves River Arm], through which water will flow again, and a tour of the waterworks water source on the island of Sihot'. According to the Ministry of the Environment, allowing water to again flow through the arm will

improve the irrigation of the area, which also contributes to higher quality and yield of the waterworks water source. "Also, the original flora and fauna as well as migration and reproduction of fish is being gradually restored, and suitable conditions for breeding rare bird species are being created," the ministry explains.

Celebrations of the World Fish Migration Day begin on 21 April with celebrations in New Zealand and will continue in countries around the world heading the west, ending with celebrations on the island of Hawaii. More than 400 events around the world are linked by the main idea "Connecting rivers, fish and people" and the Happy Fish logo, which symbolizes the free migration of fish between their spawning areas and habitats.

www.bratislavskenoviny.sk, 21 April 2018



Prestigious European prize awarded to the integrated information system of BVS

Bratislava, 13 December (OTS) - The Slovak consulting company gd-Team is the professional sponsor and implementer of the project.

The company SAP each year honours customers who have excelled in implementing SAP software solutions with the prestigious SAP Quality Awards. The second place in the "Fast delivery" category was the first SAP Quality Awards to ever be awarded to a Slovak company in this category.

Increased efficiency, process rationalization, online availability of complex data and significantly improved user value for the end user. All this was provided in the required quality, in a reasonable time and under continuous operation. Bratislavská vodárenská spoločnosť had been thinking about how to further develop its IT systems since as early as 2012. "As one of the companies that make up the critical infrastructure of the region, we have, of course, worked with several alternatives to best meet our requirements. One of them was the implementation of an SAP-based system, which we evaluated as the most suitable solution. In network industries, SAP-based systems are the standard, with approximately 80% of major European suppliers from these industries operating using them," says Ing. Zsolt Lukáč, PhD., EMBA, the CEO of BVS, a.s.

"We are very pleased that BVS chose a SAP solution and gd-Team as the professional implementer. Our more than ten years of experience in implementing SAP for clients from network industries in Germany paid off in this project," said Ing. Erik Gottschall, managing director and founder of gd-Team, a.s. "The high quality and fast implementation of the system would not have been possible if we hadn't had the absolutely professional team of our consultants and a good-quality SAP product available. And on the other hand – as the customer, we met with a management team that was convinced of the importance of changing the system and its positive impact on the future functioning of the company. This combination is a great advantage in any project," adds Erik Gottschall.

The main challenges of the project were to consolidate the existing systems, achieve higher user comfort and improve the quality and availability of data, because faster and more efficient decision-making contributes to an increase in the quality of the management of firms and organizations.

Gd-Team proposed a combination of ERP modules for enterprise resource and process management with IS-U modules developed by SAP specifically for companies providing network services, such as the waterworks industry. Immediately after its real start in early 2018, the new integrated system began to show its strengths. "The INTEGRIS system has functionalities that rationalize many intra-company processes, streamline data processing and simultaneously provide better communications with end customers. Although it goes without saying that any system has to run in for some time, INTEGRIS is optimized continuously according to the incoming requirements of its users and performance. Our parent company has a high-quality and robust system that is modellable and open to the deployment of new functionalities and offers a new quality of analytics for the decision-making process of the top management," explains Ing. Milan Hutkai, the CEO of Infra Services, a. s., a subsidiary of BVS, which has overseen the process of implementing the new IT system in the company.

The European SAP Quality Awards, which Bratislavská vodárenská spoločnosť obtained in cooperation with Infra Services and gd-Team, is the result of the high quality of work of all the participating teams. It is not easy to succeed in such a strong competition of projects from European countries. "This success means that BVS has implemented high-quality, flexible and stable software helping the company develop and introduce new services for its customers. We are glad that we could be part of this project," concludes Ing. Erik Gottschall, managing director and founder of gd-Team, a.s.

www.24hod.sk; 13 December 2018

SOCIAL RESPONSIBILITY AND PHILANTHROPY

In 2018, Bratislavská vodárenská spoločnosť implemented and supported projects and activities focusing on education, environmental education and philanthropy which were carried out in the field of BVS's operation. Through the Modrá škola – voda pre budúcnosť (Blue School – Water for the Future) programme we worked with pupils and teachers and financially supported social and sports events. The BVS Foundation also involved its employees in activities of public interest.

Traditional forms of support included the provision drinking regimens at various public events using tanks filled with drinking water. Interest in this kind of support is continually growing. In 2018, BVS supported the following events: the ČSOB Marathon 2018, the National Run Devin-Bratislava 2018, Forestry Days 2018, Cirkul-art 2018, the Battle for Bratislava, etc. We also made the tanks with drinking water available on hot summer days to residents and visitors of the capital city, who appreciated this service.

BVS Foundation

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

For the second time, the BVS Foundation was the part of the Educational Trail, which was an accompanying event at the

Hory a mesto (Mountains and City) festival. It was the 19th year of this festival of mountain and adventure films for children and youngsters, held from 21 – 25 March 2018 in the Bratislava shopping centre BORY MALL. In cooperation with the educational programme for children Modrá škola – voda pre budúcnosť (Blue School – Water for the future), we created the Drinking Water Centre, where kids could stop and learn something new about water and waterworks in an interactive way.

We arranged a blood donation event in Ružinov Hospital on 16 May 2018. It was attended by employees of BVS and its subsidiaries. In the course of the year we supported the sports, cultural and educational activities of our employees.

On the 7 April 2018, volunteers from BVS and its subsidiaries met in the garden of Vodárenské múzeum (Waterworks Museum) to clean the banks of the Karlova Ves arm of the Danube River. On this day, within the Spring Cleaning of Bratislava's Danube Banks, many volunteers cleaned the Danube branches in several parts of Bratislava: the Old Town, Karlova Ves, Petržalka (Aušpic and Lido) and Devin.

We supported 21 selected active primary schools within the territorial operation of BVS. The Foundation supported through one project a healthy lifestyle and healthy drinking habits of children. The objective was to support the school headmasters and teachers in educating pupils about water and waterworks. Selected schools were given gifts from the Foundation – sports balls and branded water bottles.

In 2018, through the grant programme Naučme sa viac o vode (Let's Learn More about Water) the Foundation supported regular and long-term teaching about water and waterworks at schools. We awarded 18 primary schools within the territory of BVS for their projects about water. In 2018, the BVS Foundation distributed funds in the amount of EUR 30,142.74, including the

non-distributed balance in the amount of EUR 0.00 of funds received from income tax in 2017. The income from the % of income tax received in 2018 amounted to EUR 0.00. The donations were distributed in compliance with the Foundation's Statute and on the basis of approval of the BVS Foundation's Management Board.

For information about the Foundation's activities, visit the website www.nadaciabvs.sk or see the Annual Report of the BVS Foundation for Year 2018.

Educational Projects

BVS emphasises the importance of teaching about water among children and young people. Through educational activities it explains waterworks processes and the importance of drinking water, points out the importance of drinking regimen, hygienic habits, the protection of water resources and other related topics to children in an interesting and playful way. For the tenth year the company implemented its own educational programme for children and youngsters *Modrá škola – voda pre budúcnosť* (Blue School – Water for the Future), which was very popular among pupils, students and teachers in 2018, too. In 2018, the programme was again devoted to educational and marketing activities for specific target groups and the public. At schools, it formed an integral part of the school educational system, and for the public it was an interesting enrichment of free-time. We paid attention to the education of children of all age groups, even to higher number of pre-school children, using various educational forms.

One of the most popular activities of the Blue School programme included teaching programmes in the BVS Waterworks Museum in Bratislava. These programmes are linked to the curriculum of state educational programmes and reflect the needs of individual levels of pre-school, primary and secondary education. They focus on learning by experience with the use of interactive models, experiments and games, through which children and youngsters will enjoy the topic of water even more and understand it better. In 2018, the educational programme

was attended by 1,100 pupils from 33 schools within the territory of BVS.

In the course of the year, pupils had the opportunity to participate at several competitions organised by the Blue School as the chief organiser or in cooperation with other parties. At the *Mladý filmový tvorca* (Young Filmmaker) competition young amateur filmmakers presented their talent, creativity and technical competence in a short animated film on the topic "water and ecology". The competition *Viem, čím budem a prečo* (I Know What I Will Be and Why) provided pupils with the space for fine-art (kindergartens) and literary (primary and secondary schools) expression of their dream job with water often playing an important role.

We ended the year 2018 with the traditional Water Festival, the objective of which was to help schools to actively involve their pupils in teaching and educational process in the field of environmental education, with special focus on water. By means of student projects under the management of teachers we again pointed out several major topics – water circulation in the nature, water quality, protection of water resources, drinking water production, etc.

All the above listed competitions were attended in 2018 by a total of 900 pupils from more than 500 schools from all over Slovakia, which clearly declares the meaningfulness of the Blue School's activities.

Through our activities we supported several major events to spread the company's good name, mainly the event *Bratislava pre všetkých* (Bratislava for All) with the Open Day (OD) in the Waterworks Museum and *Sihoť*, OD in the Slovak Hydrometeorological Institute, *Danube Day* and many others. We also participated in projects spreading environmental awareness (*Mountains and City Festival*, *ŠÍŠKA Festival*) and education about water (*ECO H2O Tour*).

BVS's proactive approach to education is also demonstrated by trips to the BVS's property, most frequently to the water source on *Sihoť Island* and to wastewater treatment facilities. In total, 22 trips to wastewater treatment facilities, 50 trips to *Sihoť Is-*

land and 8 trips to other BVS properties (water treatment facilities, retention tanks, water sources) took place for educational reasons. They were attended by more than 1,500 pupils, students and professionals.

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

WATERWORKS MUSEUM

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

In 2018, the Waterworks Museum housed two expositions – the main exhibition in the original spaces of the pumping station in Karlova Ves and the branch exhibition at the site of the first pumping station 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 2018, the Waterworks Museum's collection numbered 4,106 items of cultural value, including significant archival documents, projects and historical waterworks equipment.

During the year 15,120 visitors came to the Museum for a total of 216 events.

The Waterworks Museum organized 92 educational and professional visits to the Museum and the Sihot' water source, with a total number of 2,509 visitors. During public events – the Open Doors Days and the Night of Museums and Galleries – 3,800 people visited the museum and the Sihot' Island exposition.

The Museum is also an important venue for internal events organized by BVS and rental space for commercial events. During the period under review, 29 events for BVS (training sessions, general meetings, press conferences, scientific events, employee events), 8 events for Infra Services (training), 37 commercial rentals, 9 non-commercial events and rentals (with the support of BVS) and 5 rentals for BVS employees were held here.

In 2018, the Museum's total income from the rental of premises amounted to € 44,167.83, excl. VAT.

The Museum administers its own website, www.vodarenskemuzeum.sk. In 2018, it recorded 12,954 unique visitors, with a total of 55,387 page visits on the website.

Capital construction

Prospects of modernizing the water management infrastructure of BVS

Safe company

IMS Audit

Information Technologies

CAPITAL CONSTRUCTION

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

A prerequisite for providing quality waterworks services is the good technical condition of the operated infrastructure and its sufficient capacity.

BVS ensures smooth operation of public water distribution systems, public sewerage systems, water sources and wastewater treatment facilities by their renewal, refurbishments and upgrades.

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

The company’s investment activities are based on the existing operational condition of water distributions systems, sewer-

age systems and wastewater treatment facilities, the necessity to harmonise their parameters with valid legislation and the limits of wastewater released according to EU guidelines and the documents “Strategy and Upgrades of the BVS’s Water Infrastructure System Upgrade” and “Programme for Reducing Losses in the Water Distribution System”. These strategic objectives are reflected in constructions and projects included in the investments plan and capital construction of BVS.

The planned material volume of the investments and capital construction for BVS in 2018 was approved in the total amount of EUR 20,285,430.

The material fulfilment of the company’s approved plan for investments and capital construction for year 2018 amounted to EUR 23,107,657 i.e. 113.91% of the total planned material annual volume of EUR 20,285,430. From this, the total material fulfilment in constructions amounted to EUR 8,119,161 i.e. 70.75% of the total planned material annual volume of EUR 11,476,188.

Fulfilment of the plan for investments and capital construction of BVS in 2018 (in €)

	Own resources (including FRI)	Sources from the EU and the state budget	Total
Refurbishments and new investments – implemented in 2018	6,895,329	1,223,832	8,119,161
Total constructions	6,895,329	1,223,832	8,119,161
Other items within capital construction	14,988,496	0	14,988,496
TOTAL	21,883,825	1,223,832	23,107,657

In 2018, BVS completed the following constructions:

- Expansion of the water source Holdošov Mlyn – Part 1 of construction (SO 04)
- Storage reservoir and treatment facility Baníková, complete building refurbishment
- Storage reservoir Brezová – old, refurbishment
- water source and treatment facility Adamová, building refurbishment
- wastewater treatment plant Plavecký Štvrtok – activation tank– oxidation trench – building refurbishment
- Rača – Grinava, water supply system, object SO 06
- Záhorie, Malacky – sewerage system, extending the sewerage system, stage I
- Devínska cesta, Museum – garden planting modifications
- Skalica – construction of settling pipeline
- Plavecký Peter – connection of supply pipelines
- Modra, Moyzesova Street – water distributions system reconstruction, stage I
- Bratislava, Galvaniho Street, extension of the public water distribution system - DN 150.

We list separately the following:

Projects co-financed by the European Union from the Cohesion Fund and the state budget of the Slovak Republic within the Operational Programme Environment – INVESTMENT TO YOUR FUTURE:

“Sewerage System Construction in Danube Region of Bratislava Region“

- **intensification and upgrade of treatment station and waste-water treatment plant in Vrakuňa, stage 2** (EUR 20,198,964)
- **intensification and upgrade of the wastewater treatment facility in Petržalka, stage 2** (EUR 8,572,860)

The relevant project focused on ensuring higher efficiency of wastewater treatment with the aim of complying with the legislative requirements on the removal of nutrients and phosphorus in treated wastewater in compliance with EU legislation. Ensuring the treatment of wastewater related to the boroughs of the capital city Bratislava within the Danube River basin and partially also to sewerage wastewater pumped to Bratislava from a part of Little Carpathians region up to Pezinok. The project resolved by upgrading the biological level :

- in the treatment station wastewater treatment facility in Vrakuňa
- in the wastewater treatment facility in Petržalka.

Project implementation started on 8 November 2013. The work was completed in November 2015. After a year of testing operation both treatment facilities are now in permanent operation.

“Completing the sewerage and wastewater treatment facility in the Modra agglomeration” (EUR 8,817,305)

The project included the refurbishment of the wastewater treatment plant in Modra, completing the sewerage system in the town of Modra and construction of the sewerage system in the village of Dubová. The actual project work started on 30 June 2014 and was completed in December 2015. It was inspected, commissioned for testing and subsequently launched into permanent operation.

In compliance with the conditions of the Contract on Non-repayable Funds both completed investment projects are subject to obligatory 5-year monitoring by the Ministry of Environment of the Slovak Republic. For the period of 5 years from commissioning for permanent operation BVS is obliged to disclose the report on fulfilment of indicators (financial flows, measurable indicators). The Ministry of Environment of the Slovak Republic will evaluate compliance with the terms of the Contract on Non-repayable Funds only after the end of the monitoring period.

Project Co-financed by the European Union from the Cohesion Fund and the State Budget of the Slovak Republic within the Operational Programme Environment Quality:

“Wastewater treatment facility in Rohožník – refurbishment and upgrade” (EUR 2,780,000)

The project objective is to improve the removal and treatment of communal wastewater in agglomerations with over 2,000 citizens according to the commitments of the Slovak Republic towards the EU.

The project is co-financed by EU funds. The application for non-repayable financial assistance was filed with the Ministry of Environment of the Slovak Republic on 30 September 2015. The Ministry approved the application in January 2016 with the total amount of non-repayable financial contribution of EUR 2,311,418.

A public tender for a contractor was organized. The electronic auction with the lowest price was won by the candidate VODOHOSPODARSKE STAVBY, a.s., Bratislava. The actual work started in July 2017; the work will take 18 months with a subsequent 12-month testing operation.

In the preparation and implementation of individual constructions, BVS emphasizes the use of the latest information technologies, thus providing for proper operation in the water distribution and sewerage systems by means of central dispatching.



Európska únia

Európsky fond regionálneho rozvoja



operačný program | životné prostredie

INVESTÍCIA DO VAŠEJ BUDÚCNOSTI



EURÓPSKA ÚNIA

Kohézny fond



OPERAČNÝ PROGRAM
KVALITA ŽIVOTNÉHO PROSTREDIA



MINISTERSTVO

ŽIVOTNÉHO PROSTREDIA
SLOVENSKEJ REPUBLIKY

PROSPECTS OF MODERNIZING THE WATER MANAGEMENT INFRASTRUCTURE OF BVS

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

Priorities in the modernizing of the water supply system are as follows:

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

- management system and central technological dispatching,
- ensuring alternative solutions of water supply in emergency situations.

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

The current concept of using 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. In terms of water distribution from sources to the place of consumption (the city), it is necessary to build an independent water feed from the Rusovce-Ostrovne lúčky - Mokrad' water source to the Podunajské Biskupice water reservoir and pumping station using the bridge over the Danube being built as part of the construction of the D4 motorway (placing water main pipes on the new bridge).

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

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

Specific measures:

- an independent water supply line from the Rusovce – Ostrovné lúčky – Mokrad' water source to the Podunajské Biskupice water reservoir and pumping station (placing water main pipes on the new bridge over the Danube being built as part of the construction of the D4 motorway)
- water supply for the north-western development zone of the city of Bratislava with associated facilities, the Malacky water mains bypass and the Rohožník – Plavecké Podhradie water supply line
- completion of the Zohor – Suchohrad – Malacky supply line,
- a set of facilities and measures for optimizing the use of springs,
- a set of waterworks facilities for a reliable drinking water supply in Bratislava-Kramáre and Koliba,
- drinking water supply to other potential development areas of the city of Bratislava – Záhorská Bystrica, Marianka, Vajnory, Vinohrady, Južné mesto, Jarovce, Rusovce and Čunovo,
- modernizing the water system in the eastern part of Bratislava and around Pezinok and Senec with a new water

supply Bratislava-Rača – Pezinok (Grinava) and/or, as variants, connections and loops across Čierna Voda; relocation of the Bernolákovo pumping station towards Pezinok,

- optimization of the integrated management system and central technology dispatching.

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

Priorities in sewerage system modernization include:

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

The modernization of sewerage systems focuses on the concept of centralizing the wastewater treatment process – connection of additional municipalities to the left bank sewer system of the town of Bratislava with the joint Bratislava-Vrakuňa WWTP and connection of the planned sewer system of municipalities in the Senica-Holíč territory to the joint Holíč WWTP, as well as execution of the group sewer system Plavecký Mikuláš – Plavecký Peter, possibly also Prievaly. In other cases, inde-

pendent sewer systems with a separate WWTP will be used, with possible connections to a low number of satellite settlements (municipalities) around smaller towns.

Particular measures:

- modernization of sewer networks (in Bratislava mainly refurbishment of critical sections of the main collectors, rainwater tanks in the catchment areas of collectors B, C; the relief chamber at collector AIX, elimination of effluent surface waters from suburban areas, the sewer system of developing areas in the eastern part of Bratislava – completion of rainwater tanks in Rača, connecting collector E with KCHOV II, sewer collectors SC in the catchment area of the Devínska Nová Ves WWTP; outside Bratislava, mainly the Rovinka – Dunajská Lužná and Miloslavov – Dunajská Lužná bypass in the catchment area of the Hamuliakovo WWTP),
- modernization of the Hamuliakovo WWTP to ensure sufficient capacity covering the needs of land development,

- modernization of other WWTP to increase the capacity to cover the needs of land development and to ensure appropriate technology: Rohožník (currently in trial operation), Gbely, Smrdáky,
- optimization of the integrated management system and the central technology dispatching.

In general, BVS's strategy in the area of modernization of the water management infrastructure is conceived with regard to basic EU documents (in general terms this is Directive 2000/60/EC of the European Parliament and of the Council in the area of wastewater drainage and treatment, Council Directive No. 91/271/EEC and in the area of the quality of drinking water Council Directive No. 98/83/EC), as transposed into national legislation (in particular, Act No. 364/2004 Coll. on Water, and Act No. 442/2002 Coll. on Public Water Mains and Public Sewer Systems) as well as into other strategic documents of the Slovak Republic.



SAFE COMPANY

Occupational health and safety and continuous improvement of working conditions are among the main objectives of BVS. By fulfilling the conditions and obtaining the "Safe Company" certificate, our company has demonstrated that priority tasks in modern management systems also include care for the health protection and safety of its employees at work.

With regard to compliance with the "Safe Company" programme in 2018, BVS used its best efforts to increase occupational health and safety and hygiene at work and to improve the working conditions of its employees.

Achieving the set objectives in terms of an overall improvement of the working conditions involves long-term tasks that, among others, require considerable funds. Nevertheless, it can be stated that BVS considers occupational health and safety to be a serious issue and – to the extent possible – uses funds, just like in previous years, to achieve OHS objectives, as well as the tasks and objectives included in the "Safe Company" program. In 2018, we managed to obtain the "Safe Company" certificate for the third time in a row; it was handed over to representatives of our company on 12 November 2018 at the XXXIst International OHS Conference at the Patria Hotel in Štrbské Pleso.



IMS AUDIT

Bratislavská vodárenská spoločnosť has implemented an integrated management system as a voluntary tool to apply efficient, unified, system and process management of the organization in accordance with the international standards ISO 9001 and ISO 14001. BVS has been a holder of certificates of quality management under ISO 9001: 2008 and of environmental management under ISO 14001: 2004 since 2011.

Between 30 May and 31 May 2018 the company underwent a Surveillance Audit of the Integrated Management System, which was performed by the certification company BUREAU VERITAS Slovakia spol. s r. o. The surveillance audit examined and evaluated the company documentation, process efficiency and the fulfilment of corrective actions and tasks from previous audits, as well as compliance with legal requirements imposed on BVS and requirements imposed by the standards ISO 9001 and ISO 14001.

The audit is a tool for checking and monitoring the current condition of the quality policy and environmental policy in the company, which makes it possible to identify potentially problematic areas in the functioning of the company. Corrective action and tasks have been set for the identified deficiencies; they will help improve processes and activities and proactively approach the solution to existing or potential problems.

Areas of focus of the periodic audit:

- confirming compliance of the organization's quality management system with the requirements of the ISO 9001: 2015 standard,
- confirming compliance of the organization's environmental management system with the requirements of the ISO 14001: 2015 standard.

Audit results:

- Number of incongruities identified during the audit: 0
- Number of observations identified during the audit: 1
- Number of opportunities for improvement identified during the audit: 7

Conclusion of the audit:

As part of the surveillance audit, the management system exhibited overall conformity with the requirements of system standards. On the basis of the results of the audit performed and the demonstrated level of development and maturity of the management systems, the audit team leader stated that the awarded Certificates according to ISO 9001: 2015 and ISO 14001: 2015 certifying compliance with the requirements of applied standards remain in force. The certificates will be in force until 5 June 2020, provided the systems and organizations are continuously maintained.

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

INFORMATION TECHNOLOGIES

In the IT filed the synergy effect of projects implemented in former periods was utilised. At the application level we ensured support for the users for the implemented solution based on SAP ERP and SAP ISU used for the management of corporate resources and needs of accompany operating in the distributions system field of the waterworks. The solution was enriched by the requirements of users and their needs with the aim of improving the efficiency of processes, the automation of duties, etc.

The operating system for the support and maintenance of the agenda for managing technological and lab processes was expanded by a mobile app that enabled more efficient work planning for people taking samples and recording data directly in the field, with subsequent data synchronisation, which contributes to lowering the time needed to record samples taken into the system.

In the area of the geographical-information system (GIS) we continued upgrading the information framework based on repairs made, new connections established for customers and water meters exchanged with the aim of ensuring the requirements and needs for the performance of work and the provision of services. We also continued in completing and updating data relating to operational borders, processing of geodetic measurements, completing graphical information about the EU projects, etc.

In the area of ICT structure we started by ensuring the legislation requirements on improving the company's IT infrastructure security and accessibility. In the infrastructure and communication part of the technological network the end devices of the telemetric network were replaced with the aim of improving the security of apps as well as basic service provision. At the same time, the replacement of end devices of the telemetric network on the technological parts of the Central Technological Dispatching took place. In the office network part, links to the public network were reconfigured with the use of technolo-

gy enabling encryption between the server and browser of the visitor and implementation of the web application firewall.

With the aim of improving the accessibility and security of the e-mail environment, the e-mail server was reconfigured and upgraded with the use of new certificates of creditworthiness and encrypting. The e-mail environment security was improved by including new functionalities of e-mail firewalls and implementing a login verification from the external environment by means of Active Directory Federation Services technology.

The plan to do research, applied development and innovations was actively supported by the involvement in prepared international projects, including the start of the implementation of the international project "SYSTEM". The main objective of the project is to develop and design a new sensor system for the detection of selected substances present in communal waste, wastewater and air with the aim of improving the safety of inhabitants in compliance with the environment protection. The project consortium is made up in total by 22 entities from various EU countries (BE, DE, IT, PL, SK, SE, UK) and consists mainly of scientific and research organisations, technological developers and waterworks companies. Attendance at the Info Days conferences relating to the Horizon 2020 Programme in Brussels supported new opportunities for partnerships and cooperation in the submitting of various international projects of the Horizon 2020 Programme.

The plan for the upcoming period is to continue in creating international cooperation and taking part in international projects and programmes bringing innovations in the area of waterworks, climate changes, water resources protection, etc. The objective is also to continue developing cooperation with the academic sector, to implement trends and to digitalize efficiently and through system solutions to improve the support of processes so that they are focused on innovative and customer-oriented solutions in the waterworks environment.

Independent auditor's report
Consolidated financial statements
as of 31 December 2018
Notes to the consolidated
financial statements
Statements of BVS for the last 5 years
Overview of changes in shares



INDEPENDENT AUDITOR'S REPORT



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4444/B
IČO: 31 343 414
IC pre DPH: SK2020325516
v

**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

Podmienený názor

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 2018, 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, okrem vplyvu a možného vplyvu skutočností uvedených v odseku Základ pre podmienený názor, priložená konsolidovaná účtovná závierka poskytuje pravdivý a verný obraz konsolidovanej finančnej situácie skupiny k 31. decembru 2018 a konsolidovaného výsledku jej hospodárenia a konsolidovaných peňažných tokov za rok, ktorý sa skončil k uvedenému dátumu, v súlade s Medzinárodnými štandardmi finančného výkazníctva v znení prijatom Európskou úniou (EU).

Základ pre podmienený názor

Spoločnosť Bratislavská vodárenská spoločnosť, a.s. prezentuje v konsolidovanej účtovnej závierke k 31. decembru 2018 spoločnosť: Infra Services, a.s. ako dcérsku spoločnosť: a konsoliduje ju metódou úplnej konsolidácie. Manažment spoločnosti Bratislavská vodárenská spoločnosť, a.s. analyzuje zmluvné a iné podmienky spolupráce s minoritným akcionárom spoločnosti Infra Services, a.s. ako aj dopad týchto podmienok na skutočnosť, či spoločnosť: Infra Services, a.s. predstavuje dcérsku spoločnosť: alebo spoločné podnikanie a či mala byť spoločnosť: Infra Services, a.s. konsolidovaná metódou úplnej konsolidácie, podielovej konsolidácie alebo metódou vlastného imania. Výsledok tejto analýzy nie je k dátumu tejto správy známy, preto sme sa nemohli v rámci nášho auditu ubezpečiť o vplyve tejto skutočnosti na priloženú konsolidovanú účtovnú závierku.

Spoločnosť nepripravila analýzu očakávaného dopadu štandardu IFRS 16 „Lizing“ k 1. januáru 2019 a nezverejnila kvantitatívne informácie o očakávanom dopade tohto štandardu na konsolidovanú účtovnú závierku pri jeho prvej implementácii.

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

Zdôraznenie skutočností

Upozorňujeme na poznámku 15. Dlhodobé rezervy (iii) ku konsolidovanej účtovnej závierke, ktorá popisuje konanie voči spoločnosti v rámci konsolidačného poľa na príslušnom súde. Konečný výsledok tohto konania nie je možné v súčasnosti určiť a v danej súvislosti nie je v konsolidovanej účtovnej závierke vykázaná rezerva na možný záväzok z tohto konania.

Upozorňujeme na poznámku 24. Prípadné ďalšie záväzky a ostatné finančné povinnosti, odstavec (vi) "Iné riziká", ktorá popisuje prebiehajúcu analýzu, týkajúcu sa podmienok verejného obstarávania, zverejňovania zmlúv s dodávateľmi a možné dopady týchto skutočností na platnosť týchto zmlúv a na účtovnú závierku.

Náš názor nie je vzhľadom na tieto skutočnosti ďalej modifikovaný.

Deloitte označuje jednu, resp. viacero spoločností Deloitte Touche Tohmatsu Limited, britskej súkromnej spoločnosti s nútením obmedzením zárukou (UK private company limited by guarantee), a členských firiem. Každý z týchto firiem predstavuje samostatný a nezávislý právny subjekt. Podrobný opis právnej štruktúry združenia Deloitte Touche Tohmatsu Limited a jeho členských firiem sa nachádza na adrese www.deloitte.com/sk-na.

Spoločnosť Deloitte poskytuje služby v oblasti auditu, daní, práva, podnikového a transakčného poradenstva klientom v mnohých odvetviach verejného a súkromného sektora. Vďaka globálnej prepojenosti siete členských firiem vo viac ako 150 krajinách má Deloitte svetové možnosti a dôkladnú znalosť miestneho prostredia, a tak môže pomáhať svojim klientom dosahovať úspechy na všetkých miestach ich pôsobnosti. Prílohu 245 000 odborníkov spoločnosť Deloitte sa usiluje konať tak, aby vytvoril hodnotu, na ktorú sa môžete spoľahnúť.

INDEPENDENT AUDITOR'S REPORT

Zodpovednosť štatutárneho orgánu za konsolidovanú účtovnú závierku

Štatutárny orgán 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 považuje za potrebné pre zostavenie konsolidovanej účtovnej závierky, aby neobsahovala významné nesprávosti, 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 nesprávosti, 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 auditorských štandardov vždy odhalí prípadnú významnú nesprávosť. Nesprávosti môžu vzniknúť v dôsledku podvodu alebo chyby a považujú sa za významné, ak by bolo opodstatnené očakávať, že jednotlivito alebo v súhrne ovplyvnia ekonomické rozhodnutia používateľov, ktoré boli prijaté na základe tejto konsolidovanej účtovnej závierky.

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 nesprávosti konsolidovanej účtovnej závierky, či už v dôsledku podvodu alebo chyby, navrhujeme a vykonávame auditorské postupy reagujúce na tieto riziká, získavame auditorské dôkazy, ktoré sú dostatočné a vhodné na poskytnutie základu pre názor audítora. Riziko neodhalenia významnej nesprávosti v dôsledku podvodu je vyššie ako riziko v dôsledku chyby, pretože podvod môže zahŕňať tajnú dohodu, falšovanie, úmyselné vynechanie, nepravdivé vyhlásenie alebo obídienie internej kontroly.
- Oboznamujeme sa s internými kontrolami relevantnými pre audit, aby sme mohli navrhnúť auditorské 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 auditorských dôkazov predkladáme 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 dospějeme k záveru, že významná neistota existuje, sme povinní upozorniť v našej správe audítora na súvisiace informácie uvedené v konsolidovanej účtovnej závierke, alebo ak sú takéto zverejnené informácie nedostatočné, modifikovať náš názor. Naše závery však vychádzajú z auditorských 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 auditorské 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. Oslávame výhradne zodpovední za náš názor audítora.

SPRÁVA K ĎALŠÍM POŽIADAVKÁM ZÁKONOV A INÝCH PRÁVNÝCH 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 c. 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 našimi 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 konsolidovanej účtovnej závierky vyjadríme názor, či:

informácie uvedené vo výročnej správe zostavenej za rok 2018 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 nesprávosti vo výročnej správe na základe našich poznatkov o spoločnosti a jej situácii, ktoré sme získali počas auditu konsolidovanej účtovnej závierky.

Bratislava 15. novembra 2019



Ing. Wolda K. Grant, FOCA
zodpovedný audítor
Licencia SKAU č. 921

V mene spoločnosti
Deloitte Audit s.r.o.
Licencia SKAU c. 014

CONSOLIDATED FINANCIAL STATEMENTS OF BRATISLAVSKÁ VODÁRENSKÁ SPOLOČNOSŤ, A. S., AS OF 31 DECEMBER 2018

prepared in accordance with the International Financial Reporting
Standards valid in the European Union



Consolidated statement of financial position as of 31 December 2018 (in whole euros)

	Note	2018	2017
ASSETS:			
Non-current assets			
Non-current tangible assets	8	476,754,649	478,734,692
Intangible assets and other assets	9	5,509,020	4,532,664
Other non-current assets		6,639	6,639
		482,270,308	483,273,995
Current assets			
Inventories	7	2,127,938	2,059,277
Trade receivables and other receivables	6	20,568,906	17,177,546
Income tax asset		-	65,808
Cash and cash equivalents	5	6,273,501	18,200,159
		28,970,345	37,502,790
Total assets		511,240,653	520,776,785
LIABILITIES AND EQUITY:			
Equity			
Share capital		279,438,597	279,438,597
Legal reserve fund and other funds		66,490,540	66,312,521
Retained earnings		8,761,722	9,405,575
		354,690,859	355,156,693
Non-controlling interest		8,248,028	8,375,417
Total equity		362,938,887	363,532,110
Non-current liabilities			
Loans and borrowings	13	62,657,448	62,000,000
Provisions	15	1,375,157	3,102,193
Deferred revenues	11	40,476,395	41,711,034
Pension liabilities	14	1,175,795	1,129,889
Deferred tax liability	10	7,255,528	7,421,697
Other non-current liabilities	12	2,873,877	4,057,713
Total non-current liabilities		115,814,200	119,422,526

Consolidated statement of financial position as of 31 December 2018 (in whole euros)

	Note	2018	2017
Short-term payables			
Trade payables and other payables	11,12	24,890,523	23,956,324
Loans and borrowings	13	4,502,440	10,789,326
Deferred revenues	11	3,002,710	3,076,499
Income tax liability		91,893	-
Total short-term payables		32,487,566	37,822,149
Total payables		148,301,766	157,244,675
TOTAL EQUITY AND LIABILITIES		511,240,653	520,776,785

Consolidated statement of comprehensive income for the year ended 31 December 2018 (in whole euros)

	Note	2018	2017
Income	17	91,424,268	90,937,062
Consumption of water, other materials and utilities		-16,058,891	-15,926,905
Wages and salaries	18	-27,823,206	-26,809,741
Depreciation, amortization and changes of provision for liabilities	8,9	-26,464,844	-25,467,155
Services	19	-26,709,741	-25,757,801
Other operating costs/revenues	20	7,558,724	4,913,801
Net operating costs		-89,497,958	-89,047,801
OPERATING PROFIT		1,926,310	1,889,262
Financial revenues		190	2,149
Financial costs		-612,360	-790,799
Net financial costs		-612,170	-788,650
Profit/loss before tax		1,314,139	1,100,612
Income tax	21	546,090	463,953
PROFIT/LOSS FOR THE CURRENT PERIOD		768,049	636,659
Other comprehensive profit		-	-
TOTAL COMPREHENSIVE INCOME FOR THE CURRENT PERIOD		768,049	636,659
Profit and comprehensive income attributable to:			
Parent company owners		-20,452	-279,409
Minority interests		788,502	916,068

Consolidated statement of changes in equity as of 31 December 2018 (in whole euros)

	Share capital	Legal and other funds	Retained earnings	Total	Minority interests	Total equity
Balance as of 31 December 2017	279,438,597	65,628,383	10,519,122	355,586,102	8,433,780	364,019,882
Profit	-	-	-279,409	-279,409	916,068	636,659
Contribution to the reserve fund and other funds	-	684,138	-684,138	-	-97,443	-97,443
Contribution to the social fund	-	-	-150,000	-150,000	-	-150,000
Dividends paid out	-	-	-	-	-876,988	-876,988
Balance as of 31 December 2017	279,438,597	66,312,521	9,405,575	355,156,693	8,375,417	363,532,110
Profit	-	-	-20,452	-20,452	788,502	768,050
Contribution to the reserve fund and other funds	-	178,018	-178,018	-	-91429	-91429
Contribution to the social fund	-	-	-150,000	-150,000	-	-150,000
Dividends paid out	-	-	-295,383	-295,383	-824,461	- 1,119,844
Balance as of 31 December 2018	279,438,597	6,6490,540	8,761,722	354,690,859	8,248,028	362,938,887

Consolidated statement of cash flows for the year ended 31 December 2018 (in whole euros)

	Note	Year 2018	Year 2017
Cash flows from operating activities			
Cash flows from operating activities	22	20,933,264	24,492,628
Tax refunds (+)/Tax paid (-)		-580,366	-464,588
Interest paid		-476,892	-717,019
Interest received		156	2,133
Net cash flows from operating activities		19,876,162	23,313,154
Cash flows from investing activities			
Purchase of fixed assets		-25,053,536	-26,542,750
Proceeds from the sale of fixed assets		-	328
Net cash flows from investing activities		-25,053,536	-26,542,422
Cash flows from financing activities			
Proceeds from loans and borrowings		-5,629,438	-6,784,618
Dividends paid out		-1,119,844	-876,988
PROFIT/LOSS FOR THE PERIOD		-6,749,282	-7,661,606
Net cash flows		-11,926,657	-10,890,874
Net inflow of cash and cash equivalents			
Cash and cash equivalents at the beginning of the period	5	18,200,160	29,091,034
Cash and cash equivalents at the end of the period	5	6,273,503	18,200,159

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Description of the Company

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

Bratislavská vodárenská spoločnosť, a.s. (hereinafter referred to as “BVS” or the “Company”), is an “akciová spoločnosť” [(public) company limited by shares] in the Slovak Republic. The Company’s registered office is in Bratislava, Prešovská ulica 48. The core activities of the Company include the operation of public water mains and sewer systems in the areas of Bratislava, Senica and Záhorie.

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

Liability of the Company

The Company has no unlimited liability in any other company.

The reason for and method of preparing the financial statements

These consolidated financial statements are the annual consolidated financial statements of Bratislavská vodárenská spoločnosť, a.s., in accordance with the Act No. 431/2002 Coll. on Accounting, as amended. The annual consolidated financial statements were prepared for the period from 1 January 2018 to 31 December 2018 in accordance with the International Financial Reporting Standards (hereinafter referred to as the “IFRS”) as approved by the European Union (hereinafter referred to as the “EU”). The annual consolidated financial statements for the period from 1 January 2018 to 31 December 2018 were prepared using the going concern assumption.

1.2 Information on the consolidated entity

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

Company name	Registered office	Description of activities	Ownership share/ voting rights	Ownership relation
Infra Services, a.s.	Hraničná 10, Bratislava	servicing activities for water mains and sewer systems	51%	subsidiary
BIOENERGY, a.s.	Prešovská 48, Bratislava	production of heat and electricity from biomass	100%	subsidiary

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

The profit after tax attributable to the non-controlling interest of EUR 788,205 represents a 49% share of the minority shareholder Infra Services, a.s., in the profit after tax of Infra Ser-

vices, a.s., amounting to EUR 1,612,313. The contribution to the reserve attributable to the non-controlling interest of EUR 91,429 represents a 49% share of the minority shareholder Infra Services, a. s., for the year 2018 in the total amount of the contribution to the reserve amounting to EUR 186,953. Payments of dividends attributable to the non-controlling interest of EUR 822,865 represents 49% of the share of the minority

shareholder Infra Services, a. s., in 2018 in the payment of dividends totalling EUR 1,682,574.

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

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

The consolidated financial statements of the Company are included in the consolidated financial statements of the Public Administration entity Bratislava, the Capital of the Slovak Republic, which, in turn, are included in the summary financial statements of Public Administration. These consolidated financial statements may be inspected directly at the registered office of the said company.

In 2018, the Group had 1,121 employees on average, 178 of whom were managers (2017: 1,135 employees on average, 177 of whom were managers).

2. Summary of the main accounting principles and methods

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

2.1 Basis for preparation of the consolidated financial statements

The Company's consolidated financial statements for the previous reporting period were approved by an extraordinary General Meeting of the Company held on 19 December 2018.

These consolidated financial statements are kept at the Company's registered office.

The Slovak Act on Accounting (the Act of the National Council of the Slovak Republic No. 431/2002 Coll., as amended) requires that the Group prepare the consolidated financial statements as of 31 December 2018 in line with the International Financial

Reporting Standards ("IFRS") valid in the European Union.

These consolidated financial statements were prepared in accordance with the IFRS valid in the European Union using the going concern assumption with respect to the Group. The Group applies all IFRS and interpretations issued by the International Accounting Standards Board (hereinafter referred to as the "IASB") valid in the EU, which were in force on 31 December 2018.

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

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

In preparing the financial statements in accordance with the 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 the management's best knowledge of current events and activities, reality may differ from such estimates.

The reporting period is the calendar year.

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

2.1.1 Changes in the accounting principles and reporting

The accounting principles adopted are consistent with the accounting principles used in the consolidated financial statements prepared as of 31 December 2018.

First-time adoption of new amendments to existing standards valid for the current reporting period

The Company has adopted all new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIS) of the IASB, which have been approved for use in the European Union (hereinafter referred to as the “EU”) and which relate to its activities and are effective for reporting periods beginning on 1 January 2018. The following standards, amendments to existing standards and interpretations issued by the IASB and approved by the EU are valid for the current reporting period:

- IFRS 9 “Financial Instruments” adopted by the 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 the EU on 22 September 2016 (effective for annual periods beginning on or after 1 January 2018),
- Amendments to IFRS 2 “Share-based Payments” – 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” – Application of 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 adopted 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 as part of the project “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 will be related to

annual periods beginning on or after 1 January 2017 and amendments to IFRS 1 and IAS 28 will be related to annual periods beginning on or after 1 January 2018),

- IFRIC 22 “Foreign Currency Transactions and Advance Consideration” (effective for annual periods beginning on or after 1 January 2018).

Adoption of these standards and amendments to existing standards did not entail any important changes in the financial statements of the company.

New standards and amendments to existing standards, issued but not yet adopted

The following new standards and amendments to standards, issued by the IASB and approved by the EU, have been issued as of the date of approval of these financial statements but have not yet come into effect:

- **IFRS 17 “Insurance Contracts”** (effective for annual periods beginning on or after 1 January 2021),
- **Amendments to IFRS 3 “Business Combinations”** – Definition of a Business (they pertain to business combinations whose date of acquisition is the first or any subsequent day of the first annual period beginning on or after 1 January 2020 and to an asset acquisition that occurred on or after the date of the beginning of that period),
- **Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”** – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and other amendments (the effective date has been postponed sine die until the equity method review project is terminated),
- **Amendments to IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”** – Definition of ‘material’ (effective for annual periods beginning on or after 1 January 2020),
- **Amendments to References to the Conceptual Framework in IFRS Standards** (effective for annual periods beginning on or after 1 January 2020),

- **IFRS 16 “Leases”** – adopted by the EU on 31 October 2017 (effective for annual periods beginning on or after 1 January 2019),
- **Amendments to IFRS 9 “Financial Instruments”** – Prepayment Features with Negative Compensation – Adopted by the EU on 22 March 2018 (effective for annual periods beginning on or after 1 January 2019),
- **Amendments to IAS 19 “Employee Benefits”** Plan Amendment, Curtailment or Settlement – adopted by the EU on 13 March 2019 (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 – adopted by the EU on 8 February 2019 (effective for annual periods beginning on or after 1 January 2019),
- **Amendments to various standards due to the project “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, mainly, to remove inconsistencies and clarify wording – adopted by the EU on 14 March 2019 (effective for accounting periods beginning on or after 1 January 2019),
- **IFRIC 23 “Uncertainty over Income Tax Treatments”** – adopted by the EU on 23 October 2018 (effective for annual periods beginning on or after 1 January 2019).

The Company has decided not to apply these new standards, amendments to existing standards and the new interpretation before their effective dates.

The Company has not quantified the impact of applying IFRS 16 “Leases” for the reported values in the balance sheet in connection with non-current tangible assets and financial liabilities as of 1 January 2019. The Company expects that the adoption of other new standards, amendments to existing standards and new interpretations will not have a material impact on the financial statements of the company during the period of first-time adoption.

Standards and amendments to existing standards

issued by the IASB and adopted by the EU that have not yet entered into force

On the date of approval of these financial statements, the IASB has not issued and the EU has not adopted any new standards, amendments to existing standards or interpretations that have not yet entered into force.

New standards and amendments to existing standards issued by the IASB that the EU has not yet approved

Currently, the IFRS, as adopted by the EU, do not differ significantly from regulations adopted by the International Accounting Standards Board (IASB), except for the following new standards, amendments to existing standards and new interpretations, which have not been approved for use in the EU (the effective dates above relate to the full wording of the IFRS):

- **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 preliminary standard and will wait for its final wording,
- **IFRS 17 “Insurance Contracts”** (effective for annual periods beginning on or after 1 January 2021),
- **Amendments to IFRS 3 “Business Combinations”** – Definition of a Business (they pertain to business combinations whose date of acquisition is the first or any subsequent day of the first annual period beginning on or after 1 January 2020 and to an asset acquisition that occurred on or after the date of the beginning of that period),
- **Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”** – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and other amendments (the effective date has been postponed sine die until the equity method review project is terminated),
- **Amendments to IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”** – Definition of ‘material’

(effective for annual periods beginning on or after 1 January 2020),

- **Amendments to References to the Conceptual Framework in IFRS Standards** (effective for annual periods beginning on or after 1 January 2020).

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 company'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 of the date of their preparation.

- **IFRS 14 "Regulatory Deferral Accounts"** issued by the IASB on 30 January 2014. This Standard is intended to allow entities that are first-time adopters of IFRS and that currently recognize regulatory deferral accounts in accordance with their previous GAAP to continue to do so upon transition to IFRS.
- **IFRS 16 "Leases"** issued by the IASB on 13 January 2016. Under IFRS 16, a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease, if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate. As with IFRS 16's predecessor, IAS 17, lessors classify leases as operating or finance in nature. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease. For finance leases a lessor recognizes finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the net investment. A lessor recognizes operating lease payments as income on a straight-line basis or, if more representative of the pattern in which benefit from use of the underlying asset is diminished, another systematic basis.
- **IFRS 17 "Insurance Contracts"** issued by the IASB on 18

May 2017. The new standard requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 'Insurance Contracts' and related interpretations in case of its adoption.

- **Amendments to IFRS 3 "Business Combinations"** – Definition of a Business – issued by the IASB on 22 October 2018. The aim of the amendments is to improve the definition of a business. The adjusted definition points out that the output of a business is to provide customers with goods and services, while the previous definition focused on returns in the form of dividends, lower costs or other economic benefits provided directly to investors or other persons. In addition to an adjustment of the wording of the definition, the IASB has provided additional guidance.
- **Amendments to IFRS 9 "Financial Instruments" – Prepayment Features with Negative Compensation** issued by the IASB on 12 October 2017. The amendments amend the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. Under the amendments, the sign of the prepayment amount is not relevant, i. e. depending on the interest rate prevailing at the time of termination, a payment may also be made in favour of the contracting party making the early repayment. The calculation of this compensation payment must be the same for both the case of an early repayment penalty and the case of an early repayment gain. The amendments also contain a clarification regarding the accounting for a modification or exchange of a financial liability that does not result in the derecognition of the financial liability. In such case, the carrying value is adjusted and the appropriate income is reported in comprehensive income. The effective interest rate is not recalculated.
- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**, issued by the IASB on 11 September 2014. The amendments deal with a

discrepancy between the requirements of IAS 28 and IFRS 10 and explain that in a transaction involving an associate or a joint venture the scope of profit or loss reporting depends on whether the sold or contributed assets are a business.

- **Amendments to IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” – Definition of ‘material’** issued by the IASB on 31 October 2018. The amendments explain the definition of ‘material’ and how it should be applied and has been included in the definitions guidance.
- **Amendments to IAS 19 “Employee Benefits” – Plan Amendment, Curtailment or Settlement** issued by the IASB on 7 February 2018. The amendments require the application of updated assumptions from this remeasurement to determine current service cost and the net interest for the remaining reporting period after a change to the plan.
- **Amendments to IAS 28 “Investments in Associates and Joint Ventures” – Long-term Interests in Associates and Joint Ventures** issued by the IASB on 12 October 2017. These amendments clarify that an entity should apply IFRS 9, including its impairment requirements, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The amendments also delete paragraph 41, because the IASB felt that it merely reiterated requirements in IFRS 9 and had created confusion about the accounting for long-term interests.
- **Amendments to various standards due to the project “Improvements to IFRS (2015-2017 cycle)”** issued by the IASB on 12 December 2017. These are amendments to various standards resulting from the annual quality improvement of IFRS (IFRS 3, IFRS 11, IAS 12 and IAS 23) with a view, mainly, to remove inconsistencies and clarify wording. The amendments clarify that when a company obtains control of a business that is a joint operation, it remeasures previously held interests in that business (IFRS 3); when a company obtains joint control of a business that is a joint operation, the company does not remeasure previously held interests in that business (IFRS 11); a company should account for all income tax consequences related to the payment of dividends in the same way (IAS 12); and a company should consider part of general borrowings any borrowing

granted for the development of an asset when the asset is ready for intended use or for sale (IAS 23).

- **Amendments to References to the Conceptual Framework in IFRS Standards** issued by the IASB on 29 March 2018. Because the Conceptual Framework had been revised, the IASB updated references to the Conceptual Framework in the IFRSs. The document includes amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC-32. The update was made to support the transition to the revised Conceptual Framework for companies that form accounting policies using the Conceptual Framework if no specific IFRS is applicable to the particular transaction.
- **IFRIC 23 “Uncertainty over Income Tax Treatments”** issued by the IASB on 7 June 2017. It may be unclear how tax legislation applies to a particular transaction or circumstance, or whether the tax authority will accept a tax assessment applied by a company. IAS 12 “Income Taxes” describes how to account for current and deferred tax but does not state how to take into account the effects of uncertainty. IFRIC 23 introduces requirements that supplement those in IAS 12 and states how to take into account the effects of uncertainty in accounting for income taxes.

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 first-time adoption.

2.2 Consolidation

Subsidiaries

Subsidiaries are all companies (including special purpose entities) over which the Group has the power to govern the financial and operating policies, which is generally associated with 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 company.

The Group uses the acquisition method to account for the acquisition of subsidiaries. The cost of a subsidiary is 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 on the acquisition date.

The acquisition cost related to the acquisition is expensed. Any contingent considerations to be paid by the Group are measured at fair value on the acquisition date. Subsequent changes in the fair value of these considerations, which are regarded as an asset or liability, are recognized in accordance with IAS 39 either in profit or loss, or gain, or in other comprehensive income.

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

Intragroup transactions, balances, income and expenses on transactions between Group companies are eliminated by the consolidation. Profits and losses resulting from intragroup transactions that are part of the assets measurement are eliminated by the consolidation. Accounting principles and methods of subsidiaries have been changed, where necessary, to ensure consistency with the principles and methods adopted by the Group.

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

Balances and intra-Group transactions, including intra-Group profits and unrealized gains and losses, are eliminated unless the losses indicate impairment of the assets to which they relate. The consolidated financial statements have been 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 non-controlling interests is adjusted and

the value of the acquired investment is recognized 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 whole euros – "EUR", which is the functional and presentation currency of the Group in 2018 and 2017.

(ii) Transactions and balances

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

Items measured at fair value in a foreign currency are translated at rates prevailing at the date when their fair value is set. Exchange rate differences from trade receivables and payables as well as from borrowings are recorded as financial income or expense.

2.4 Financial assets

(i) Investments and other financial assets

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

Purchases and sales of investments are recognized as of the 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 on an active market. After initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Amortized 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 recognized in the profit/loss for the reporting period when the loans and receivables are derecognized or their value is impaired, as well as through the amortization process.

(ii) Classification and derecognition of financial instruments

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

Financial instruments (including compound financial instruments) are classified as assets, liabilities or equity in accordance with the 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 the 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 them and also intends to realize the asset and to settle the liability or to offset both.

Derecognition of a financial asset takes place when the Group no longer controls the contractual rights that comprise the financial asset, which in most cases occurs when the instrument is sold, or if all the cash flows attributable to the instrument are transferred to an independent third party. If the Group

neither transfers nor retains all the risks and benefits of the financial asset and retains control of the transferred asset, the Group recognizes the retained part of the asset and also recognizes the commitment of the expected payments. A financial liability is derecognized 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 impairment of financial assets or a group of financial assets. Impairment losses on a financial asset or group of financial assets are recognized only if 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 those financial assets or group of financial assets.

Assets measured at amortized cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between their carrying amount and the present value of estimated future cash flows (excluding future expected credit losses) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate used at initial recognition). The carrying amount of the asset is reduced using an allowance account, and the amount of the loss is recognized in profit or loss.

The Group assesses whether objective evidence of impairment exists – first individually for significant individual financial assets, and subsequently individually or collectively for financial assets that are not individually significant. If the Group determines on the basis of the assessment that no evidence of impairment of financial assets exist, whether significant or not, the financial asset is included in a group of financial assets with similar risk characteristics, which is collectively assessed for impairment. Assets that have been individually assessed for impairment and for which an impairment loss has been recognized are not included in a collective assessment of impairment.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after recognition of the impairment loss, the impairment losses recognized in prior periods are reversed using an allowance account. Any subsequent reversal of an impairment loss is recognized in the profit/loss for the reporting period to the extent that the carrying value of the asset does

not exceed its amortized cost at the reversal date.

Loans and receivables are written off together with the corresponding adjustment if 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 recognized in the profit/loss for the reporting period.

2.5 Financial liabilities

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

The management determines the classification of its financial liabilities at initial recognition and re-evaluates this classification at every reporting date. When a financial liability is recognized for the first time, the Group measures it at its fair net value reduced by the transaction costs that are directly attributable at the origin of the financial liability.

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

A financial liability (or a part thereof) is removed from the balance sheet when, and only when, it is discharged – i.e. when the obligation specified in the contract is cancelled or expires.

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

Cash includes cash and bank accounts. Cash equivalents are short-term highly liquid investments readily convertible to cash with a 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, receivables are measured at amortized cost using the effective interest method, reduced by a provision for doubtful debt. A provision is recognized 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 recognized as non-current assets.

2.8 Inventories

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

Measurement of inventory loss of subsidiaries is determined using the FIFO method (except for BIONERGY, a.s., which values the loss in inventories using weighted average, with such reporting having no significant impact on the consolidated financial statements).

The cost of own produced inventory includes direct materials, direct labour and an appropriate proportion of production overhead expenses including the licensing fee, but without the cost of borrowings and loans. Unrealizable 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 fixed-price contracts or cost-plus contracts.

Contract revenues include the price agreed in the contract. These revenues also include changes in the price agreed in the contract if a different scope of work, claims and additional incentive payments is subsequently agreed. Contract costs for accounting purposes are the direct costs associated with the construction contract, indirect costs attributable to the contract and other costs, such as administrative expenses, the research and development expenses that can be attributed to

the contract from the date of provision for the contract until its full performance.

If the result 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 reporting period is recognized using the stage of completion method, with the degree of completion of the contract being determined cumulatively as of the financial statements reporting date as the ratio of actual costs incurred under the construction contract for the work performed and an updated budget of the total costs of the construction contract.

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

If the result of the construction contract cannot be estimated reliably as of the reporting date, the revenue is recognized only to the extent of contract costs incurred in the respective reporting period for which costs it is probable that they will be recoverable ("zero profit method"). The possibility of a reliable estimate of the result of a construction contract is reassessed always as of the reporting date.

As of 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 in revenues.

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

If it is expected on the reporting date that the total contract costs will exceed the total contract revenue, the estimate of the expected loss is recognized as an expense immediately. The amount of the expected loss is determined irrespective of whether work on the contract has commenced and irrespective of the stage of completion of contract activity or the amount of profits expected to arise from other contracts which are not

treated as a single construction contract.

An expected loss on a construction contract is recognized as other operating expenses. In the reporting period in which a 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, a decrease in other operating expenses is recognized.

2.9 Non-current tangible assets

Non-current tangible assets are recognized at historical cost (or at the carrying value of the assets determined as of 1 May 1992) less accumulated depreciation and impairment losses. On sale or disposal of assets, the cost and accumulated depreciation is cleared and the gain or loss resulting from its sale or disposal is recognized in the profit/loss for the period.

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

Non-current tangible assets included until 2013 are depreciated over the period corresponding to the period of expected generation of future economic utility. On the basis of the regulatory framework, the Company may include depreciation in the water and sewer rates during a period established by the Regulatory Office for Network Industries (RONI). The actual technical lifespans are different and are normally longer (for waterworks infrastructure and equipment: 20 – 50 years), but the Group anticipates that no economic utility accrues to it from the assets after the end of the depreciation period as approved by the RONI for the purpose of setting the tariffs. For this reason the 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. Non-current tangible assets included in 2013 are depreciated according to the depreciation plan drawn up based on the expected period of their use corresponding to the consumption of future economic utility from assets and the actual technical lifespan. Assets under construction represent non-current tangible assets and they are recognized at cost. The cost includes the cost of non-current tangible assets and other direct costs. Assets under construction are not depreciated until the respective assets are ready to use.

Land owned as of the date of incorporation of the Company were recognized at values prescribed by the legislation in force at the time of the Company's registration in the Commercial Register. These values are considered to be the cost. Land is recognized at cost adjusted for impairment. Land is not depreciated.

The depreciation periods set by regulation, depreciation methods and depreciation rates for non-current tangible assets are as follows:

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

The most significant part of assets is represented by land, buildings and constructions relating to the infrastructure of drinking water production, delivery and distribution and wastewater drainage and treatment.

Gains and losses on the disposal of buildings, constructions, machinery and equipment are fully reflected in the income statement.

Expenditure relating to items of buildings, constructions, machinery and equipment, at the time they are put into use, increase their carrying amount only when the Group can expect future economic benefits beyond their original performance. All other expenditure is expensed as repairs and maintenance expenses to the appropriate 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 any item of non-current tangible assets with a cost that is significant in relation to the total cost of the item is depreciated separately. The Group allocates the proportionate amount initially recognized as an item of non-current assets to its significant components and each such component is depreciated separately.

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

2.10 Non-current intangible assets

An intangible asset acquired separately is recognized at cost, and an intangible asset acquired in a business combination at its fair value on the acquisition date. An intangible asset is recognized if there is a probability that future economic benefits embodied in the asset and, in addition, the cost of such asset can be reliably estimated.

Upon initial recognition, the cost model is applied to the collective intangible assets. The estimated useful lives of such intangible assets are either finite or indefinite. Assets with a finite useful life are amortized on a straight-line basis over the estimated useful life. The time and method of depreciation are reviewed annually at the end of the reporting period. Intangible assets, excluding development costs, generated internally are not capitalized and the expenditure is charged against profits in the year in which the expenditure arises. Intangible assets are tested annually for impairment, either individually or at the

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

Research costs are expensed as incurred. Costs incurred for the development of an individual project are 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 be 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:

	Expected period of use (years)	Depreciation method	Annual depreciation rate (%)
Software	4 - 5	straight-line	20 - 25
Royalties (licenses)	3 - 20	straight-line	5.0 - 33.3

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

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

- the expenses attributable to the procurement of the software product during its development can be reliably measured.

Directly attributable expenses that are capitalized as part of the software product include the software development employee costs and the appropriate portion of overheads. Other development costs that do not meet these criteria are recognized in the income statement in the reporting period in which they incurred. Development costs previously recognized as an expense are not recognized as an asset in subsequent periods.

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

2.11 Non-current intangible assets

For non-current intangible and tangible assets it must be assessed whether impairment of assets has occurred, if an 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 recognized in the profit/loss of 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 asset or its value in use, whichever is higher. The net selling price is the amount obtainable from the sale of the assets at market prices, 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 individual assets the estimate of their 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 recognized impairment. The recognized impairment may be derecognized 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 recognized for the asset impairment.

2.12 Lease of assets

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 an asset for an agreed period of time.

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

At the inception of the lease, assets acquired in the form of finance leases, where substantially all the risks and rewards of ownership of the leased asset are transferred to the Group, are capitalized at the fair value or the present value of the minimum lease payments, 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 outstanding 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 ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (the 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) Finance lease

A lease is classified as a finance lease if substantially all the risks and rewards incidental to ownership are transferred to the Group. Assets acquired under the finance lease are recognized 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 expenses, forms part of other non-current liabilities. The interest related part of the financial expenses is recognized 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. Non-current 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 lease agreement.

2.13 Subsidies related to assets

Government subsidies are reported at fair value if it is virtually certain that the subsidies will be received and all conditions associated with granting subsidies are fulfilled. If the subsidy is used for compensation of costs, the subsidy is recognized as 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 share capital of the Company is made up of ordinary certificated shares. The Company did not issue any 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 are not funds intended for the payment of the dividends. The funds intended for paying out dividends are determined on the basis of the Company's individual financial statements.

2.16 Legal reserve fund

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

2.17 Payment of dividends

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

2.18 Other reserves

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

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 taxes 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 to compute the deferred tax. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the values used for taxation purposes. Deferred tax assets and liabilities are measured using the tax rates that should apply to taxable income in the years in which it is expected that these temporary differences will be realized. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner of realization or settlement of the carrying 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 receivables 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 unrecognized deferred tax assets. The Group recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Conversely, the Group reduces the carrying amount of the deferred tax asset if it is no longer probable that sufficient taxable profit will be generated that will allow a part or the entire deferred tax asset to be carried forward.

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 offset 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 and the net of the value of the excise duty except when:

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

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

2.20 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 recognized at amortized cost using the effective interest method. Amortized cost is calculated by taking into account all costs and discounts or premiums on settlement. Gains and losses are recognized in net profit/loss for the period when the liabilities are derecognized as well as during the amortization 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 recognized in the costs in the reporting period in which the right to them ensues for the Group employees. The current liabilities to the employees include, without limitation, wages and compensation of wages for used days of leave.

(ii) Pension plan

On 23 August 2017, a new Collective Agreement for the period of 2017–2019 was signed. Upon first termination of employment after having acquired the right to an old-age pension, a premature old-age pension, a disability pension if the capacity to perform gainful activities is reduced by at least 70%, an employee is entitled to retirement payment under section 76a of the Labour Code amounting to at least average monthly wages increased by another retirement payment amounting to at least average monthly wages. The right to an old-age pension or a disability pension will be proved by the employee in the form of a legally effective decision of the Social Insurance Company (Sociálna poisťovňa). The right to a premature old-age pension will be proved by the employee in the form of a legally effective statement of the Social Insurance Company about filling the application for a premature old-age pension. The right to a retirement payment can be exercised only once.

Employees terminating employment within 30 days from the date they acquired the right to an old-age pension and within 30 days of the date when the employee was served with the decision on the granting of a disability pension if the capacity

to perform gainful activities is reduced by at least 70% will also be paid an increased retirement payment amounting to four-times the average monthly wage, in addition to the retirement payment under par. 1 above. Employees who have acquired the right to a premature old-age pension at the end of the employment relationship, after filing an application submitted to the Social Insurance Company no later than 10 days after the termination of the employment relationship, will be paid, in addition to the severance allowance under par. 1 of this Article, an additional severance payment equal to four-times their average monthly wage.

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

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

The obligation related to the plan with the set amount of the pension is reported as long-term provisions and calculated as of the reporting date using the actuarial method as the current value of the retirement payment for the years of service until the balance sheet date. The actuarial gains and losses arising from adjustments and changes of the actuarial assumptions are recognized as incurred in the equity.

The Group also pays work and life jubilee remunerations.

Non-current liabilities to employees arising from work jubilees are also recognized as a long-term provision and they are measured in a similar way as liabilities arising from the plan of the fixed amount of the pension. The costs resulting from the increased remuneration under the Collective Agreement are recognized immediately in the costs as a net amount in the period when they occur. The work jubilee remuneration depends on the number of years worked in the Group.

The same or a similar obligation was incorporated in the agreement with the trade unions in 2002. The Group created expectations on the side of the employees that it will continue providing benefits. The Group believes that suspension of their

provision is not realistic.

(iii) Pension plans with pre-determined contributions

The Group contributes to government defined contribution supplemental pension plans.

The Group makes contributions to government health, sickness, retirement benefit, accidental and guarantee insurance and unemployment schemes at the statutory rates in force during the year, based on gross salary payments. Throughout the year, the Group made contributions amounting to 35.2% (2017: 35.2%) of gross salaries up to a monthly salary cap, which is defined by the applicable legal provisions for such schemes, together with contributions by employees of a further 13.4% (2017: 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 payments

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

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

2.22 Trade payables and other liabilities

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

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

2.23 Provisions for liabilities

Provisions are reported if the Group has a currently existing liability (legal or non-contractual) arising from a past event, the settlement of which will probably (rather yes than no) be a loss of the business resources 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 expenditure, taking into account the risks which will be probably used to settle the liability. The expenditure is determined using the estimated risk free interest rate as the discount rate. Where discounting is used, the carrying amount of the provision for liability is increased in each period to reflect the distribution of the discount over time. This increase is recognized as an 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 recognized is the best estimate of the expenditure required.

Provision for severance payments

The Group's employees are entitled to a severance payment upon termination of employment – this is in accordance with local legislation (in the Slovak Republic: the Labour Code, section 63(1)(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 payments

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 at the present value of the liability at 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 and adjustments to pension plans are charged to the income statement in the period in which they arise.

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

Pension plans 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 further makes contributions to the supplementary scheme amounting to 2% of the insured persons' wages, minimally EUR 6.64 (2017: EUR 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. In addition, the Group 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 recognized 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 recognized 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 effective control over the products, materials and goods sold.

(ii) Provision of services

Revenues from services (in particular water charges) are recognized in the reporting 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. Capitalization of the costs of borrowings and loans received commences when preparing the asset for its intended use and when the costs of borrowings and loans are incurred. Costs of borrowings and loans received are capitalized until the assets are ready for their intended use. Costs of borrowings and loans consist of interest expense and other costs associated with the borrowings of funds, 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 recognized in the consolidated finan-

cial 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 recognized in the consolidated financial statements until they are acquired in a business combination. They are disclosed in the notes to the consolidated financial statements only if the possibility of an outflow of resources representing economic benefits is not distant.

2.26 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 a significant impact on the amounts recognized 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 expenditure related to the environment

Regulations, in particular 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 expenditure related to environmental protection the Group's management relies on past experience and interpretation of the applicable legislation. The total amount of the provisions is EUR 7,269.

The provisions as of 31 December 2018 in the amount of EUR 7,269 (as of 31 December 2017: the same) was created particularly for the landfill closure and reclamation in the amount of estimated eligible investments costs for its closure. 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 the Vrankuša 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.

(iii) 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 financial 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 the 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 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. The provision for long-term employee benefits – retirement pay – amounted to EUR 941,907 as of 31 December 2017 (as of 31 December 2017: EUR 917,619).

3. Financial risk management

3.1 Financial risk factors

The Group's business activities expose it to certain financial risks, in particular credit risk, interest rate risk and partially

the risk of changes in foreign currency exchange rates. The Group's principal financial instruments comprise bank loans, trade receivables and payables resulting directly from the Group's ordinary course of business.

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

(i) Market risk

(a) Price risk

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

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

The rates in the water management industry and the terms and conditions for their application fall under the power of the Regulatory Office for Network Industries (hereinafter referred to as RONI) under Act No. 250/2012 Coll. on Regulation in Network Industries, as amended, RONI Decree No. 21/2017 Coll. of 13 February 2017 Laying down the Price Regulation of the Production, Distribution and Supply of Drinking Water by the Public Water Mains and the Drainage and Treatment of Wastewater through the Public Sewer System.

The method of 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 the drainage and treatment of wastewater; source data for the price proposal; and the procedure and terms and conditions of applying the price.

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

of method for calculating the investment development factor.

In the matter of the proposal of prices for the production and supply of drinking water through public water mains, the production and distribution of drinking water through public water mains and for the drainage and treatment of wastewater through public sewer systems, the RONI issued, on 24 November 2016, final price decision No. 0038/2017/V, by which it approved for the Company the prices valid for the period from 1 January 2017 to 31 December 2021.

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

Final price decision	EUR/m3 excl. VAT
the maximum price for the production and supply of drinking water through public water mains	0.9359
the maximum price for the production and distribution of drinking water through public water mains	0.6547
the maximum price for the drainage and treatment of wastewater through the public sewer system	0.9216

(b) Cash flow and fair value interest rate risk

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

The Group has considerable liabilities bearing floating risk; its interest expense depends on changes in interest rates, and therefore it is exposed to interest rate risk. Upon a change of interest rate by -1%, the Group will have no interest expenses. Upon a change of interest rate by +1%, the Group's interest expense would amount to EUR 1,235 ths.

As of 31 December 2018 and 2017, the Group has no significant interest-bearing assets, apart from short-term bank deposits and funds on bank accounts; cash flows from operating activities, only to a minor extent, depend on variation of the market interest rate.

(ii) Credit risk

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

(in whole euros)	as of 31 December 2018	as of 31 December 2017
Trade receivables and other receivables (Note 6)	20,568,906	17,177,546
Cash and cash equivalents (Note 5)	6,273,501	18,200,159
Total financial assets	26,842,407	35,377,705

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

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

The Group has established credit management rules that ensure credit risk mitigation. Signing an agreement with new

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

(iii) Liquidity risk

Liquidity risk means that the Group may encounter difficulties 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 Company's liquidity level. 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 the payment of financial liabilities of the Group:

as of 31 December 2018			
(in whole euros)	Below 1 year	over 1 year	Total
Bank loans (Note 13)	4,502,440	62,657,448	67,159,888
Trade payables and other liabilities (Note 12)	24,890,523	2,873,887	27,764,410
Total financial liabilities under IFRS 7	29,392,963	65,531,335	94,924,298

as of 31 December 2017			
(in whole euros)	Below 1 year	over 1 year	Total
Bank loans (Note 13)	10,789,326	62,000,000	72,789,326
Trade payables and other liabilities (Note 12)	23,956,324	4,057,713	28,014,037
Total financial liabilities under IFRS 7	34,745,650	66,057,713	100,803,363

3.2 Capital management

The management considers the Group's equity to be the capital as reported in these financial statements (as of 31 December 2018: EUR 362,938,887).

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

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

The 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 a maturity of less than one year are approximately equal to 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 Company 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

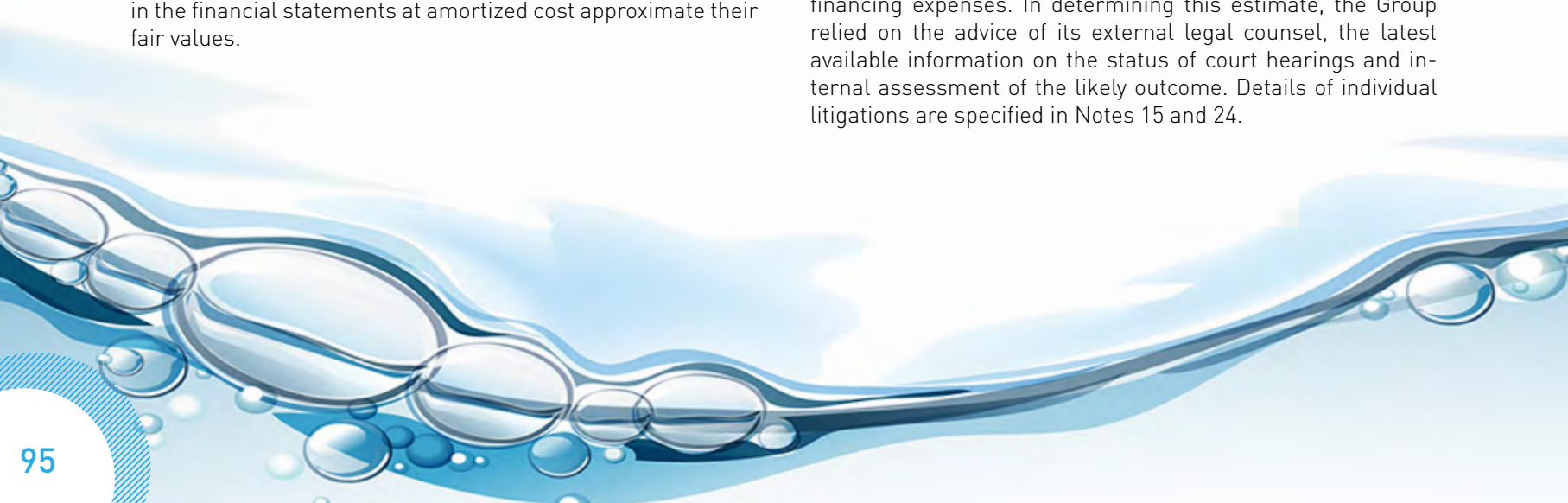
In applying the Group's accounting principles described in Note 2, the Group adopted the following decisions concerning uncertainties and estimates having a material impact on the amounts reported in the financial statements. This section outlines the issues that pose a significant risk of material adjustments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

(i) Impairment of buildings, constructions, machinery and equipment

The Group's sales are regulated and based on its justified costs reviewed by the Regulatory Office for Network Industries (hereinafter referred to as "RONI") in line with the applicable legislation. The Company manages extensive tangible and intangible assets needed to provide for its activities. Another part of technology is managed by the subsidiary BIONERGY, a. s. The net book value of tangible and intangible assets of the Company and its subsidiary BIONERGY, a. s., amounted to EUR 476 million as of 31 December 2018 (as of 31 December 2017: EUR 475 million). The Group's management assessed the future economic benefits flowing from the tangible and intangible assets of the Company together with the benefits resulting from financial investment in BIONERGY, a. s., 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 euros)	as of 31 December 2018	as of 31 December 2017
Cash and cash equivalents on hand	40,879	49,759
Current accounts in banks	6,232,622	18,150,400
Term deposits	0	0
TOTAL	6,273,501	18,200,159

As of 31 December 2018, the cash and cash equivalents were freely at the Group's disposal.

No balances are overdue or impaired.



6. Trade receivables and other receivables

(in whole euros)	as of 31 December 2018	as of 31 December 2017
Trade receivables	14,339,452	16,602,593
Unbilled revenues	4,976,885	4,049
Receivables from shareholder contributions		
Total trade receivables	19,316,337	16,606,642
Advances and prepaid expenses	755,994	570,904
Tax receivables (mainly resulting from VAT)	496,575	
Other non-financial receivables		
Total other non-financial receivables	1,252,569	570,904
TOTAL	20,568,906	17,177,546

Movements in the provision are shown in the following table:

(in whole euros)	2018	2017
Beginning of the period	3,599,842	4,700,370
Creation of a provision for receivables	392,722	211,024
Dissolution of the provision	-1,142,002	-1,288,812
Write-off of unenforceable receivables		-22,740
End of the period	2,850,562	3,599,842

The Group created 100% provisions 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 Tatrabanka, a. s. The highest hedging amount is EUR 115 mil.

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



7. Inventories

(in whole euros)	as of 31 December 2018	as of 31 December 2017
Material and spare parts	2,127,938	2,059,277
TOTAL	2,127,938	2,059,277

The inventory items are shown after provisions for slow-moving materials and spare parts of EUR 0 (2017: EUR 1,022).

Movements in the provision for slow-moving items during the year ended 31 December 2018 are presented below:

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



8. Non-current tangible assets

	Land, buildings and constructions	Machinery, devices and equipment	Capital construction in progress	Total
As of 1 January 2018				
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 as of 1 Jan. 2018	403,718,487	38,916,281	36,099,924	478,734,692
Additions		0	24,615,214	24,615,214
Capitalization	20,624,389	9,637,609	-30,261,998	0
Disposals	-1,595,046	-737,213	0	-2,332,259
Depreciation	-16,111,616	-7,966,530	0	-24,078,146
Change in provisions	7,101	0	-191,953	-184,852
Net book value as of 31 Dec. 2018	406,643,315	39,850,147	30,261,187	476,754,649
Cost	781,503,369	128,281,336	31,376,419	941,161,123
Accumulated depreciation and provisions	-374,860,054	-88,431,189	-1,115,232	-464,406,474
Net book value as of 31 Dec. 2018	406,643,315	39,850,147	30,261,187	476,754,649
As of 1 January 2017				
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 as of 1 Jan. 2017	402,282,888	43,558,939	34,997,621	480,839,448
Additions	7,076		24,186,321	24,193,397
Capitalization	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
Net book value as of 31 Dec. 2017	403,718,487	38,916,281	36,099,924	478,734,692
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 as of 31 Dec. 2017	403,718,487	38,916,281	36,099,924	478,734,692

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

9. Intangible assets

(in whole euros)

As of 1 January 2017

Cost	9,306,890
Accumulated amortization and provisions	-6,964,600
net book value	2,342,290

year ended 31 December 2017

Additions	2,456,899
Disposals	-462,860
Amortization	-1,055,165
Change in provisions	1,251,500
net book value	4,532,664

as of 1 January 2018

Cost	11,300,929
Accumulated amortization and provisions	-6,768,265
net book value	4,532,664

year ended 31 December 2018

Additions	7,048,274
Disposals	-4,964,251
Amortization	-1,107,668
Change in provisions	0
net book value	5,509,019

as of 31 December 2018

Cost	13,384,952
Accumulated amortization and provisions	-7,875,933
net book value	5,509,019

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

10. Deferred income tax

The deferred income (i.e. corporate) tax is calculated in full on temporary differences under the balance sheet liability method using a principal tax rate of 21% (21% in 2017). Deferred tax liabilities are formed mainly from the difference between the tax and carrying amount of non-current tangible assets.

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

(in whole euros)	as of 31 December 2018	as of 31 December 2017
Deferred tax liability from assets	-11,210,599	-11,974,158
Deferred tax asset with respect to provisions	886,455	1,093,687
Other	3,068,616	3,458,774
TOTAL	-7,255,528	-7,421,697

11. Deferred income

(in whole euros)	
Long-term	
Subsidies and contributions as of 31 December 2017	41,711,034
Transfer to short-term	-2,995,429
Additions per year	1,760,789
Subsidies and contributions as of 31 December 2018	40,476,395
Short-term	
Subsidies and contributions as of 31 December 2017	3,076,499
Use per year through profit and loss	-3,133,047
Additions per year	3,059,258
Subsidies and contributions as of 31 December 2018	3,002,710

12. Trade payables and other liabilities

(in whole euros)	as of 31 December 2018	as of 31 December 2017
Financial liabilities		
Trade payables and other liabilities	25,933,306	26,166,792
Unbilled deliveries and doubtful accounts	21,600	96,311
Accrued expenses	0	48,000
	25,954,906	26,311,103
Non-financial liabilities		
Liabilities to employees	1,026,736	994,273
Liabilities to the Social Insurance Company	782,758	708,661
	1,809,494	1,702,934
Total trade payables and other liabilities	27,764,400	28,014,037

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

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

(in whole euros)	as of 31 December 2018	as of 31 December 2017
Non-overdue liabilities	23,126,415	26,609,071
Overdue liabilities	4,637,985	1,404,966
Total trade payables and other liabilities	27,764,400	28,014,037

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

(in whole euros)	as of 31 December 2018	as of 31 December 2017
As of 1 January	212,271	102,368
Creation through expenses, other allocation	388,178	371,820
Drawdown	-366,561	-261,917
As of 31 December	233,888	212,271

13. Loans and borrowings

(in whole euros)	as of 31 December 2018	as of 31 December 2017
Short-term		
Bank loans	4,502,440	10,789,326
Total short-term loans and borrowings	4,502,440	10,789,326
Long-term		
Bank loans	62,657,448	62,000,000
Total long-term loans and borrowings	62,657,448	62,000,000
Total loans and borrowings	67,159,888	72,789,326

The remaining time to maturity of loans and borrowings:

(in whole euros)	as of 31 December 2018	as of 31 December 2017
up to 1 year	4,502,440	10,789,326
1 - 5 years	62,657,448	62,000,000
over 5 years	0	0
Total loans and borrowings	67,159,888	72,789,326

In 2010, the Company entered into an agreement on financing with Všeobecná úverová banka, a. s., concerning the granting of a bank loan amounting to EUR 20 million for the purpose of funding projects and buying fixed assets. The loan was paid fully in 2018.

In August 2013, the Company entered into an agreement on an instalment loan with Tatrabanka, a. s., for the granting of a bank loan amounting to EUR 80 million for the purpose of funding projects and buying fixed assets. As of 31 December 2018, the amount of EUR 18,000,000 had been repaid. In accordance with the agreement, the loan instalments started in March 2015. The bank loan's final maturity date is 31 December 2020.

In 2018, the Company entered into an instalment loan agreement with Tatra banka, a.s., for the granting of a bank loan in total worth EUR 5.3 million (according to the agreement; in reality, EUR 5.16 million were drawn) for the purpose of repaying the loan liabilities to Všeobecná úverová banka, a. s. The 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 value of long-term loans and borrowings is not significantly different from their carrying values.

14. Liability concerning benefits upon termination

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

The change in liabilities (net) reported in the balance sheet for the year ending on 31 December 2018 and the year ending on 31 December 2017 can be summarized as follows:

	Total employee benefits	
(in whole euros)	31 December 2018	31 December 2017
Net liabilities as of 1 January	1,129,889	1,077,512
Net change in provisions (actuarial estimate), included in personnel costs	183,717	392,365
Employee benefits paid	-137,811	-339,988
Net liabilities	1,175,795	1,129,889

15. Long-term provisions

(in whole euros)	As of 1 January	Creation	Use	Cancelled	As of 31 December
Provisions for litigations (ii)	3,281,915	272,516	254,923	204,584	3,094,924
Provisions for environmental issues (i)	78,925	0	0	71,656	7,269
Total for 2017	3,360,840	272,516	254,923	276,240	3,102,193
Provisions for litigations (ii)	3,094,924	86,456	158,066	1,655,426	1,367,888
Provisions for environmental issues (i)	7,269	0	0	0	7,269
Total for 2018	3,102,193	86,456	158,066	1,655,426	1,375,157

(i) Provisions for environmental issues

As of 31 December 2018, the provision amounted to EUR 7,269 (31 December 2017: EUR 7,269).

(ii) Litigations

The provision for passive litigations totalling to EUR 1,367,888 (2017: EUR 3,094,924) is created until the court decides on individual litigations, on the basis of expert appraisals by the Company's legal representatives, who have the most relevant information on the course of litigation, evidence, etc.

(iii) Litigations of Infra Services, a.s.

Within the consolidated entity of Infra Services, a.s., the Company did not create provisions for an ongoing litigation, even though court proceedings are ongoing against it at the Žilina District Court, where the court could start proceedings against Infra Services, a. s., to impose a fine. The objective of the proceeding is to verify the truthfulness and completeness of the data on the beneficial owner, registered in the Register of Public Sector Partners. The amount of the fine that could be imposed on the company cannot be reasonably estimated due to ambiguity of the text of the legislation and due to absence of court decisions imposing a fine in similar cases.

16. Share capital

As of 31 December 2018 and 2017, the share capital of the Company consisted of 8,477,431 ordinary book-entry shares with a face value of EUR 33.19, which were fully paid up. As of 31 December 2018, the Company held 714,771 treasury shares (2017: 714,771) at a cost of EUR 1,927,338. Laws do not restrict the holding of such shares in any manner.

17. Revenues

(in whole euros)	Year 2018	Year 2017
Water charges	43,855,778	43,308,058
Sewer charges	45,859,296	45,475,740
Other revenues	1,709,194	2,153,264
Total revenues	91,424,268	90,937,062

18. Wages and salaries

(in whole euros)	Year 2018	Year 2017
Wages and salaries (including remuneration for member of "statutory bodies")	19 413 997	18 764 579
Compulsory social insurance contributions	7,051,855	6,751,192
Other social expenses	1,357,354	1,293,970
Total wages and salaries	27,823,206	26,809,741

19. Services

(in whole euros)	Year 2018	Year 2017
Lease (or rental) of buildings and vehicles	4,876,301	4,736,747
Repairs and maintenance	2,463,527	2,542,801
Security service	1,571,053	1,537,172
Postage	556,705	626,501
Telecommunications	823,376	773,491
Legal services and other advice	780,332	945,124
Audit and advice	733,751	668,556
Cleaning, washing, winter and summer maintenance, maintenance of greenery	467,974	486,639
Surface treatment	1,773,891	1,645,789
Sludge disposal and collection, waste collection	1,690,708	1,567,680
IT services, ISR	4,401,033	3,452,572
Training, analyses, projects	64,713	232,776
Travel costs	70,890	81,915
Representation expenses	110,887	139,058
Expenses for meter readings and replacement of water metering devices	226,113	150,854
Purchase of non-current intangible assets	6,354	92,323
Monitoring of overhead costs	133,462	196,569
Debt recovery services	6,736	108,237
Marketing and advertising	417,084	369,908
Revisions	219,755	70,605
Setting out	16,684	22,572
Other services	5,298,411	5,309,914
Total services	26,709,740	25,757,801

20. Other operating expenses and revenues

(in whole euros)	Year 2018	Year 2017
Other operating income		
Revenues from the sale of non-current assets and material	175,522	64,598
Contractual fines and penalties	84,094	-452,102
Dissolved subsidies and gifts in income	3,133,047	3,021,114
Other income	2,981,998	3,018,194
Total	6,374,662	5,651,804
Other operating expenses		
Net book value of non-current assets and material sold	71,530	497,479
Provisions for impairment of receivables	-749,280	-986,011
Taxes and fees	184,496	530,112
Other expenses	-690,809	696,423
Total	-1,184,063	738,003

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

21. Income tax

(in whole euros)	Year 2018	Year 2017
Current income tax	776,585	682,244
Change in the deferred tax	-230,495	-218,291
Total income tax	546,090	463,953

22. Cash flows from operating activities

(in whole euros)		Year 2018	Year 2017
Profit for the period before tax		1,314,139	1,100,612
adjusted by:			
Depreciation of non-current tangible and intangible assets	9	26,464,843	25,467,155
Write-off of receivables		69	22,739
Increase (decrease) in provisions for receivables	6	-749,280	-1,094,861
Increase (decrease) in provisions for non-current assets	8	184,853	-1,149,127
Increase (decrease) in provisions for inventories	7	1,748	3,802
Increase (decrease) in provisions for liabilities	1	-1,697,652	-1,355,897
Loss (profit) from sale of long-term tangible assets	4	-44,327	421,075
Change in deferred revenues	1	-1,308,208	-2,295,924
Net interest expense		476,735	714,886
Change in working capital			
Increase (decrease) in inventories	7	-68,661	-265,685
Increase (decrease) in trade receivables and other receivables	6	-3,391,360	2,759,330
Increase (decrease) in trade payables and other liabilities	1	-249,636	154,328
Other proceeds from operating activities	2		10,194
Total		20,933,264	24,492,628

23. Remuneration and benefits to the management

Wages and remunerations paid to members of the Groups' bodies and directors amount to EUR 276,482 during the year ending on 31 December 2018 (31 December 2017: EUR 286,666); wages and remunerations are included in personnel costs.

24. Possible other liabilities and other financial obligations

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

(i) Secured bank loans

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

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

(ii) Uncertainty under Slovak tax law

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

(iii) Environmental burdens

On 13 May 2004, the Parliament of the Slovak Republic approved Act No. 364/2004 Coll. on Waters and on a Changes to Act No. 372/1990 Coll. on Administrative Infractions, as amended (the Water Act), in which requirements of the Directive of the Council 91/271/EEC concerning urban wastewater treatment

were also incorporated. Under this Act, there is the duty to finish the construction of a public sewer system with associated wastewater treatment in agglomerations with more than 10,000 inhabitants by the end of 2010, and in agglomerations with more than 2,000 inhabitants by the end of 2015. The Company finances these investments from its own resources, from subsidies from the state budget and EU funds, as well as through bank loans.

In 2010, the Company entered into an agreement with Všeobecná úverová banka, a. s., to finance Projects, buy long-term fixed assets, refurbish existing assets and meet the Company's investment needs. In 2018, the loan was paid in full.

In August 2013, the Company entered into an agreement on an instalment loan with Tatrabanka, a. s., for the granting of a bank loan amounting to EUR 80 million for the purpose of funding projects and buying fixed assets. As of 31 December 2018, EUR 80 million of the long-term loan have been drawn (EUR 18 million had been repaid). The bank loan's final maturity date is 31 December 2020.

In 2018, the Company entered into an instalment loan agreement with Tatra banka, a.s., for the granting of a bank loan in total worth EUR 5.3 million (according to the agreement; in

reality, EUR 5.16 million were drawn) for the purpose of repaying the loan liabilities to Všeobecná úverová banka, a. s. The maturity of the bank loan is 31 December 2020.

Under the Water Act, the Company pays fees in the amount of EUR 0.0332 per m³ for water taken from underground sources and pursuant to the Ordinance of the Government of the Slovak Republic No. 755/2004 Coll. Laying down the Amount of Unregulated Payments, the Amount of Fees and the Details Related to Charges for the Use of Waters, as amended, it also pays fees for wastewater discharge into surface waters. In 2018, the Company paid advance payments for fees for water taken from underground sources in the amount of EUR 2,145,231 (in 2017: EUR 2,091,319). The actual amount of fees for water taken is EUR 2,107,515. In 2018, the Company paid fees of EUR 200,322 for the discharge of wastewater into surface waters (in 2017: EUR 375,503). In 2019 EUR 184,735 will be refunded to the Company, because the wastewater discharged in most cases did not exceed the concentration and balance limits for the imposition of charges.

(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 the management of the Company believes that their disclosure would seriously jeopardize the company's position in these litigations.

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

The business of public water mains and sewer system is regulated by Act No. 442/2002 Coll. on Public Water Mains and Public Sewer Systems and on Changes and Supplements to Act No. 276/2001 Coll. on Regulation in Network Industries, as amended. This act, in addition to other aspects, regulates

the establishment, development and operation of public water mains and public sewer systems, the rights and obligations of their operators, as well as the supervision performed by public administration authorities, in particular in the area of adherence to qualitative indicators for drinking water as well as wastewater drainage.

The prices in the water industry and the terms and conditions for their application are set by the Regulatory Office for Network Industries (hereinafter referred to as "RONI") by Act No. 250/2012 Coll. on Regulation in Network Industries, as amended, and RONI Decree No. 21/2017 Coll. of 13 February 2017 Setting the Price Regulation for the Production, Distribution and Supply of Drinking Water through Public Water Mains and the Drainage and Treatment of Wastewater through the Public Sewer System, as amended.

The method of price regulation implementation 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 the production, distribution and supply of drinking water and the drainage and treatment of wastewater; the source data for the price proposal; and the procedure and terms and conditions of applying the price.

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

of method for calculating the investment development factor.

In the matter of the proposal of prices for the production and supply of drinking water through public water mains, the production and distribution of drinking water through public water mains and for the drainage and treatment of wastewater through public sewer systems, the RONI issued, on 24 No-

vember 2016, final price decision No. 0038/2017/V, by which it approved for the Company the prices valid for the period from 1 January 2017 to 31 December 2021.

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

Final price decision	EUR/m3 excl. VAT
the maximum price for the production and supply of drinking water through public water mains	0.9359
the maximum price for the production and distribution of drinking water through public water mains	0.6547
the maximum price for the drainage and treatment of wastewater through the public sewer system	0.9216

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

(vi) Other risks

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

25. Events after the balance sheet date

After the balance sheet date, there were no significant events requiring disclosure or an adjustment of statements.



STATEMENTS OF BVS FOR THE LAST 5 YEARS

BALANCE SHEET

BALANCE SHEET	2018	2017	2016	2015	2014
	(EUR ths.)	(EUR ths.)	(EUR ths.)	(EUR ths.)	(EUR ths.)
TOTAL ASSETS	541,404	544,108	552,678	557,159	548,588
Non-current assets	514,721	516,307	517,733	512,069	479,366
Non-current intangible assets	3,553	2,799	2,017	1,858	2,543
Non-current tangible assets	455,020	457,361	459,569	454,063	420,676
Non-current financial assets	56,147	56,147	56,147	56,147	56,147
Shares and ownership interests in affiliated entities	56,147	56,147	56,147	56,147	56,147
Current assets	21,190	27,312	34,540	42,005	65,486
Inventories	680	516	515	319	5
Long-term receivables	574	0	0	0	0
Current receivables	13,808	15,974	14,634	15,510	19,116
Current financial assets	1,927	1,927	1,927	1,927	1,927
Financial accounts	4,201	8,894	17,463	24,248	44,438
Accruals and deferrals	5,493	489	405	3,086	3,736

BALANCE SHEET	2018	2017	2016	2015	2014
	(EUR ths.)	(EUR ths.)	(EUR ths.)	(EUR ths.)	(EUR ths.)
TOTAL EQUITY AND LIABILITIES	541,404	544,108	552,678	557,159	548,588
Equity	387,865	387,702	387,357	389,030	388,063
Share capital	281,366	281,366	281,366	281,366	281,366
Share premium	0	0	0	0	0
Other capital reserves	2,344	2,344	2,344	2,344	2,344
Legal reserve funds	32,902	32,853	32,803	32,501	32,076
Other revenue reserves	33,253	33,253	33,253	32,708	32,708
Revaluation differences	34,159	34,159	34,159	34,159	34,159
Retained earnings	3,232	3,232	2,935	2,935	2,935
Profit/loss for the period	608	495	497	3,017	2,475
Liabilities	110,331	111,769	118,127	123,996	129,331
Legal provisions	452	395	316	1,144	1,067
Other long-term and short-term provisions	3,614	4,660	6,097	9,223	5,171
Non-current liabilities	9,034	10,883	10,405	9,625	8,019
Current liabilities	30,071	23,042	21,734	17,647	30,321
Bank loans and financial assistance	67,160	72,789	79,574	86,357	84,753
Long-term bank loans	62,657	62,000	72,786	79,571	77,965
Current bank loans and short-term financial assistance	4,502	10,789	6,788	6,786	6,788
Accruals and deferrals	43,208	44,637	47,194	44,133	31,194

PROFIT AND LOSS STATEMENTS

PROFIT AND LOSS STATEMENTS	2018	2017	2016	2015	2014
	(EUR ths.)	(EUR ths.)	(EUR ths.)	(EUR ths.)	(EUR ths.)
Net turnover	95,546	94,280	91,982	89,969	87,032
Operating revenues	95,626	94,300	92,290	90,284	88,741
Revenues from goods sold	0	0	0	0	0
Revenues from own products sold	43,860	43,314	42,065	41,274	40,930
Revenues from services sold	47,789	47,100	45,395	45,620	44,880
Change in internal inventories	0	0	196	316	0
Capitalization	550	768	772	579	585
Revenues from the sale of non-current assets and material	80	22	122	39	2
Other operating revenues	3,347	3,096	3,740	2,456	2,343
Operating expenses	95,500	93,954	91,961	87,162	86,386
Cost of goods sold	0	0	0	0	0
Cost of material, energy and other non-inventory items	13,077	13,088	12,281	12,149	13,267
Provisions for inventories	0	0	0	0	0
Services	40,432	39,796	38,083	35,708	33,852
Personnel expenses	18,994	17,947	17,019	16,217	16,069
Taxes and fees	94	461	641	595	708

PROFIT AND LOSS STATEMENTS	2018	2017	2016	2015	2014
	(EUR ths.)	(EUR ths.)	(EUR ths.)	(EUR ths.)	(EUR ths.)
Depreciation, amortization and provisions for non-current intangible assets and non-current tangible assets	24,613	23,682	21,228	20,617	22,518
Net book value of non-current assets sold and material sold	39	441	96	11	8
Provisions for receivables	-762	-980	1,930	959	-574
Other operating expenses	-987	518	684	906	538
Operating profit/loss	126	346	328	3,121	2,354
Value added	38,690	39,297	38,064	39,932	39,276
Income from financing activities	1,177	1,014	875	1,616	1,293
Expenses for financing activities	609	787	982	893	697
Profit/loss from financing activities	568	227	-107	723	596
Profit/loss for the period before tax	694	573	221	3,844	2,950
Current income tax	1	3	5	377	296
Deferred income tax	85	75	-281	450	179
Profit/loss for the period after tax	608	495	497	3,017	2,475

STATEMENT OF CASH FLOWS

Item	Reporting period				
	2018 (EUR ths.)	2017 (EUR ths.)	2016 (EUR ths.)	2015 (EUR ths.)	2014 (EUR ths.)
Cash flows from operating activities (OA)					
Z/S Profit/loss from ordinary activities before income tax (+/-)	694	573	221	3,844	2,950
A.1 Non-cash transactions affecting the profit/loss from ordinary activities before income tax (+/-)	22,118	21,372	19,976	25,162	21,114
A.1.1 Depreciation and amortization of intangible and non-current tangible assets (+)	24,450	24,637	23,312	20,761	19,775
A.1.2 Net book value of non-current tangible and intangible assets recorded upon disposal of such assets and charged to expenses for ordinary activities, except for its sale (+)	2	1	4	1	232
A.1.3 Write-off of the provision for acquired assets (+/-)	-	-	-	-	-
A.1.4 Change in provisions for liabilities (+/-)	-988	-1,359	-3,136	4,129	-1,694
A.1.5 Change in provisions for assets (+/-)	-601	-2,050	-233	1,073	1,926
A.1.6 Change in expense and revenue accruals (+/-)	-	-	-	-	-
A.1.7 Dividends and other profit sharing charged to revenues (-)	-1,177	-1,013	-864	-1,576	1,221
A.1.8 Interest expense (+)	477	717	909	810	-388
A.1.9 Interest income (-)	-	-1	-10	-40	-
A.1.10 Foreign currency exchange rate differences (+/-)	-	-	-	-	-
A.1.11 Profit/loss on the sale of non-current assets except for assets considered as cash equivalents (+/-)	-44	419	-24	-27	-6
A.1.12 Other items of non-cash nature (+/-)	-	22	19	31	48
A.2 Effect of changes in working capital on the profit/loss from ordinary activities	565	-959	11,279	15,522	19,036
A.2.1 Change in receivables from operations (-/+)	-2,116	-279	2,049	3,057	2,101
A.2.2 Change in payables from operations (+/-)	2,885	-679	9,426	12,779	17,497
A.2.3 Change in inventories (-/+)	-165	-1	-196	-314	-21
A.2.4 Change in current financial assets except for those included in cash and cash equivalents (-/+)	-	-	-	-	-
A.2.5 Other	-	-	-	-	-541
* Cash flow from operating activities except for cash inflows and outflows listed separately in other sections of the statement of cash flows (+/-) (sum P/L +A.1 + A.2)	23,377	20,986	31,476	44,529	43,100
A.3 Interest received (+)	-	1	10	40	41
A.4 Interest paid (-)	-477	-717	-909	-810	-460
A.5 Dividends and other profit sharing received (+)	1,177	1,013	864	1,576	-
A.6 Dividends and other profit sharing paid (-)	-	-	-2,015	-2,051	-
A.7 Income tax paid (-/+)	9	366	-414	-94	-522
A.8 Extraordinary cash inflows related to operations (+)	-	-	-	-	-
A.9 Extraordinary cash outflows related to operations (-)	-	-	-	-	-
A Net cash flow from operating activities	24,086	21,649	29,014	43,189	42,159

Item	Reporting period				
	2018 (EUR ths.)	2017 (EUR ths.)	2016 (EUR ths.)	2015 (EUR ths.)	2014 (EUR ths.)
Cash flows from investing activities (IA)					
B.1.1 Expenditures for the acquisition of non-current tangible and intangible assets (–)	-23,150	-23,433	-29,015	-65,021	-73,044
B.1.2 Expenditures for the acquisition of long-term securities and shares in other entities, except for securities that are considered to be cash equivalents and securities intended for sale or trading (–)	-	-	-	-	-
B.1.3 Proceeds from the sale of non-current tangible and intangible assets (+)	-	-	-	38	2
B.1.4 Proceeds from the sale of long-term securities and shares in other entities, except for securities that are considered to be cash equivalents and securities intended for sale or trading (+)	-	-	-	-	-
B.1.5 Expenditures for acquisition of long-term securities and shares in other entities	-	-	-	-	-
B.2.1 Expenditures for long-term loans granted to other entities included in the consolidation group (–)	-	-	-	-	-
B.2.2 Proceeds from the repayment of long-term loans granted to other entities included in the consolidation group (+)	-	-	-	-	-
B.2.3 Expenditures for long-term loans granted to third parties, except for long-term loans granted to entities that are included in the consolidation group (–)	-	-	-	-	-
B.2.4 Proceeds from the repayment of loans granted to third parties, except for long-term loans granted to entities that are included in the consolidation group (+)	-	-	-	-	-
B.3 Proceeds from the lease (or rental) of the complex of movable and immovable assets used and depreciated by the lessee (+)	-	-	-	-	-
B.4 Interest received (+)	-	-	-	-	-
B.5 Dividends and other profit sharing received (+)	-	-	-	-	-
B.6.1 Expenditures related to derivatives, except for derivatives intended for sale or trading (–)	-	-	-	-	-
B.6.2 Proceeds related to derivatives, except for derivatives intended for sale or trading (+)	-	-	-	-	-
B.7 Income tax paid (–)	-	-	-	-	-
B.8.1 Extraordinary cash inflows related to investing activities (+)	-	-	-	-	-
B.8.2 Extraordinary cash outflows related to investing activities (–)	-	-	-	-	-
B.9.1 Other cash inflows related to investing activities (+)	-	-	-	-	-
B.9.2 Other cash outflows related to investing activities (–)	-	-	-	-	-
B Net cash flow from investing activities	-23,150	-23,433	-29,015	-64,983	-73,042

STATEMENT OF CASH FLOWS

Item	Reporting period				
	2018 (EUR ths.)	2017 (EUR ths.)	2016 (EUR ths.)	2015 (EUR ths.)	2014 (EUR ths.)
Cash flows from financing activities (FA)					
C.1 Cash flows in equity	-	-	-	-	-
C.1.1 Proceeds from shares subscribed and ownership interests (+)	-	-	-	-	-
C.1.2 Proceeds from other capital stakes owned by partners (+)	-	-	-	-	-
C.1.3 Monetary gifts received (+)	-	-	-	-	-
C.1.4 Proceeds from loss settlement by shareholders (+)	-	-	-	-	-
C.1.5 Expenditures for the acquisition or repurchase of treasury shares in public and own shares in limited liability companies (-)	-	-	-	-	-
C.1.6 Expenditures relating to a decrease in reserves created by the entity (-)	-	-	-	-	-
C.1.7 Expenditures for repayment of capital stake to shareholders of the entity (-)	-	-	-	-	-
C.1.8 Expenditures due to other reasons, which relate to a decrease in equity (-)	-	-	-	-	-
C.2 Cash flows arising from long-term and current liabilities from financing activities	-5,629	-6,785	-6,783	1,605	41,274
C.2.1 Proceeds from the issue of debt securities (+)	-	-	-	-	-
C.2.2 Repayment of liabilities from debt securities (-)	-	-	-	-	-
C.2.3 Proceeds from loans (+)	-	-	-	8,393	43,560
C.2.4 Repayment of loans (-)	-10,786	-6,785	-6,783	-6,788	-2,286
C.2.5 Proceeds from borrowings received (+)	5,157	-	-	-	-
C.2.6 Repayment of borrowings (-)	-	-	-	-	-
C.2.7 Repayment of liabilities from finance leases (-)	-	-	-	-	-
C.2.8 Repayment of liabilities from the lease (or rental) of the complex of movable and immovable assets used and depreciated by the lessee (-)	-	-	-	-	-
C.2.9 Proceeds from other long-term and current liabilities resulting from financing activities of the entity (+)	-	-	-	-	-
C.2.10 Repayment of other long-term and current liabilities resulting from financing activities of the entity (-)	-	-	-	-	-
C.3 Cash flows from other financing activities	-	-	-	-	-
C.3.1 Expenditures for interest paid (-)	-	-	-	-	-
C.3.2 Expenditures for dividends paid and other profit sharing (-)	-	-	-	-	-
C.3.3 Expenditures related to derivatives except for derivatives intended for sale or trading (-)	-	-	-	-	-
C.3.4 Proceeds related to derivatives, except for derivatives intended for sale or trading (+)	-	-	-	-	-
C.3.5 Income tax paid (-)	-	-	-	-	-
C.3.6 Extraordinary cash inflows related to financing activities (+)	-	-	-	-	-
C.3.7 Extraordinary cash outflows related to financing activities (-)	-	-	-	-	-

Item	Reporting period				
	2018 (EUR ths.)	2017 (EUR ths.)	2016 (EUR ths.)	2015 (EUR ths.)	2014 (EUR ths.)
Peňažné toky z finančných činností (FČ)					
C Net cash flow from financing activities	-5,629	-6,785	-6,783	1,605	41,274
D Net increase or net decrease in cash and cash equivalents (+/-) (sum A + B + C)	-4,693	-8,569	-6,785	-20,190	10,391
E Cash and cash equivalents at the beginning of the reporting period	8,894	17,463	24,248	44,438	34,046
F FX-rate gains/losses for cash and cash equivalents as of the reporting day (+/-)	-	-	-	-	-
G Cash and cash equivalents at the end of the reporting period (sum D + E + F)	4,201	8,894	17,463	24,248	44,438

OVERVIEW OF CHANGES IN SHARES FOR THE YEARS 2014 TO 2018

No.	shareholder	as of 31 December 2014				as of 31 December 2015			
		additions	disposals	number of shares	%	additions	disposals	number of shares	%
1	Bratislavská vodárenská spoločnosť, a.s.			714,771	8.43			714,771	8.43
2	Bratislava, the Capital of the Slovak Republic			5,026,138	59.29			5,026,138	59.29
3	Town of Skalica			733,012	8.65			733,012	8.65
4	Town of Pezinok			245,495	2.90			245,495	2.90
5	Town of Malacky			211,013	2.49			211,013	2.49
6	Town of Senec			169,240	1.99			169,240	1.99
7	Town of Modra			96,030	1.13			96,030	1.13
8	Town of Stupava			88,648	1.05			88,648	1.05
9	Town of Svätý Jur			50,211	0.59			50,211	0.59
10	Municipality of Bernolákovo			50,638	0.60			50,638	0.60
11	Municipality of Blatné			15,494	0.18			15,494	0.18
12	Municipality of Boldog			4,427	0.05			4,427	0.05
13	Municipality of Borinka			4,741	0.06			4,741	0.06
14	Municipality of Borský Svätý Jur			17,685	0.21			17,685	0.21
15	Municipality of Brestovec			11,168	0.13			11,168	0.13
16	Municipality of Budmerice			21,920	0.26			21,920	0.26
17	Municipality of Bukovec			5,078	0.06			5,078	0.06
18	Municipality of Cerová			14,449	0.17			14,449	0.17
19	Municipality of Častá			22,617	0.27			22,617	0.27
20	Municipality of Častkov			6,472	0.08			6,472	0.08
21	Municipality of Čataj			10,910	0.13			10,910	0.13
22	Municipality of Dojč			13,314	0.16			13,314	0.16
23	Municipality of Doľany			11,808	0.14			11,808	0.14
24	Municipality of Dubová			9,393	0.11			9,393	0.11
25	Municipality of Dubovce			7,505	0.09			7,505	0.09
26	Municipality of Dunajská Lužná			32,493	0.38			32,493	0.38
27	Municipality of Gajary			29,471	0.35			29,471	0.35
28	Municipality of Hamuliakovo			9,764	0.12			9,764	0.12
31	Municipality of Hrašné			5,349	0.06			5,349	0.06
32	Municipality of Hrubá Borša			3,910	0.05			3,910	0.05
33	Municipality of Hurbanova Ves			2,562	0.03			2,562	0.03

as of 31 December 2016				as of 31 December 2017				as of 31 December 2018			
additions	disposals	number of shares	%	additions	disposals	number of shares	%	additions	disposals	number of shares	%
		714,771	8.43			714,771	8.43			714,771	8.43
		5,026,138	59.29			5,026,138	59.29			5,026,138	59.29
		733,012	8.65			733,012	8.65			733,012	8.65
		245,495	2.90			245,495	2.90			245,495	2.90
		211,013	2.49			211,013	2.49			211,013	2.49
		169,240	1.99			169,240	1.99			169,240	1.99
		96,030	1.13			96,030	1.13			96,030	1.13
		88,648	1.05			88,648	1.05			88,648	1.05
		50,211	0.59			50,211	0.59			50,211	0.59
		50,638	0.60			50,638	0.60			50,638	0.60
		15,494	0.18			15,494	0.18			15,494	0.18
		4,427	0.05			4,427	0.05			4,427	0.05
		4,741	0.06			4,741	0.06			4,741	0.06
		17,685	0.21			17,685	0.21			17,685	0.21
		11,168	0.13			11,168	0.13			11,168	0.13
		21,920	0.26			21,920	0.26			21,920	0.26
		5,078	0.06			5,078	0.06			5,078	0.06
		14,449	0.17			14,449	0.17			14,449	0.17
		22,617	0.27			22,617	0.27			22,617	0.27
		6,472	0.08			6,472	0.08			6,472	0.08
		10,910	0.13			10,910	0.13			10,910	0.13
		13,314	0.16			13,314	0.16			13,314	0.16
		11,808	0.14			11,808	0.14			11,808	0.14
		9,393	0.11			9,393	0.11			9,393	0.11
		7,505	0.09			7,505	0.09			7,505	0.09
		32,493	0.38			32,493	0.38			32,493	0.38
		29,471	0.35			29,471	0.35			29,471	0.35
		9,764	0.12			9,764	0.12			9,764	0.12
		5,349	0.06			5,349	0.06			5,349	0.06
		3,910	0.05			3,910	0.05			3,910	0.05
		2,562	0.03			2,562	0.03			2,562	0.03

No	shareholder	as of 31 December 2014				as of 31 December 2015			
		additions	disposal	number of shares	%	additions	disposal	number of shares	%
34	Municipality of Chorvátsky Grob			17,213	0.20			17,213	0.20
35	Municipality of Igram			6,180	0.07			6,180	0.07
36	Municipality of Ivanka pri Dunaji			52,436	0.62			52,436	0.62
37	Municipality of Jablonica			25,538	0.30			25,538	0.30
38	Municipality of Jablonka			6,101	0.07			6,101	0.07
39	Municipality of Jablonové			11,786	0.14			11,786	0.14
40	Municipality of Jakubov			15,134	0.18			15,134	0.18
41	Municipality of Kalinkovo			9,663	0.11			9,663	0.11
42	Municipality of Kaplná			7,539	0.09			7,539	0.09
43	Municipality of Kátov			6,595	0.08			6,595	0.08
44	Municipality of Kostolište			10,325	0.12			10,325	0.12
45	Municipality of Kostolná pri Dunaji			5,180	0.06			5,180	0.06
46	Municipality of Kostolné			7,685	0.09			7,685	0.09
47	Municipality of Krajné			19,381	0.23			19,381	0.23
48	Municipality of Kráľová pri Senci			15,527	0.18			15,527	0.18
49	Municipality of Láb			15,336	0.18			15,336	0.18
50	Municipality of Limbach			12,022	0.14			12,022	0.14
51	Municipality of Lozorno			29,774	0.35			29,774	0.35
52	Municipality of Malé Leváre			11,505	0.14			11,505	0.14
53	Municipality of Malinovo			14,303	0.17			14,303	0.17
54	Municipality of Marianka			10,662	0.13			10,662	0.13
55	Municipality of Miloslavov			9,663	0.11			9,663	0.11
56	Municipality of Mokrý Háj			6,584	0.08			6,584	0.08
57	Municipality of Most pri Bratislave			17,190	0.20			17,190	0.20
58	Municipality of Nová Dedinka			18,482	0.22			18,482	0.22
59	Municipality of Pernek			8,539	0.10			8,539	0.10
60	Municipality of Píla			2,764	0.03			2,764	0.03
61	Municipality of Plavecký Mikuláš			8,112	0.10			8,112	0.10
62	Municipality of Plavecký Peter			7,202	0.08			7,202	0.08
63	Municipality of Plavecký Štvrtok			22,055	0.26			22,055	0.26
64	Municipality of Podkylava			3,180	0.03			3,180	0.03
65	Municipality of Poriadie			8,033	0.09			8,033	0.09
66	Municipality of Prietržka			4,798	0.06			4,798	0.06
67	Municipality of Prievaly			9,797	0.12			9,797	0.12
68	Municipality of Reca			13,943	0.16			13,943	0.16
69	Municipality of Rohožník			470	0.01			470	0.01
70	Municipality of Rohov			4,303	0.05			4,303	0.05

as of 31 December 2016				as of 31 December 2017				as of 31 December 2018			
additions	disposals	number of shares	%	additions	disposals	number of shares	%	additions	disposals	number of shares	%
		17,213	0.20			17,213	0.20			17,213	0.20
		6,180	0.07			6,180	0.07			6,180	0.07
		52,436	0.62			52,436	0.62			52,436	0.62
		25,538	0.30			25,538	0.30			25,538	0.30
		6,101	0.07			6,101	0.07			6,101	0.07
		11,786	0.14			11,786	0.14			11,786	0.14
		15,134	0.18			15,134	0.18			15,134	0.18
		9,663	0.11			9,663	0.11			9,663	0.11
		7,539	0.09			7,539	0.09			7,539	0.09
		6,595	0.08			6,595	0.08			6,595	0.08
		10,325	0.12			10,325	0.12			10,325	0.12
		5,180	0.06			5,180	0.06			5,180	0.06
		7,685	0.09			7,685	0.09			7,685	0.09
		19,381	0.23			19,381	0.23			19,381	0.23
		15,527	0.18			15,527	0.18			15,527	0.18
		15,336	0.18			15,336	0.18			15,336	0.18
		12,022	0.14			12,022	0.14			12,022	0.14
		29,774	0.35			29,774	0.35			29,774	0.35
		11,505	0.14			11,505	0.14			11,505	0.14
		14,303	0.17			14,303	0.17			14,303	0.17
		10,662	0.13			10,662	0.13			10,662	0.13
		9,663	0.11			9,663	0.11			9,663	0.11
		6,584	0.08			6,584	0.08			6,584	0.08
		17,190	0.20			17,190	0.20			17,190	0.20
		18,482	0.22			18,482	0.22			18,482	0.22
		8,539	0.10			8,539	0.10			8,539	0.10
		2,764	0.03			2,764	0.03			2,764	0.03
		8,112	0.10			8,112	0.10			8,112	0.10
		7,202	0.08			7,202	0.08			7,202	0.08
		22,055	0.26			22,055	0.26			22,055	0.26
		3,180	0.03			3,180	0.03			3,180	0.03
		8,033	0.09			8,033	0.09			8,033	0.09
		4,798	0.06			4,798	0.06			4,798	0.06
		9,797	0.12			9,797	0.12			9,797	0.12
		13,943	0.16			13,943	0.16			13,943	0.16
		470	0.01			470	0.01			470	0.01
		4,303	0.05			4,303	0.05			4,303	0.05

No	shareholder	as of 31 December 2014				as of 31 December 2015			
		additions	disposal	number of shares	%	additions	disposal	number of shares	%
71	Municipality of Rovinka			13,853	0.16			13,853	0.16
72	Municipality of Sekule			17,819	0.21			17,819	0.21
73	Municipality of Slovenský Grob			19,853	0.23			19,853	0.23
74	Municipality of Smrdáky			7,292	0.09			7,292	0.09
75	Municipality of Sološnica			16,595	0.20			16,595	0.20
76	Municipality of Stará Myjava			7,820	0.09			7,820	0.09
77	Municipality of Studienka			17,741	0.21			17,741	0.21
78	Municipality of Suchohrad			6,483	0.08			6,483	0.08
79	Municipality of Šenkvice			46,234	0.55			46,234	0.55
80	Municipality of Štefanová			3,854	0.05			3,854	0.05
81	Municipality of Tomášov			22,640	0.26			22,640	0.26
82	Municipality of Trnovec			3,427	0.04			3,427	0.04
83	Municipality of Veľké Leváre			38,167	0.45			38,167	0.45
84	Municipality of Viničné			16,359	0.19			16,359	0.19
85	Municipality of Vinosady			10,146	0.12			10,146	0.12
86	Municipality of Vištuk			14,696	0.17			14,696	0.17
87	Municipality of Vlky			4,191	0.05			4,191	0.05
88	Municipality of Vysoká Pri Morave			20,527	0.24			20,527	0.24
89	Municipality of Záhorská Ves			17,348	0.20			17,348	0.20
90	Municipality of Zálesie			8,359	0.10			8,359	0.10
91	Municipality of Závod			28,909	0.34			28,909	0.34
92	Municipality of Zohor			34,392	0.41			34,392	0.41
Total		0	0	8,477,431	100.00	0	0	8,477,431	100.00

as of 31 December 2016				as of 31 December 2017				as of 31 December 2018			
additions	disposal	number of shares	%	additions	disposal	number of shares	%	additions	disposal	number of shares	%
		13,853	0.16			13,853	0.16			13,853	0.16
		17,819	0.21			17,819	0.21			17,819	0.21
		19,853	0.23			19,853	0.23			19,853	0.23
		7,292	0.09			7,292	0.09			7,292	0.09
		16,595	0.20			16,595	0.20			16,595	0.20
		7,820	0.09			7,820	0.09			7,820	0.09
		17,741	0.21			17,741	0.21			17,741	0.21
		6,483	0.08			6,483	0.08			6,483	0.08
		46,234	0.55			46,234	0.55			46,234	0.55
		3,854	0.05			3,854	0.05			3,854	0.05
		22,640	0.26			22,640	0.26			22,640	0.26
		3,427	0.04			3,427	0.04			3,427	0.04
		38,167	0.45			38,167	0.45			38,167	0.45
		16,359	0.19			16,359	0.19			16,359	0.19
		10,146	0.12			10,146	0.12			10,146	0.12
		14,696	0.17			14,696	0.17			14,696	0.17
		4,191	0.05			4,191	0.05			4,191	0.05
		20,527	0.24			20,527	0.24			20,527	0.24
		17,348	0.20			17,348	0.20			17,348	0.20
		8,359	0.10			8,359	0.10			8,359	0.10
		28,909	0.34			28,909	0.34			28,909	0.34
		34,392	0.41			34,392	0.41			34,392	0.41
0	0	8,477,431	100.00	0	0	8,477,431	100.00	0	0	8,477,431	100.00

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Annual Report 2018

