



BRATISLAVSKÁ
VODÁRENSKÁ
SPOLOČNOSŤ

Annual report 2019



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The background of the slide features several large, overlapping, curved shapes in various shades of blue (light blue, medium blue, and dark blue) and white. These shapes create a dynamic, flowing effect, resembling stylized waves or abstract architectural elements. The shapes are layered, with some appearing in front of others, creating a sense of depth.

Company profile

Company bodies

Company management

Company 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: 2020263432

Date of registration: 7 January 2003

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

Business purpose:

- 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,
- rental of movables,
- distribution and sale of drinking water,
- performance of construction supervision activities – structural and civil engineering,
- implementation of buildings and modifications thereof,
- rental of real estate associated with the provision of other than basic services related to rentals,
- operation of cultural, social and entertainment facilities,
- advertising and marketing services,
- performance of physico-chemical, biological and microbiological analyses of sludge and biogas and sampling of drinking and wastewater, sludge and biogas within the scope of an unqualified trade,
- research and development in the area of natural and technical sciences.

Statutory bodies:

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

Note: Under Slovak law, “statutory bodies” are bodies authorized to act directly for the company externally.

Shareholders:

Number of shareholders: 89

Majority shareholder:

Bratislava, the Capital of the Slovak Republic: 59.29%

BVS – treasury shares: 8.43%

Other municipalities and towns: 32.28%

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

Share capital: € 281,365,934.89

Face value of one share: € 33.19

Number of shares: 8,477,431

Class of shares: ordinary shares

Type of shares: registered shares

Form of shares: book-entry shares

Limited transferability of registered shares: Pursuant to Art. 7, section 7.4 of the Articles of Association, the transferability of shares is limited. The transfer of 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 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 a 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 a parts of the assets of the dissolved state-owned enterprise Zapaďoslovenské vodárne a kanalizácie, štátny podnik [West Slovak Waterworks and Sewer Systems, state-owned enterprise], with its registered office at Trnavská 32, Bratislava: the Bratislava – vidiek [Bratislava – surrounding countryside] branch, the Senica branch, the Šamorín long-distance water mains production and operation centre, a part of the company management building, in accordance with privatization project number 2276.

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

On 22 December 2007, as part of increasing the efficiency of internal economic relations and possible penetration into new markets, one of the 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 en-

sure 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 (MANAGEMENT BOARD)

	Commencement of office/from	Termination of office/till (to)
JUDr. Peter Olajoš – Chairman	4 September 2019	
Ing. Emerich Šinka – member	7 November 2019	
Ing. Miroslav Kollár, PhD. – member	7 November 2019	
Ing. Ladislav Kizak – member	13 December 2019	
Ing. František Sobota – Vice-Chairman		13 December 2019
JUDr. Henrich Haščák – member	15 April 2019	13 December 2019
Ing. Vladimír Kollár – member	15 April 2019	7 November 2019
JUDr. Mgr. Miloslav Hrádek, LL.M. – member	15 April 2019	7 November 2019
Ing. Boris Masloviec – Chairman	15 April 2019	4 September 2019
Ing. Zsolt Lukáč, EMBA, PhD. – Chairman		15 April 2019
Ing. Radoslav Daniš – member		15 April 2019
Peter Hallon, MBA – member		15 April 2019
Mgr. Andrej Mede – member		15 April 2019
Mgr. Rastislav Gajarský – member		15 April 2019
PaedDr. Mgr. Milan Trstenský – member		15 April 2019

SUPERVISORY BOARD

	Commencement of office/from	Termination of office/till (to)
JUDr. Martin Kuruc – Chairman	15 April 2019	
Ing. Vladimír Antonín – member		
Jozef Kolla – member		
Ing. Alena Trančíková – member		
Mgr. Peter Littera – member		
Mgr. Martin Vlačíky, PhD. – member	15 April 2019	
Ing. Roman Lamoš – member	15 April 2019	
Ing. Jozef Krúpa – member	15 April 2019	
Mgr. Ing. Peter Cmorej – member	15 April 2019	
Ing. Jakub Mrva – member	15 April 2019	
Mgr. Ing. Michal Radosa – member	15 April 2019	
Mgr. Veronika Hanzalíková – member	15 April 2019	
Radovan Jenčík – Chairman		15 April 2019
Ing. Juraj Káčer – Vice-Chairman		15 April 2019
Ing. Martin Borgul'a – member		15 April 2019
Richard Dírer – member		15 April 2019
Marian Greksa – member		15 April 2019
Ing. Jarmila Tvrdá – member		15 April 2019
Ing. arch. Mgr. art. Elena Pätoprstá – member		15 April 2019
Ing. Ľudovít Barát – member		15 April 2019

COMPANY MANAGEMENT

		Commencement of office/from	Termination of office/till (to)
JUDr. Peter Olajoš	Chief Executive Officer	4 September 2019	
Ing. Emerich Šinka	Chief Financial Officer	12 November 2019	
Ing. Miroslav Kollár, PhD.	Chief Production Officer	12 November 2019	
Ing. Ladislav Kizak	Head of the Sales and Environmental Politics Department	17 December 2019	
Ing. Alena Trančíková	acting Head of the Sales and Environ- mental Politics Department	14 March 2019	17 December 2019
Ing. František Sobota	Chief Investment Officer		31 December 2019
Ing. Mgr. Michal Dušanič	acting Chief Production Officer	11 September 2019	12 November 2019
Mgr. Rastislav Gajarský	Chief Financial Officer	14 March 2019	12 November 2019
Mgr. Rastislav Gajarský	Chief Economic Officer	13 March 2019	
Mgr. Martin Michel'	acting Chief Technology Officer	12 June 2019	31. October. 2019
Ing. Stanislav Beňo	acting Chief Executive Officer	14 March 2019	4 September 2019
Ing. Stanislav Beňo	Chief Production Officer		11 September 2019
Mgr. Andrej Mede	Chief Technology Officer		31 May 2019
Ing. Radoslav Daniš	Chief Strategy and Development Officer		14 March 2019
Ing. Zsolt Lukáč, EMBA, PhD.	Chief Executive Officer		22 March 2019

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 of 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

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

BVS Divisions:

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

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

Services related to drinking water:

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

Wastewater-related services:

- drainage of wastewater through sewer systems and treatment of wastewater,
- demarcation of sewer networks, technical surveillance thereof,
- work 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

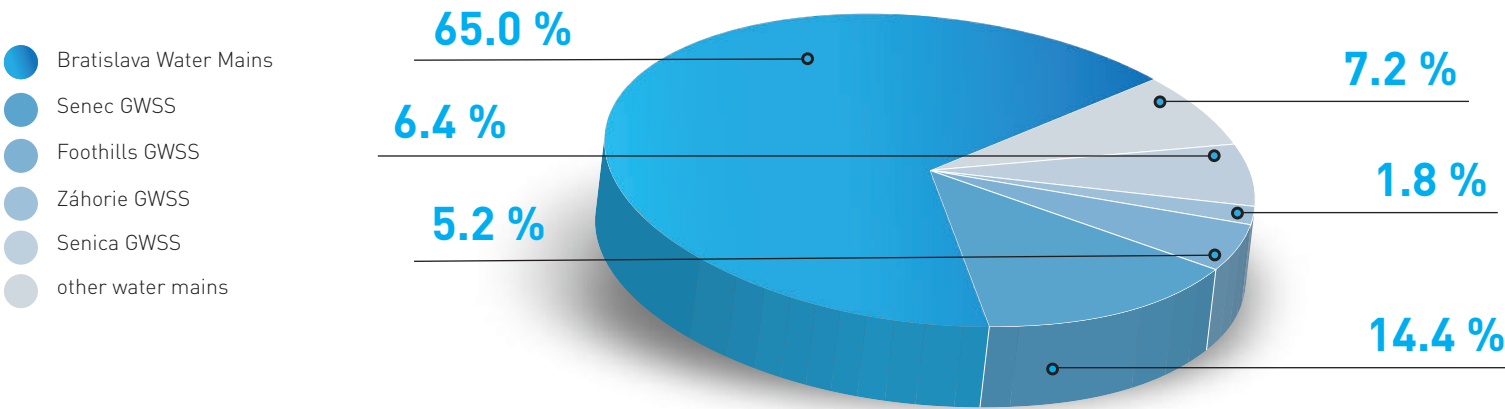
In 2019 BVS administered and operated a total of 19 public water mains in 118 municipalities, 60 water sources with a total capacity of 6,076 l/s, 131 water reservoirs with a total volume of 397,000 m³, 107 water pumping stations with a total capacity of 11,714 l/s and 6 groundwater filtration plants with a total capacity of 268 l/s. More than 747 ths. people were supplied with drinking water through public water mains in a water distribution network 3,254 km in length. As of 31 December 2019, a total of 96.6% of the population in towns and municipalities in which BVS operates public water mains received water from public water mains.

In 2019, 61,719,000 m³ of drinking water were generated and ready for use, which was 267 ths. m³ less than in 2018.

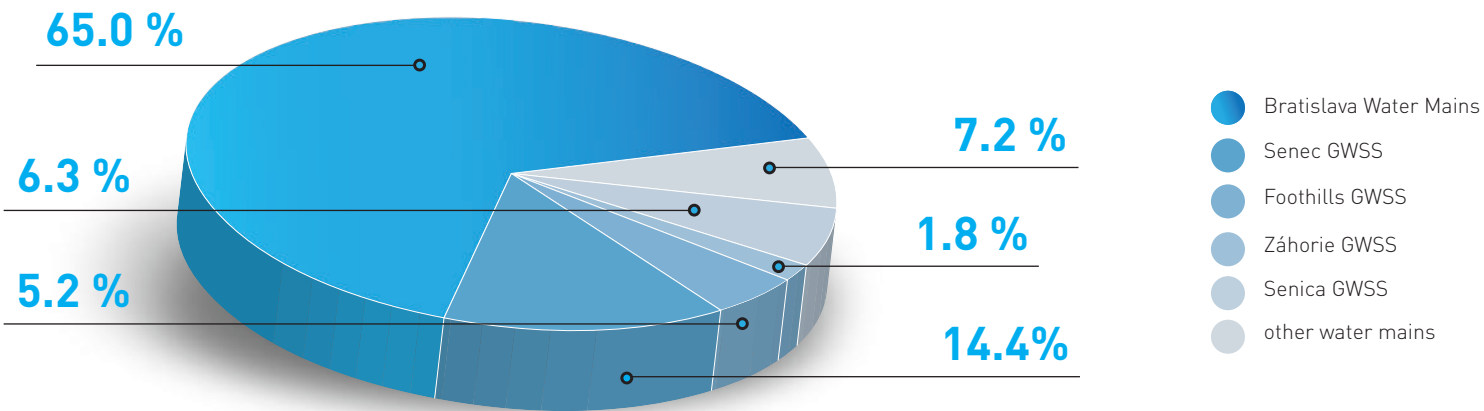
The balance indicators for individual territories are as follows:

		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. m³	62,655	40,706	8,992	3,277	1,158	4,011	4,511
Water produced in own facilities	ths. m³	62,586	40,706	8,992	3,277	1,158	3,952	4,501
Number of residents connected to the WM	number	747,467	440,661	67,652	62,700	36,573	65,748	74,133

Water taken off from water sources



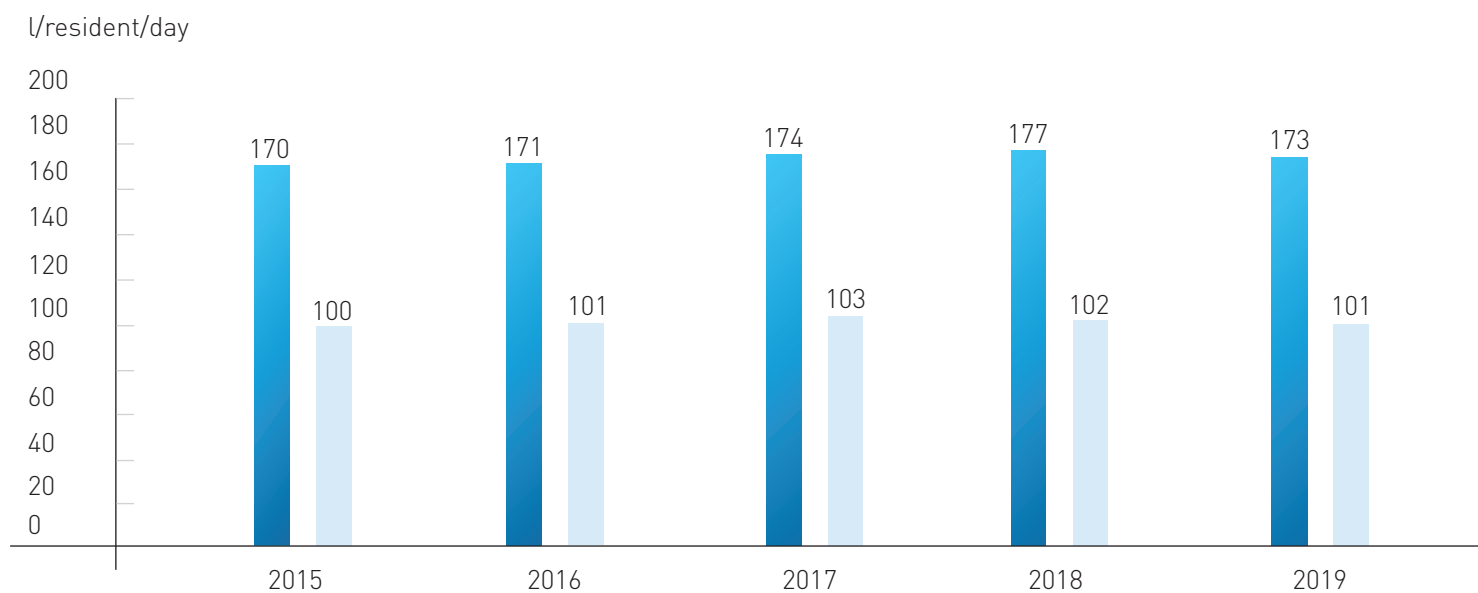
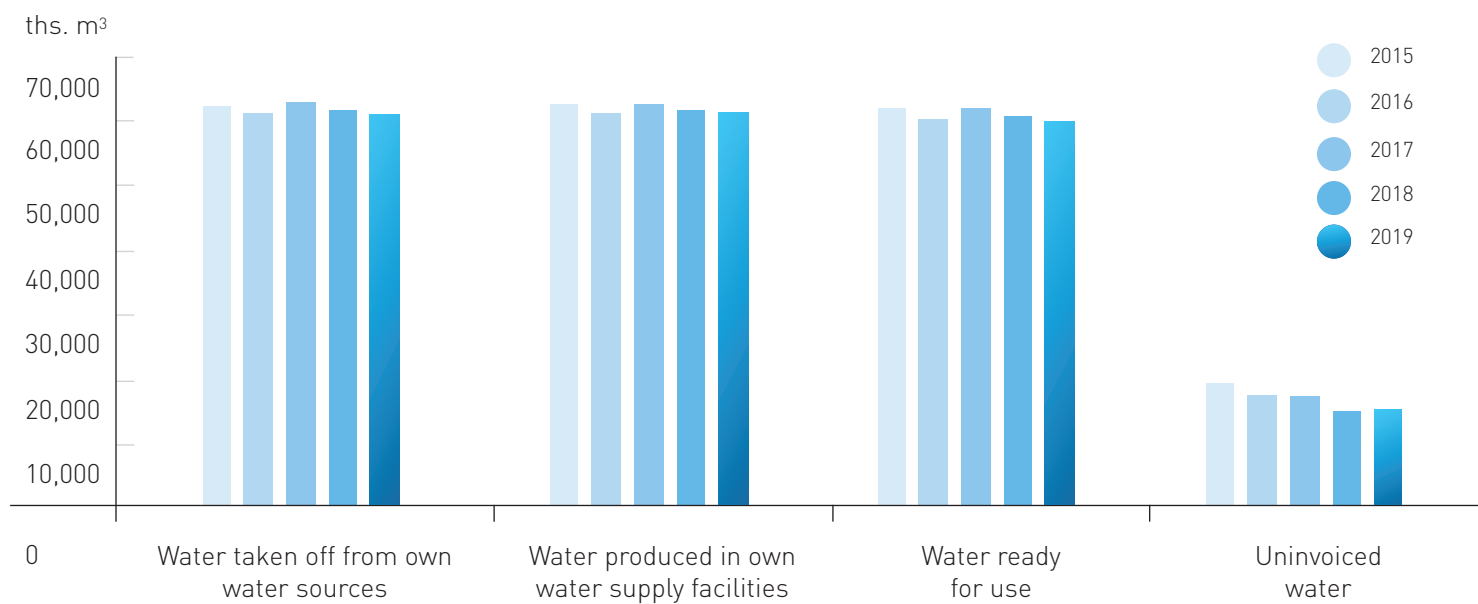
Water produced in own facilities



Basic data on the water mains

Indicator	2015	2016	2017	2018	2019
1 Total number of public water mains	19	19	19	19	19
2 Number of municipalities with public water mains	116	117	117	117	118
3 Length of the water mains network (km)	3,120	3,163	3,213	3,233	3,254
4 Number of residents supplied with drinking water	711,807	721,610	730,170	738,746	747,467
5 Total number of water sources	60	60	60	60	60
6 Number of water improvement stations	8	8	8	8	6
7 Number of water reservoirs	128	130	130	130	131
8 Volume of the reservoirs (m ³)	388,588	397,688	397,398	397,398	397,448
9 Number of pumping stations	110	112	107	107	107
10 Capacity of the pumping stations (l/s)	12,069	12,023	11,795	11,795	11,714

Drinking water production and distribution (ths. m ³)	2015	2016	2017	2018	2019
1 Water taken off from own water sources	63,918	62,603	64,214	62,893	62,655
2 Water produced in own water supply facilities	63,849	62,525	64,140	62,812	62,586
3 Water ready for use	63,278	61,859	63,388	61,986	61,719
4 Uninvoiced water	19,676	17,434	17,683	15,187	15,525



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

Water losses

The water losses were 22.5% in 2019.

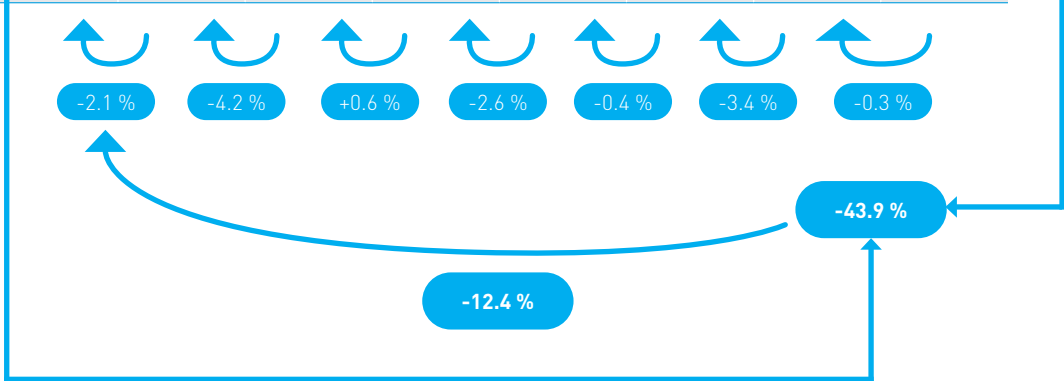
Indicator	Unit of measurement	2019	
Water losses	ths. m ³	13,863	22.5 %
Uninvoiced water	ths. m ³	15,525	25.2 %
Water invoiced to direct customers	ths. m ³	46,194	
Water produced and ready for use	ths. m ³	61,719	

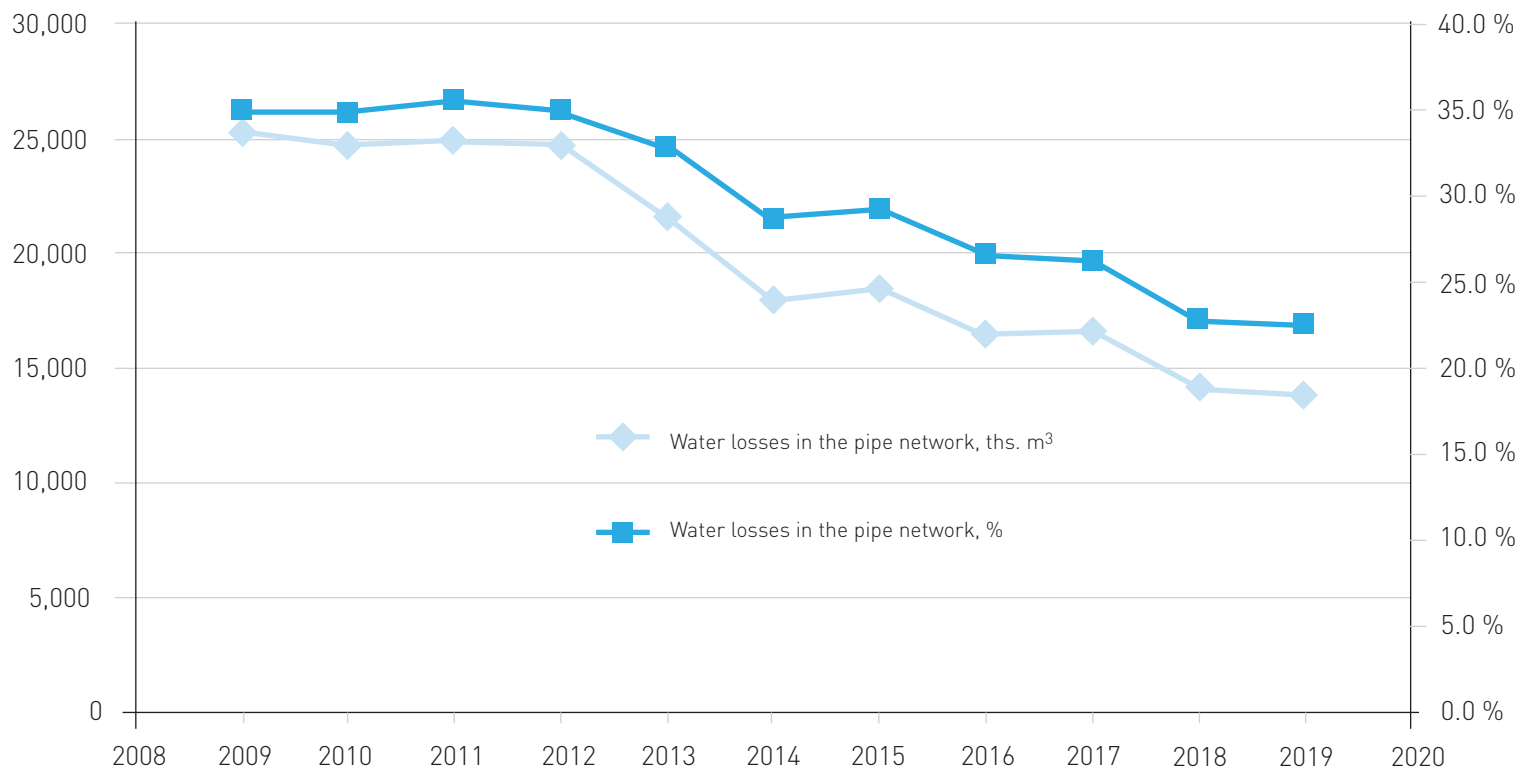
The year-on-year changes in water losses show a declining trend. Compared to 2012, the reduction in the volume of water losses is 10.9 mil. m³, i.e. 43.9%.

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

The year-on-year changes are as follows:

Indicator	Unit of measurement	2012	2013	2014	2015	2016	2017	2018	2019
Water produced and ready for use	ths. m ³	70,864	70,864	70,864	70,864	70,864	70,864	70,864	70,864
Invoiced water	ths. m ³	44,653	42,963	43,429	43,602	44,425	45,705	46,799	46,194
Uninvoiced water	ths. m ³	26,211	22,945	19,202	19,676	17,434	17,683	15,187	15,525
	%	37.0%	34.8%	30.7%	31.1%	28.2%	27.9%	24.5%	25.2%
Water losses in the pipe network	ths. m ³	24,730	21,614	17,929	18,501	16,453	16,627	14,140	13,863
	%	34.9%	32.8%	28.6%	29.2%	26.6%	26.2%	22.8%	22.5%





WASTEWATER DRAINAGE AND TREATMENT

In 2019, the Wastewater Drainage Division (WWDD) operated professionally a total of 22 public sewer systems in 45 municipalities in the territory of BVS's activities. The public sewer systems operated consist of 1,791 km of sewer system networks, 313 sewerage pumping stations as well as 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)	970	415	406	1,791
Pumping stations	75	180	58	313
Wastewater quality contracts	246	24	28	298

In 2019, 23 wastewater treatment plants (WWTP) were administered by the Wastewater Treatment Division (WWTD), 17 of which were our own WWTPs and 5 of which were owned by municipalities and towns and 1 was in sequestration.

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

from wastewater treatment (raked waste, sand).

The results of the monitoring of the quality of discharged wastewater for 2019 showed compliance with the quality of discharged wastewater at individual WWTPs according to valid permits for wastewater discharge.

We will pay advance fees for discharged pollution for 2019 for the Plavecký Štvrtok WWTP, the Vrakuňa WWTP and the Skalica WWTP.

No inspection was carried out by the state water administration authorities or the Slovak Environmental Inspection. Wastewater discharge permits were reassessed for the following WWTPs: Holíč, Smrdáky, Malacky, Prievaly, Plavecký Štvrtok, Jablonica, Častá and Devínska Nová Ves.

Trial operation of the Rohožník WWTP took place in 2019.

The following activities were implemented and completed as part of the investment plan:

- a coarse mechanical rake at the Pezinok PS (pumping station)
- sludge conveyors for the Myjava WWTP
- the delivery of 12 Flygt pumps
- a coagulant tank at the Skalica WWTP

The following activities took place:

- refurbishment of the relief chamber in front of the Senica WWTP
- renovation of the relief chamber and coarse pre-treatment facilities at the Skalica WWTP

The following activities were being prepared:

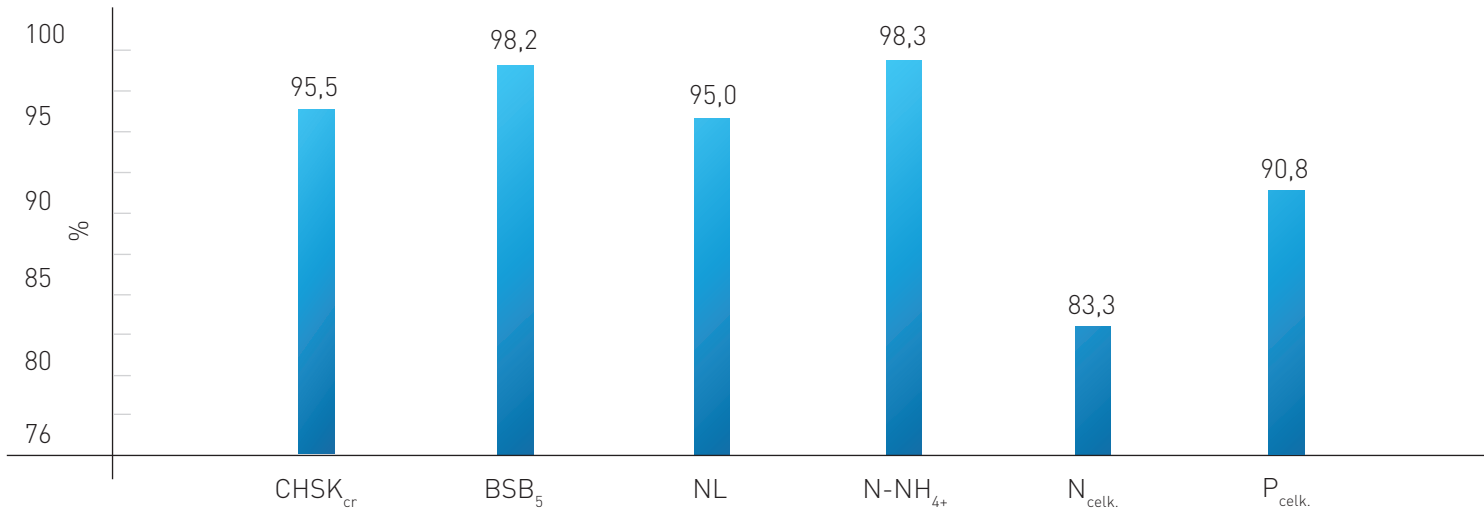
- a coarse rake at the Senec WWTP,
- set-in separators at the Šaštín-Stráže WWTP

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

Quantity of treated wastewater at the WWTP in 2019 (m³.year⁻¹)

Quantity of treated wastewater				64 364 197	
Vrakuňa	38,147,3500	Rohožník	147,531	Šaštín-Stráže	158,713
Petržalka	9,084,103	Pl. Štvrtok	770,234	Gbely	311,831
Devínska	2,704,011	Myjava	1,513,112	Prievaly	26,178
Modra	1,645,097	Brezová	674,344	Jablonica	95,248
Častá	162,371	Senica	2,085,298	Š. Humence	81,287
Senec	1,362,204	Smrdáky	93,698	Kopčany	84,827
Hamuliakovo	1,080,369	Holíč	1,186,264	Pl. Peter	14,192
Malacky	1,949,873	Skalica	986,062		

Average cleaning effects broken down by individual pollution indicators for 2019 (%)



The quality of wastewater discharged from WWTPs – average values of pollution indicators in 2019 (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	13.54	3	10	0.79	7.62	0.56
Petržalka	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	50	10	20	5	10	1
	achieved	16.9	3.04	10.9	0.97	8.26	0.65
Devínska	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	50	10	15	3	14	1.5
	achieved	18.5	3.51	10	0.05	8.49	0.86
Modra	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	45	10	20	4	14	1
	achieved	14.3	3	10	0.037	6.5	0.22
Častá	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	50	10	20	2	-	-
	achieved	21.25	3.14	10	0.46	-	-
Senec	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	70	20	20	15	15	2
	achieved	24.3	3.05	10	1.2	13.7	0.52
Hamuliakovo	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	70	15	20	10	15	2
	achieved	19.6	3	10	0.1	10.6	0.75
Malacky	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	35	7	20	0.5	15	1
	achieved	18.7	3.1	10	0.07	12.7	0.42
Rohožník	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	70	15	20	10	-	-
	achieved	27.6	3.11	10	0.8	-	-
Pl. Štvrtok	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	47	10	25	-	-	-
	achieved	21.83	3.77	10.67	-	-	-
Myjava	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	60	15	15	3	15	1
	achieved	12.9	3.01	10	1.61	10.99	0.44

Brezová	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	40	8	20	1.5	-	-
	achieved	11.9	3	10	0.4	-	-
Senica	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	50	10	10	3	15	1
	achieved	16.3	3	10.1	1	8.6	0.5
Smerdaky	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	40	15	25	-	-	-
	achieved	18.8	4.15	15.38	-	-	-
Holíč	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	50	10	10	5	15	1
	achieved	16.1	3.04	10.1	0.041	8.7	0.8
Skalica	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	45	10	15	4	15	1.5
	achieved	21.6	3.34	10.8	1.3	11.4	0.32
Gbely	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	40	10	20	2	-	-
	achieved	24.6	3.1	11.1	0.1	-	-
Šaštín-Stráže	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	60	10	10	5	15	2
	achieved	17.2	3.01	10	1.5	9	1.37
Prievaly	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	135	30	30	-	-	-
	achieved	48.75	7.7	21.4	-	-	-
Jablonica	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	70	30	30	-	-	-
	achieved	29.8	3.7	11.7	-	-	-
Šajd. Humence	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	135	30	30	-	-	-
	achieved	51	8.43	16.3	-	-	-
Kopčany	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	90	15	25	-	-	-
	achieved	48.5	3.93	13.5	-	-	-
Pl. Peter	indicator	CHSK _{Cr}	BSK ₅	NL	N-NH ₄₊	N _{total}	P _{total}
	permit	100	30	30	-	-	-
	achieved	42.3	3.78	12.3	-	-	-

Reused sludge from WWTPs in 2019 (raw thickened sludge, stabilized dewatered sludge in tonnes of 100% dry matter.y⁻¹)

	raw thickened sludge	dewatered stabilized sludge
Vrakuňa	13,330	-
Petržalka	2,285.9	-
Devínska	689.2	-
Modra + 1 malá ČOV	-	314.61
Senec	-	351.52
Hamuliakovo	-	267.9
Malacky + 2 malé ČOV	-	605.98
Myjava	-	194,4
Brezová	-	64.54
Senica + 6 malých ČOV	311.0	-
Holíč + 2 malé ČOV	-	490.24
Skalica	-	417.97
Šaštín-Stráže	-	21.38

Biogas production in WWTPs in 2019 (m³.y⁻¹), biogas treatment (%)

Biogas consumption				
	Biogas production	Boiler combustion	Cogeneration	Residual gas burner
Hamuliakovo	161,906	100	-	-
Myjava	76,564	30.7	69.3	-
Holíč	74,637	0	100	-

LABORATORY ACTIVITIES

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

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

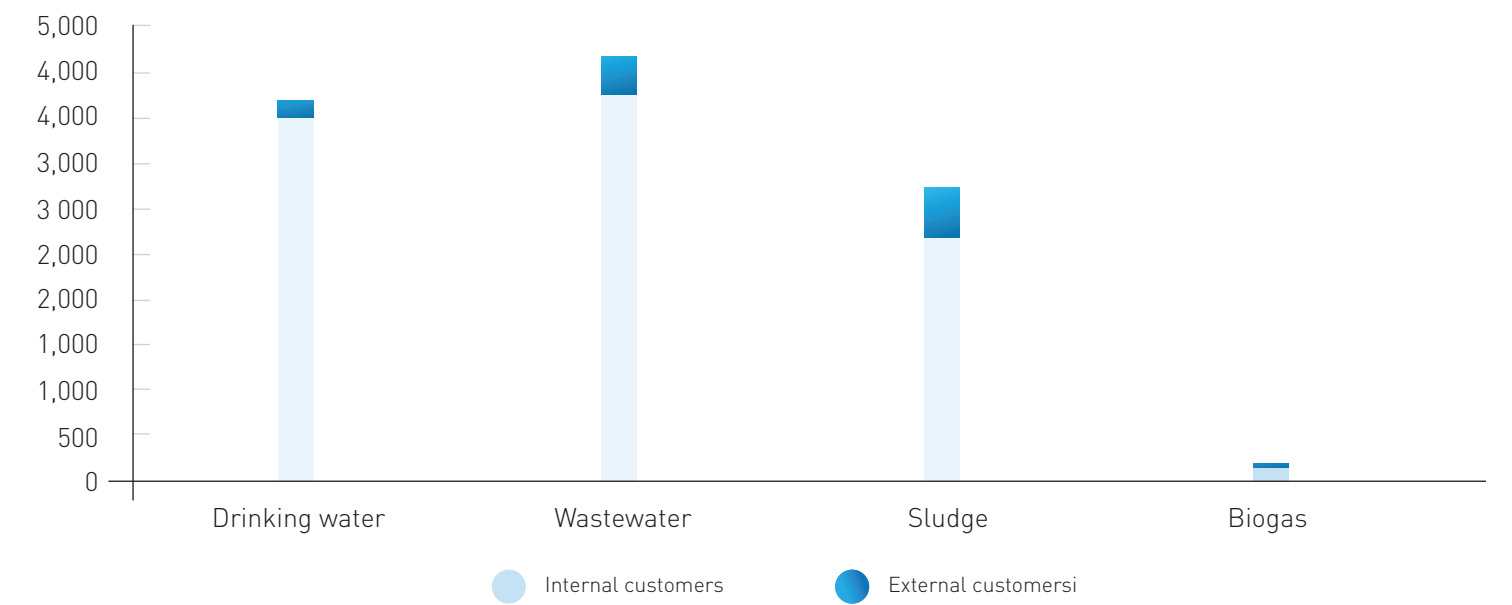
In addition to monitoring drinking water, wastewater, sewage sludge and biogas for our company’s needs, the testing laboratory used its free capacity to perform water analyses ordered by external customers.

Overview of the activities of the testing laboratory in 2019

Number of samples – the total number of analyzed samples of drinking water, wastewater, sewage sludge and biogas.

Number of samples in 2019	Drinking water	Wastewater	Sludge	Biogas
Internal customers	4,007	4,249	2,684	144
External customers	176	433	548	48
Total	4,183	4,682	3,232	192

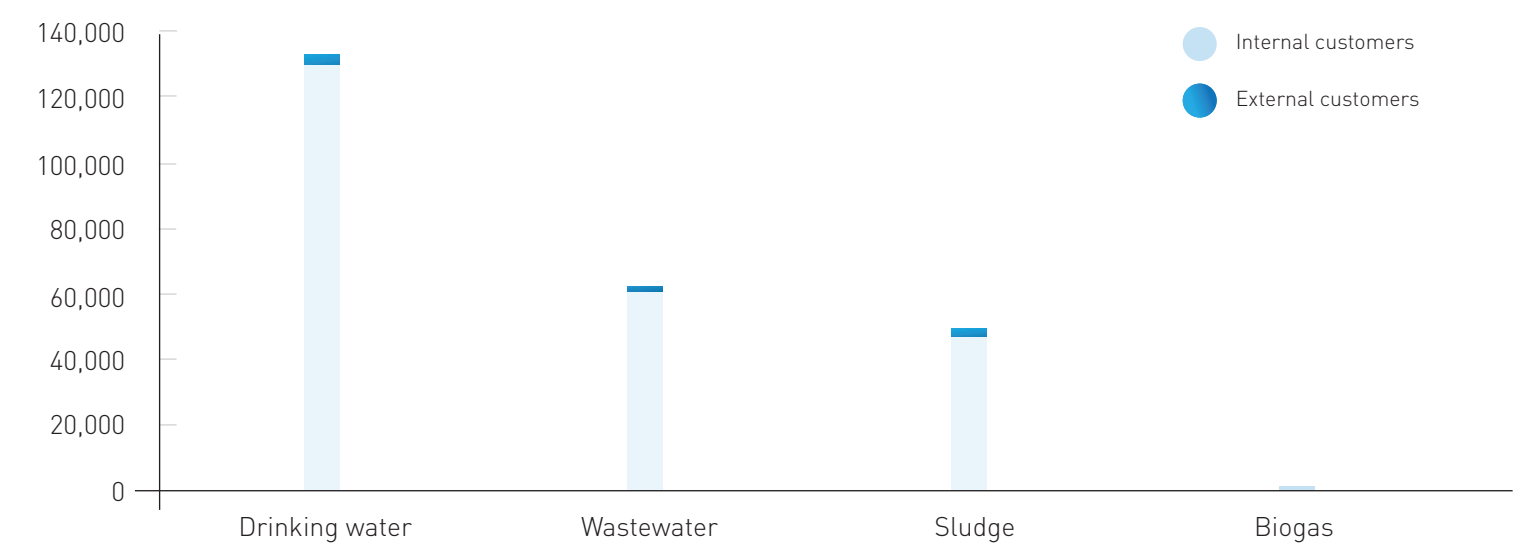
Overview of the activities of the testing laboratory (number of samples in 2019)



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

Number of analyses in 2019	Drinking water	Wastewater	Sludge	Biogas
Internal customers	129,614	61,422	47,360	576
External customers	3,309	1,139	1,970	192
Total	132,923	62,561	49,330	768

Overview of the activities of the testing laboratory (number of analyses in 2019)



The testing laboratory performs laboratory tests of drinking water, wastewater, sewage sludge and biogas in the number of samples and within the scope of indicators required by valid legislation [Regulation of the Ministry of Health of the Slovak Republic No. 247/2018 Coll. [i.e. Collection of Laws of the Slovak Republic], Regulation of the Ministry of the Environment of the Slovak Republic No. 636/2004 Coll. for drinking water and Regulation of the Ministry of the Environment of the Slovak Republic No. 315/2004 Coll., Regulation of the Ministry of the Environment of the Slovak Republic No. 55/2004 Coll. for wastewater), or the need to check the process steps at water improvement stations or wastewater treatment plants. The laboratory subcontracts the determination of some indicators in external laboratories. External determination is performed for radiological indicators with respect to drinking water and

for indicators, the annual required number of which is small with respect to wastewater.

In 2019, the laboratory expanded the number of determined parameters in drinking water by adding the determination of chlorates, haloacetic acids (chloroacetic acid, dichloroacetic acid, trichloroacetic acid, bromoacetic acid, dibromoacetic acid and the sum of haloacetic acids) and the determination of pesticides, or pesticide metabolites (Atrazine-desatyl, Atrazine-2-desisopropyl, Atrazine-2-hydroxy, Simazine-2-hydroxy, Tertutylazine-desatyl, Terbutylazine-desatyl-2-hydroxy, Terbutylazine-hydroxy). Individual biological indicators of wastewater quality (30 indicators in one sample) and quality indicators of sewage sludge (45 indicators in one sample), which in previous years were recorded together as biological quality of wastewa-

ter, were added to the statistics for 2019.

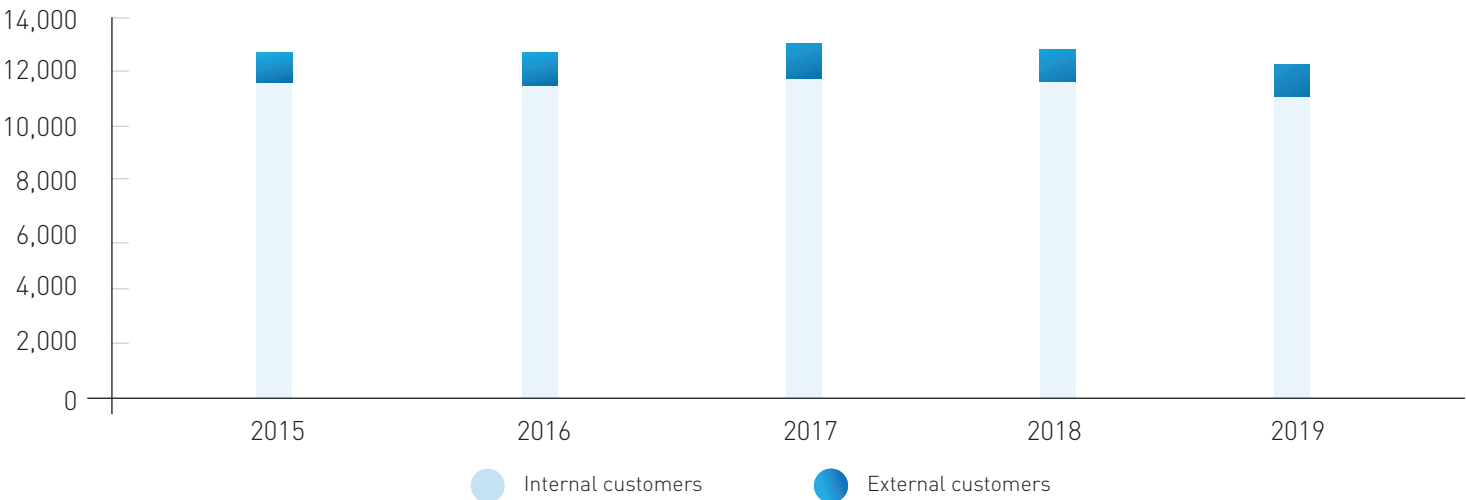
The testing laboratory of the Division of Chemical Technology and Laboratory Activities is accredited by the Slovak National Accreditation Service and is qualified to perform tests in an impartial and credible manner in accordance with the requirements of ISO/IEC 17025:2005 standard (Certificate of Accredi-

tation No. S-235 valid until 9 June 2020).

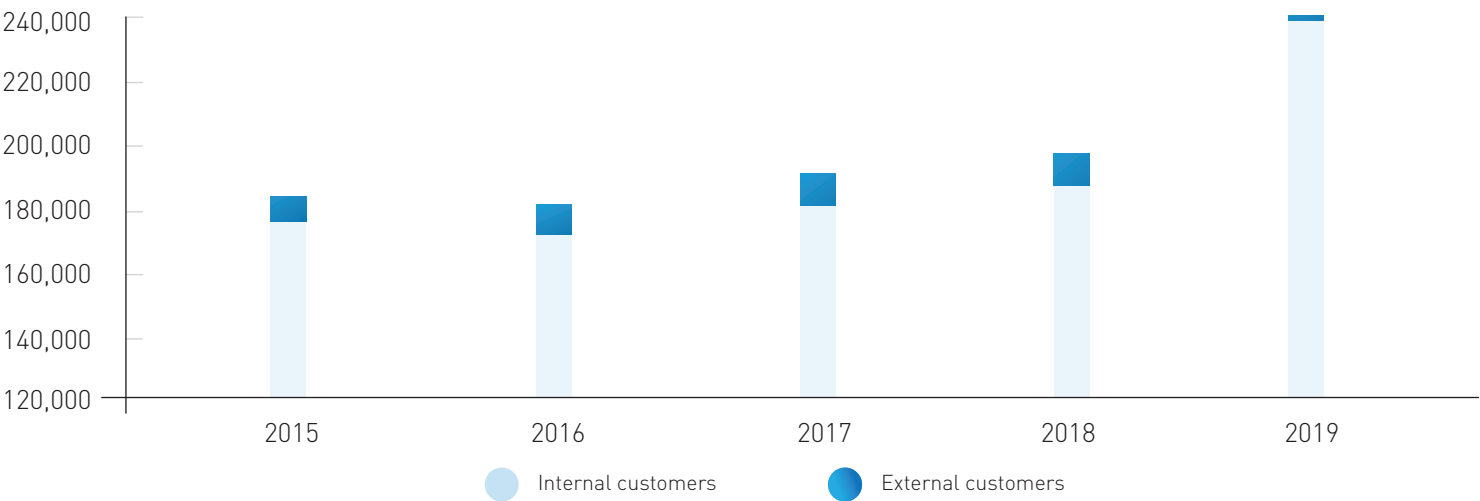
In 2019, the laboratory was preparing to meet the requirements of the revised standard ISO/IEC 17025:2017. As part of the re-accreditation, the laboratory will also expand the number of accredited tests for drinking water, wastewater and sewage sludge.

Overview of the activities of the testing laboratory in the years 2015-2019

Overview of the activities of the testing laboratory (number of samples in 2019)



Overview of the activities of the testing laboratory (number of analyses in 2019)



SUBSIDIARIES

BIONERGY, a. s.

Sales (Net turnover)	EUR 8,016,025
Profit/loss before tax	EUR 31,782
Profit/loss after tax	EUR 66,098

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:

Predstavenstvo

Branislav Tedla – Chairman	from 30 September 2019	Miroslav Puliš – Chairman	till 30 September 2019
PhDr. Patricius Palla – Vice-Chairman	from 30 September 2019	Ing. Radoslav Hudec – member	till 30 September 2019
Ing. Dušan Myslivec – member	from 30 September 2019	Ing. Robert Stanke – member	till 30 September 2019
Mgr. Matej Kotal – member	from 30 September 2019	Tomáš Pindúr – member	till 22 August 2019
JUDr. Ing. Marek Zajíček – member	from 30 September 2019	PhDr. Patricius Palla – Vice-Chairman	till 30 September 2019
Ing. Milan Kresáč – member	from 30 September 2019	Ing. Zsolt Lukáč , EMBA – member	till 14 March 2019

Dozorná rada

Ing. Matej Vagač – Chairman	from 30 September 2019	JUDr. Richard Mikulec – member	till 30 September 2019
Mgr. Rastislav Kunst – member	from 30 September 2019	Miroslav Sabovčík – member	till 30 September 2019
Ing. Peter Strapák – member	from 30 September 2019	Ing. Pavol Bulla – Chairman	till 30 September 2019

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 32,907,831**

Profit/loss before tax: **EUR -288,048**

Profit/loss after tax: **EUR -553,645**

Nature of the business:

- 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 selected electrical technical equipment,
 - repairs and installation of water overflow meters,
 - calibration of cold and hot water overflow meters
 - 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,
 - operation of category I public sewer systems.
-
- domestic road transport of goods (from 22 December 2007 to 10 October 2019)

“Statutory”, supervisory and other bodies of the company:

Board of Directors (Management Board):

Ing. Zsolt Lukáč, PhD., EMBA – Chairman

(commencement of office: 12 August 2016,
termination of office: 8 October 2019)

JUDr. Henrich Haščák – Chairman

(commencement of office: 8 October 2019)

JUDr. Alžbeta Calpaš Mordinová – Vice-Chairman

(commencement of office: 1 October 2018,
termination of office: 8 October 2019)

Ing. Peter Lakata – Vice-Chairman

(commencement of office: 8 October 2019)

Ing. Peter Hamaj – member

(commencement of office: 12 August 2016,
termination of office: 8 October 2019)

Ing. Vladimír Kollár – member

(commencement of office: 8 October 2019)

Ing. František Sobota – member

(commencement of office: 12 August 2016,
termination of office: 8 October 2019)

Ing. Jozef Hudák – member

(commencement of office: 8 October 2019)

Ing. Roman Masár – member

(commencement of office: 12 August 2016,
termination of office: 8 October 2019)

JUDr. Tomáš Nemček – member

(commencement of office: 8 October 2019)

Ing. Tomáš Filípek

(commencement of office: 12 August 2016,
termination of office: 17 August 2019)

Ladislav Szabo – member

(commencement of office: 8 October 2019)

Dozorná rada

Ing. Milan Roman – Chairman

(commencement of office: 12 August 2016)

Mário Hesek – member

(commencement of office: 12 August 2016)

Ing. Roman Weinštuk – member

(commencement of office: 12 August 2016,
termination of office: 14 March 2019)

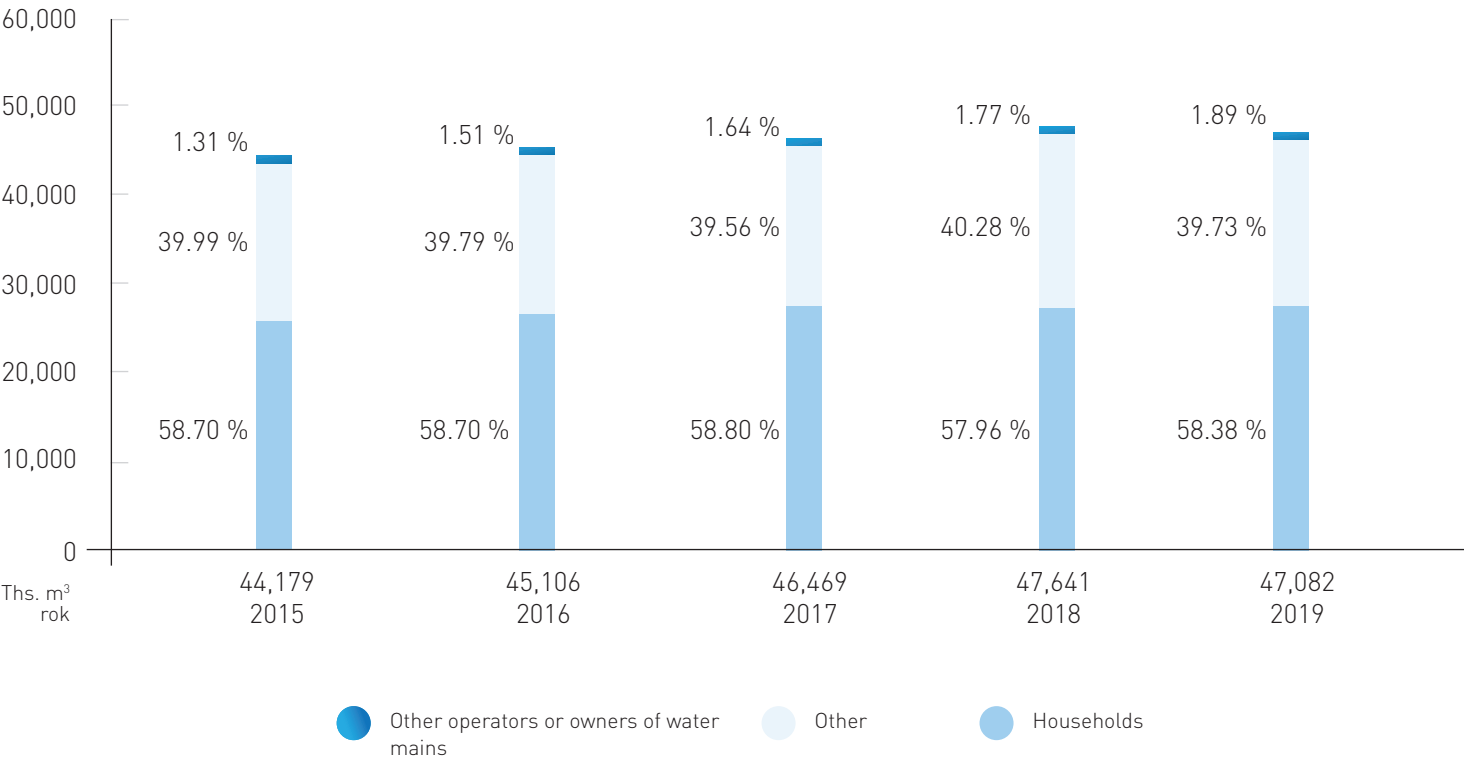
Radovan Jenčík

(commencement of office: 14 March 2019)

OUR CUSTOMERS

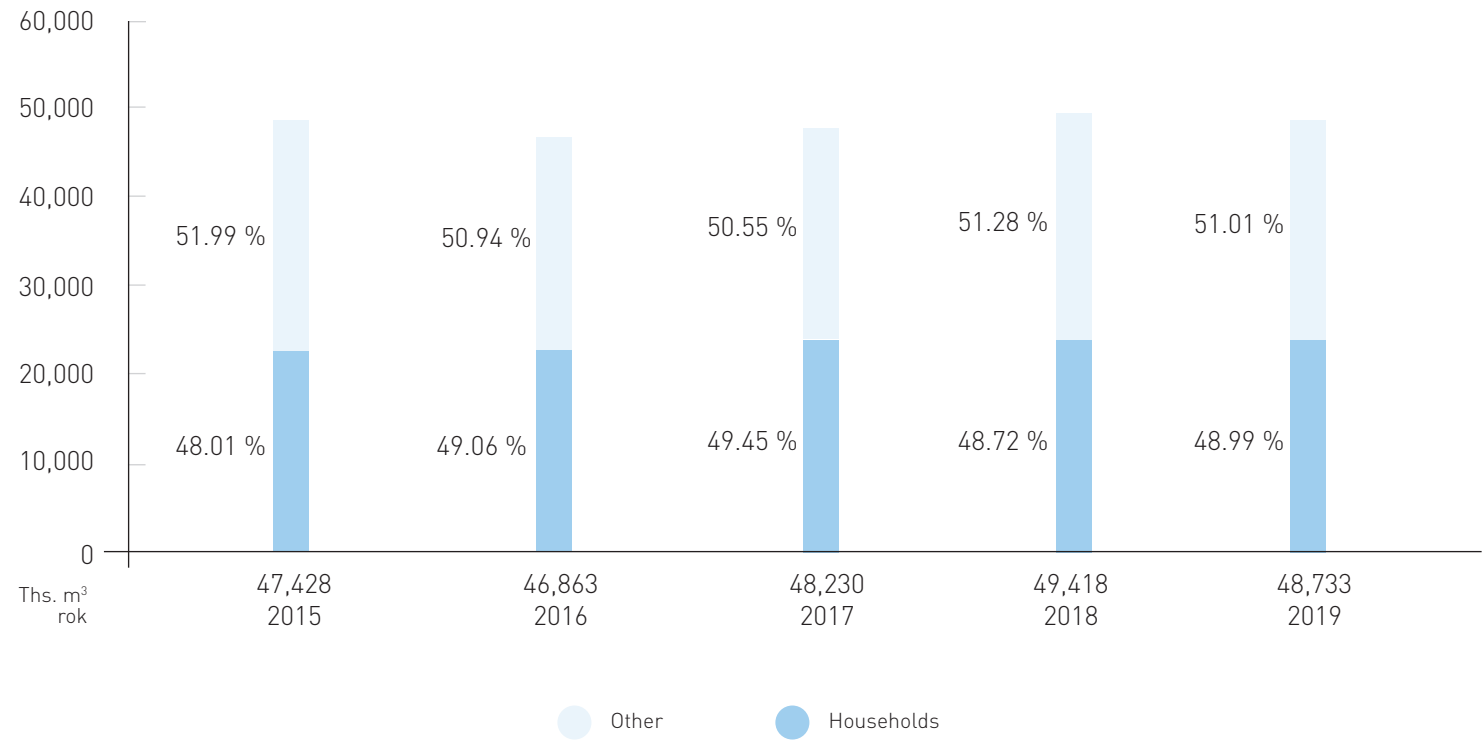
BVS supplies drinking water to three basic segments – households, other operators or owners of public water mains, and other customers. Other operators or owners of public water mains include entities that further supply drinking water to customers through public water mains that they either own or operate.

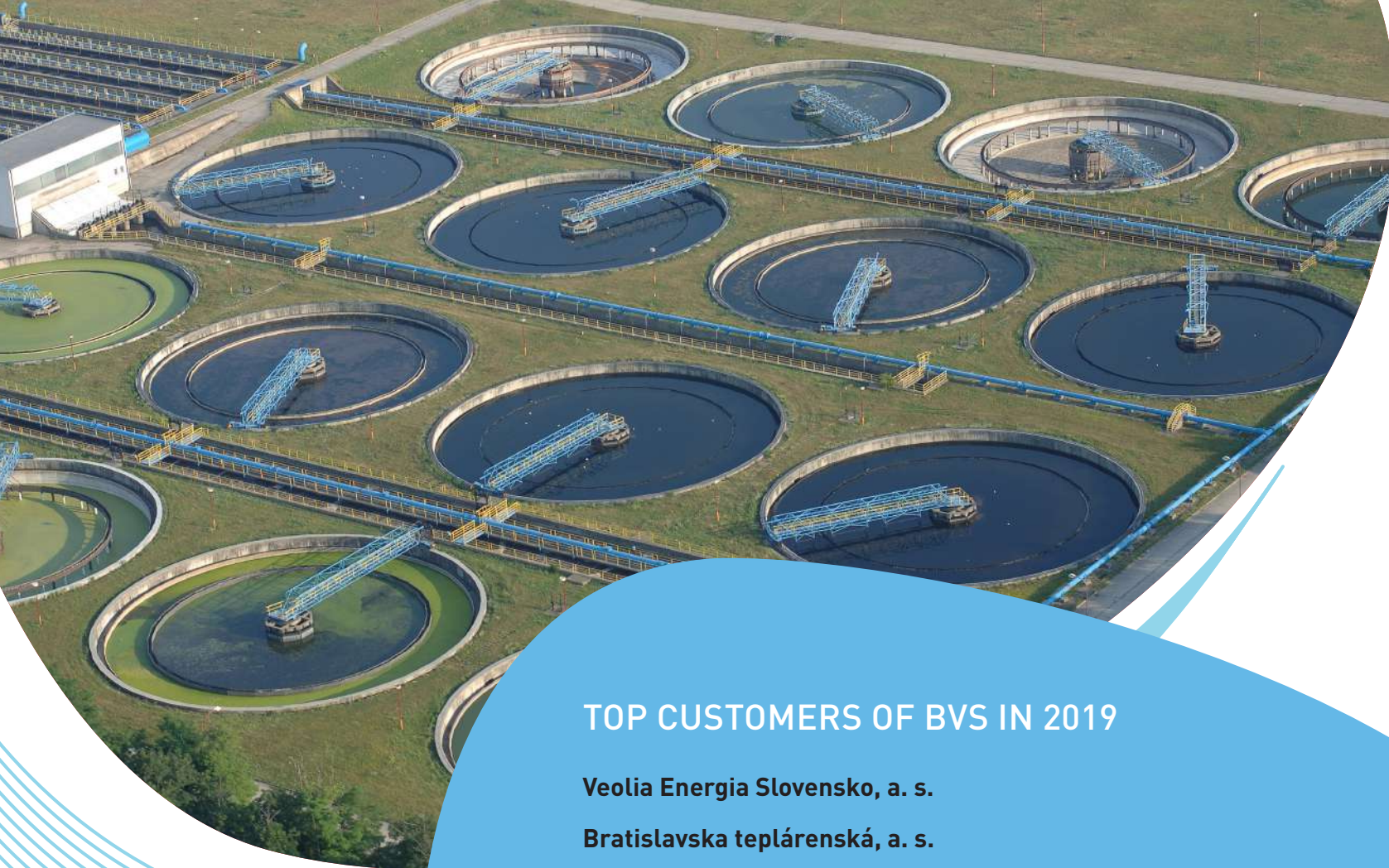
		2015	2016	2017	2018	2019
Drinking water	ths. m³	44,179	45,106	46,469	47,641	47,082
Households	ths. m³	25,935	26,478	27,324	27,611	27,489
Other	ths. m³	17,666	17,946	18,381	19,188	18,705
Other public water mains operators or owners	ths. m³	578	681	764	842	888



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

		2015	2016	2017	2018	2019
Water drained	ths. m ³	47,428	46,863	48,230	49,418	48,733
Households	ths. m ³	22,770	22,990	23,852	24,078	23,872
Other	ths. m ³	24,658	23,873	24,378	25,340	24,861





TOP CUSTOMERS OF BVS IN 2019

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.

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

SLOVNAFT, a. s.

**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 TREATMENT OF WASTEWATER

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

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

The aim of Regulation of the RONI No. 204/2018 Coll. is to ensure that, in cases of changes in 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 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 expense. A significant change is an adjustment of the method for calculating an adequate profit and an adjustment of the method for calculating the investment development factor.

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, on 24 February 2017, the RONI issued the 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 of the production and supply of drinking water through public water mains	0.9359	1.1231
Maximum price of the production and distribution of drinking water through public water mains	0.6547	0.7856
Maximum price of the drainage and treatment of wastewater through the public sewer system	0.9216	1.1059

No new prices of the production and supply of drinking water through public water mains, the production and distribution of drinking water through public water mains and the drainage and treatment of wastewater through public sewer systems were approved during the 2015-2019 period by the RONI for BVS.

Development of prices approved by the RONI during the years 2015 – 2019 per m³ (excl. VAT)

BVS	2015	2016	2017	2018	2019
Price of the production and supply of drinking water through public water mains	0.9359	0.9359	0.9359	0.9359	0.935
Price of the production and distribution of drinking water through public water mains	0.6547	0.6547	0.6547	0.6547	0.6547
Price of the drainage and treatment of wastewater through public sewer systems	0.9216	0.9216	0.9216	0.9216	0.9216

Development of prices approved by the RONI during the years 2015 – 2019 per m³ (incl. VAT)

BVS	2015	2016	2017	2018	2019
Price of the production and supply of drinking water through public water mains	1.1231	1.1231	1.1231	1.1231	1.1231
Price of the production and distribution of drinking water through public water mains	0.7856	0.7856	0.7856	0.7856	0.7856
Price of the drainage and treatment of wastewater through public sewer systems	1.1059	1.1059	1.1059	1.1059	1.1059

HUMAN RESOURCES

On 31 December 2019, BVS employed a total of 740 employees. The number of employees decreased by 17 employees compared to the previous year (31 December 2018). Of the total of 740 employees, 446 were in the technical and business professionals (TBP) category and 294 were in the blue-collar workers (BC) category.

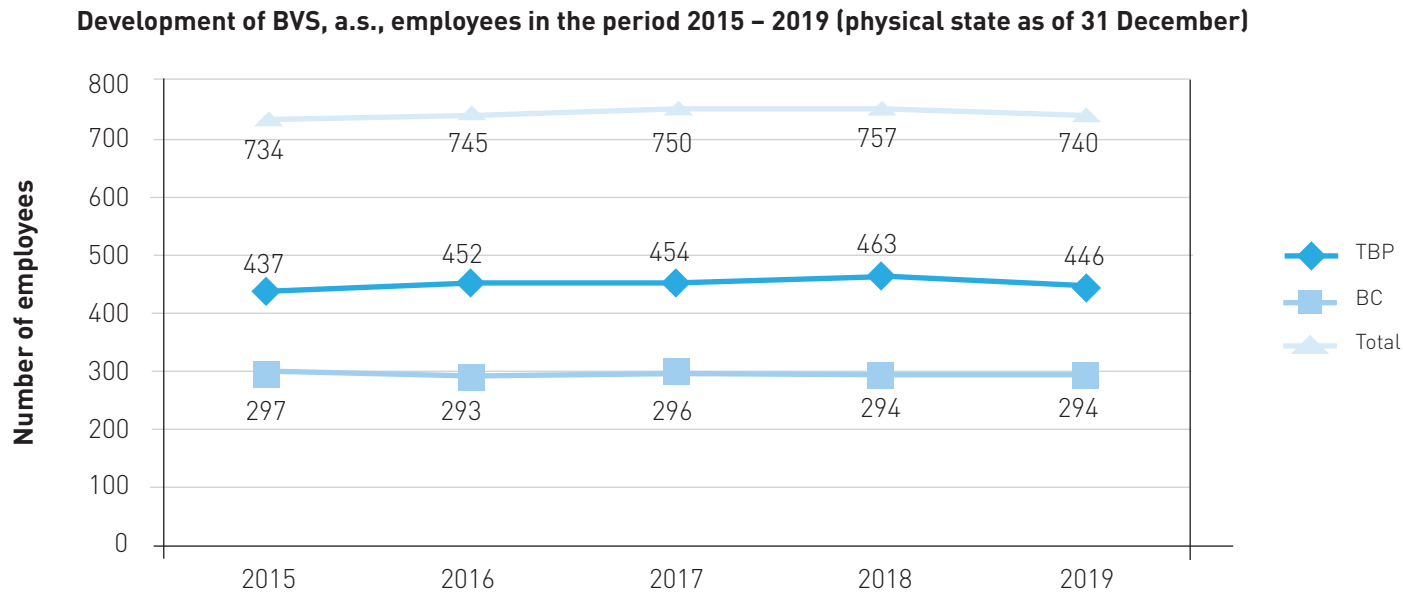
The share of employed women in the total number of employees was 31.08% (230 women in absolute terms), 31 of whom were in management positions. On 31 December 2019, there were a total of 24 female employees on maternity or parental leave, as recorded in the company's records.

The average recorded number of employees in terms of natural persons in 2019 was 746 employees. The average recorded number of employees recalculated to full-time employees in 2019 was comparable, at 746 employees. On 31 December 2019, the average age of employees was 47.87 years.

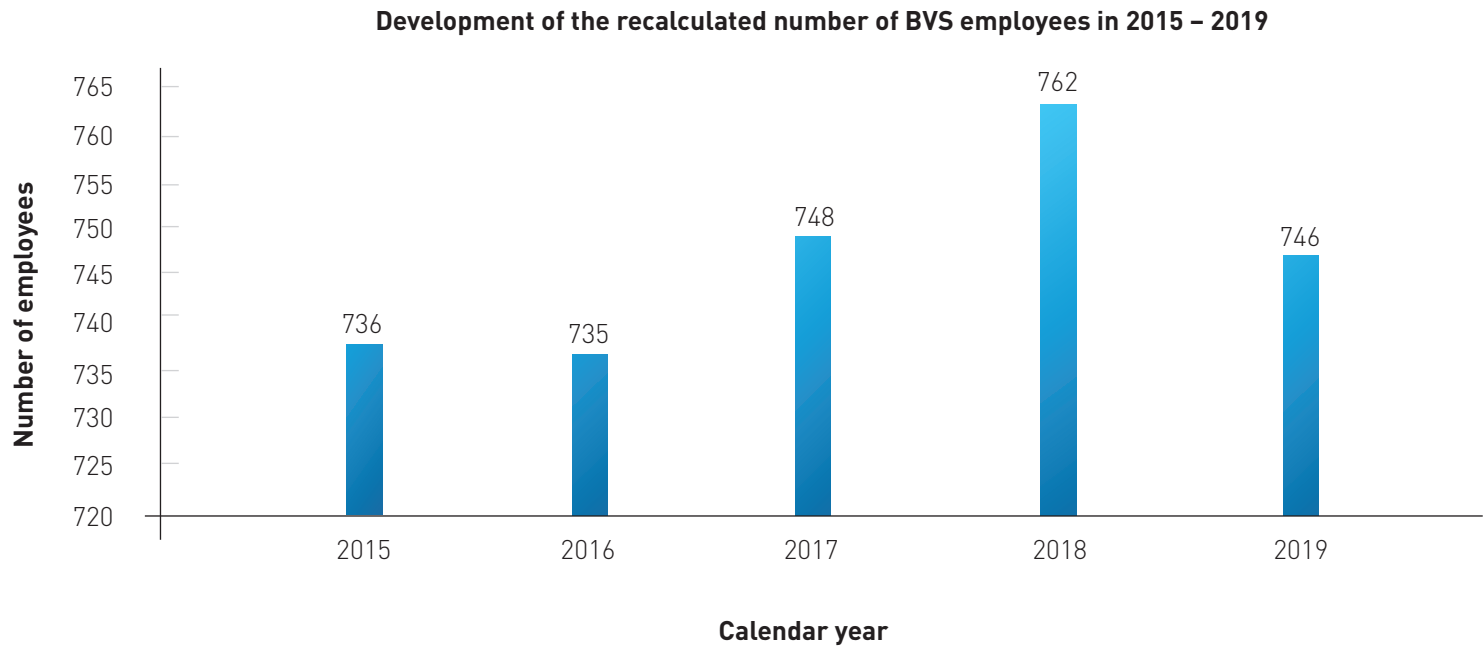
An overview of planned–systemized jobs and the actual physical number of employees as of 31 December 2019, broken down by departments and divisions, is shown in the following table:

BVS	Plan for 2019	Number of natural persons
	Status as of 31 Dec. 2019	Status as of 31 Dec. 2019
HQ – CEO Department	69	60
HQ – Production and Distribution Department	45	42
HQ – Sales and Environmental Politics Department	74	71
HQ – Investment Department	40	37
HQ – Financial Department	49	44
HQ – Technology Department	24	16
Water Production Division	153	148
Wastewater Drainage Division	27	27
Wastewater Treatment Division	152	151
Water Distribution Division	94	94
Chemical Technology and Laboratory Activities Division	51	50
BVS – total	778	740

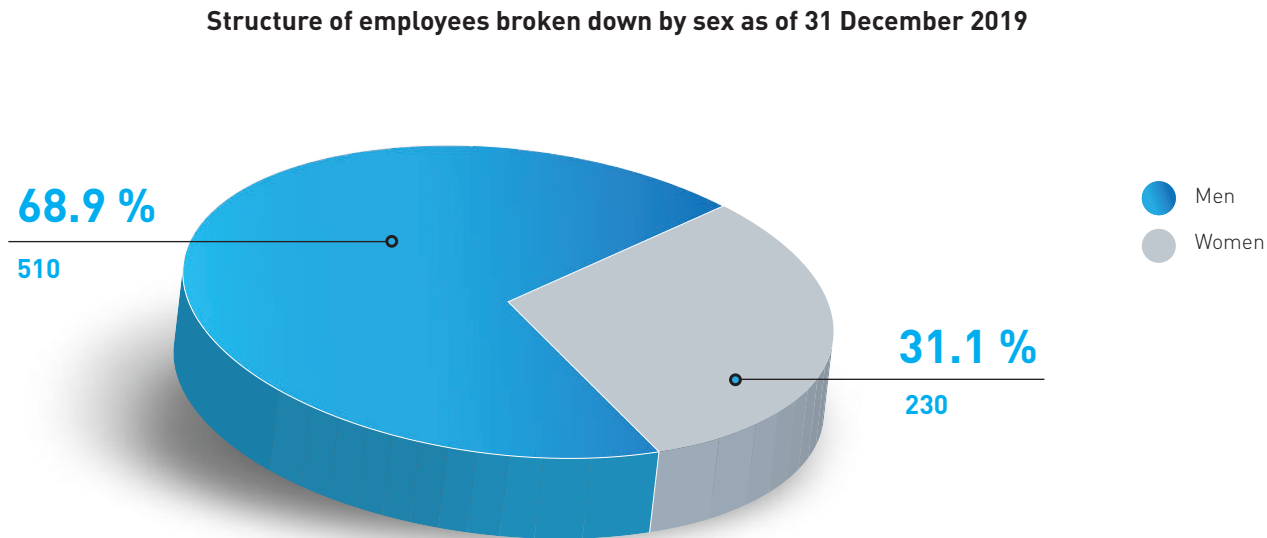
Development of the total number of BVS employees



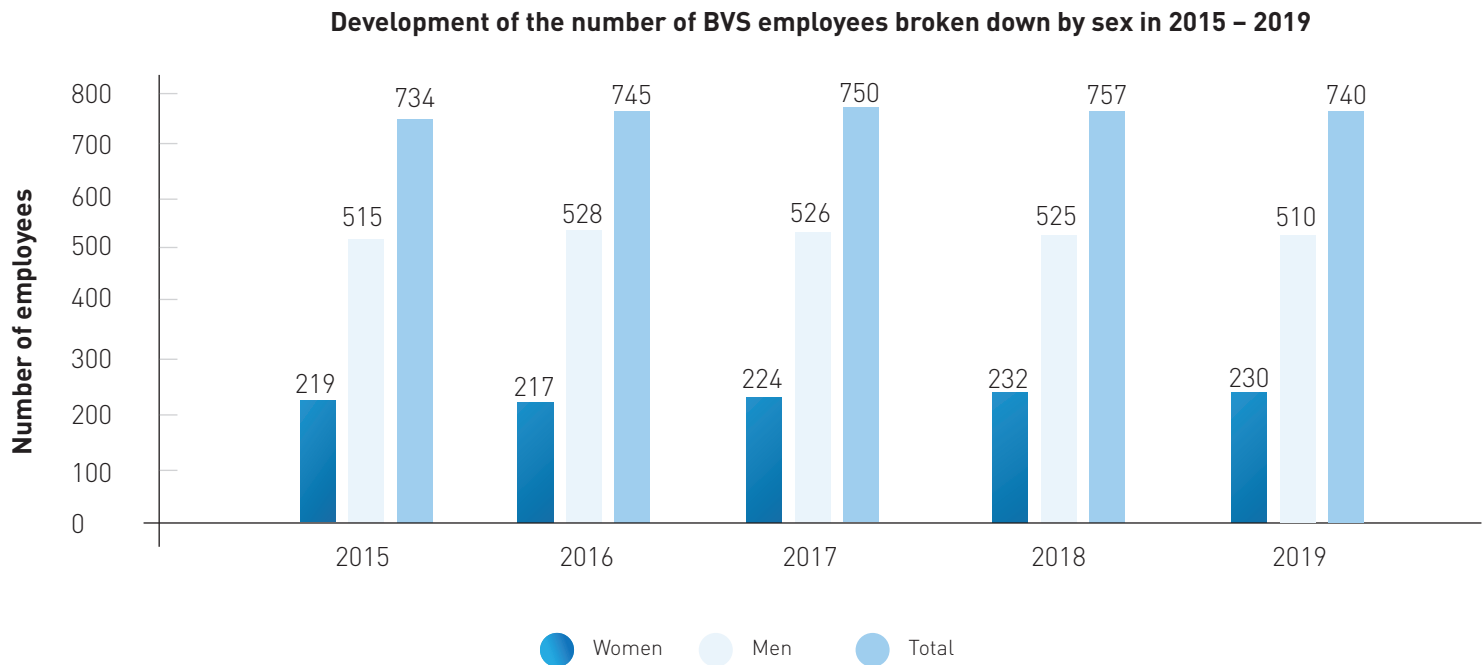
Development of the recalculated number of BVS employees



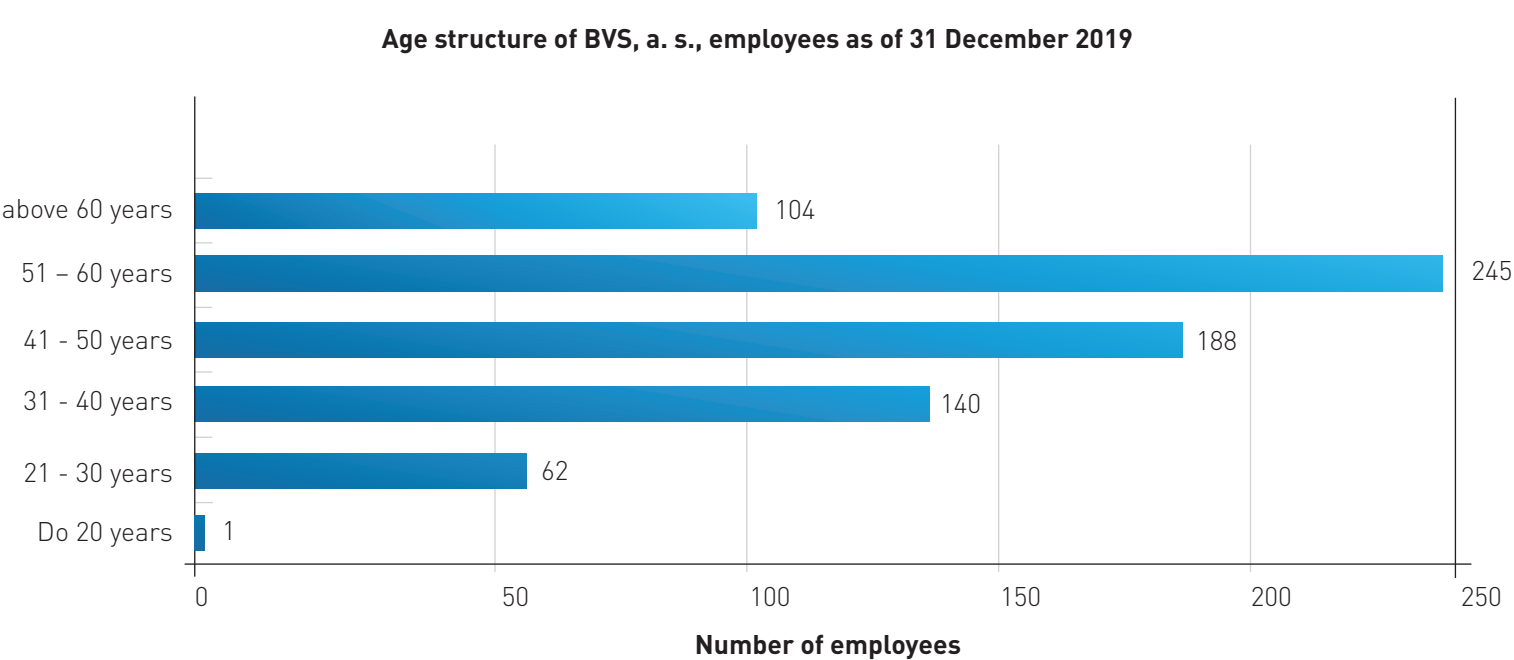
Structure of employees broken down by sex as of 31 December 2019



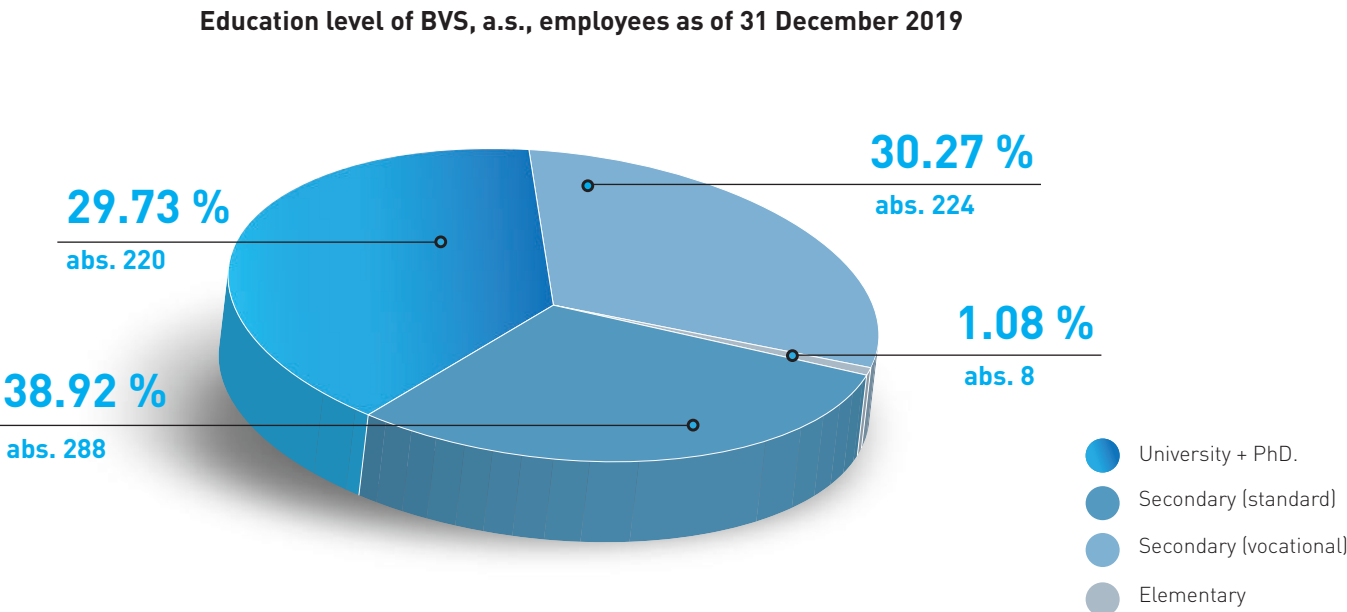
Development of the number of BVS employees broken down by sex



Structure of BVS employees broken down by age as of 31 December 2019

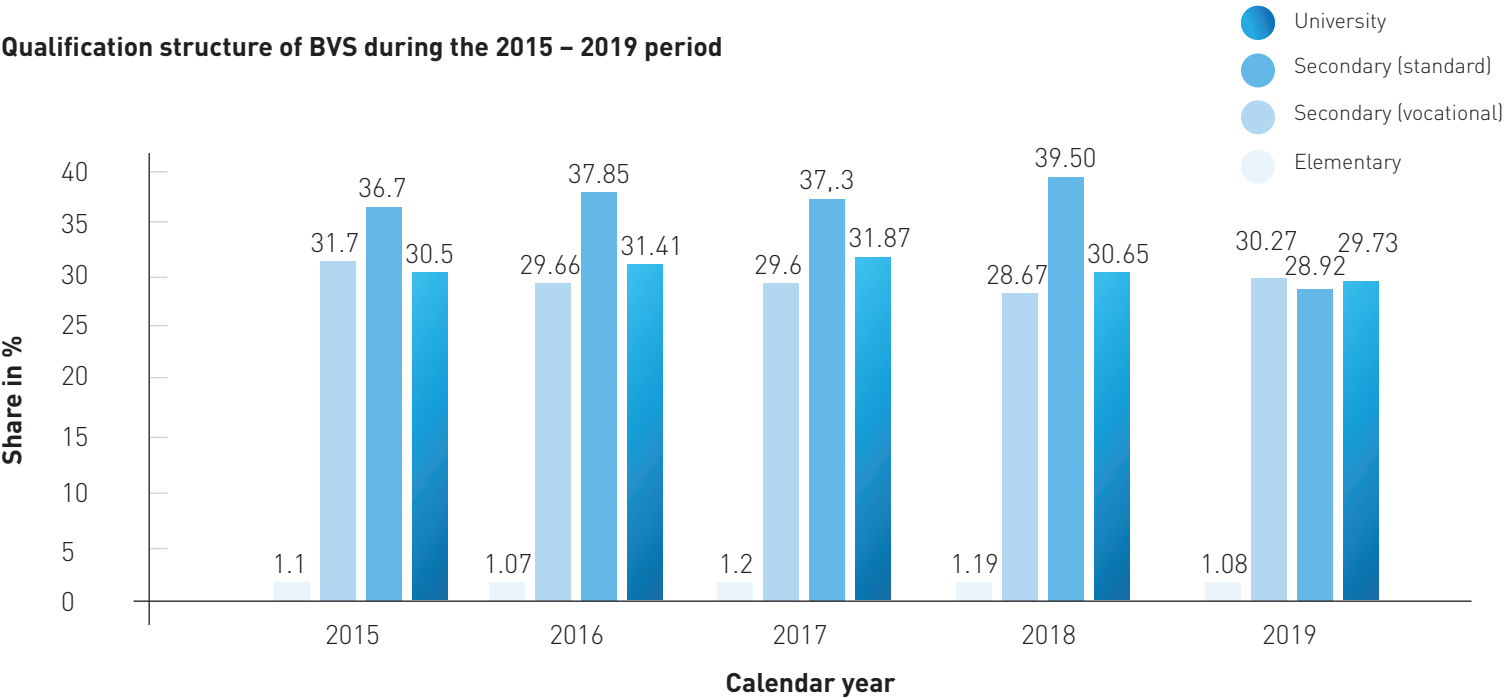


Structure of employees broken down by the highest education level achieved as of 31 December 2019



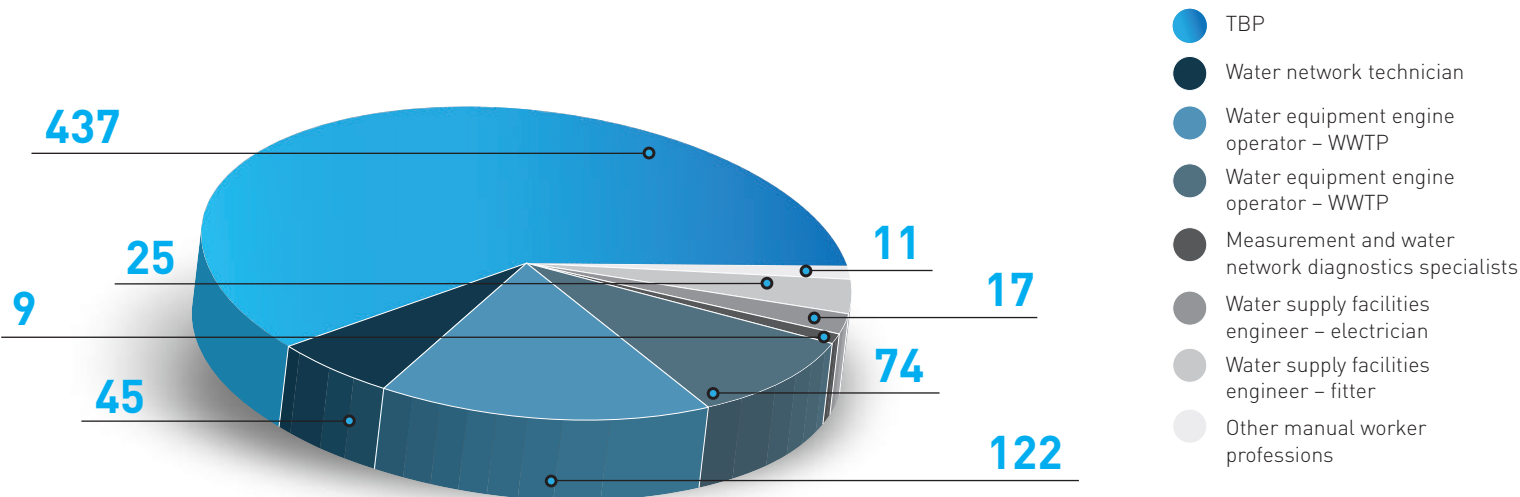
Development of the educational structure of BVS employees over 5 years

Qualification structure of BVS during the 2015 – 2019 period

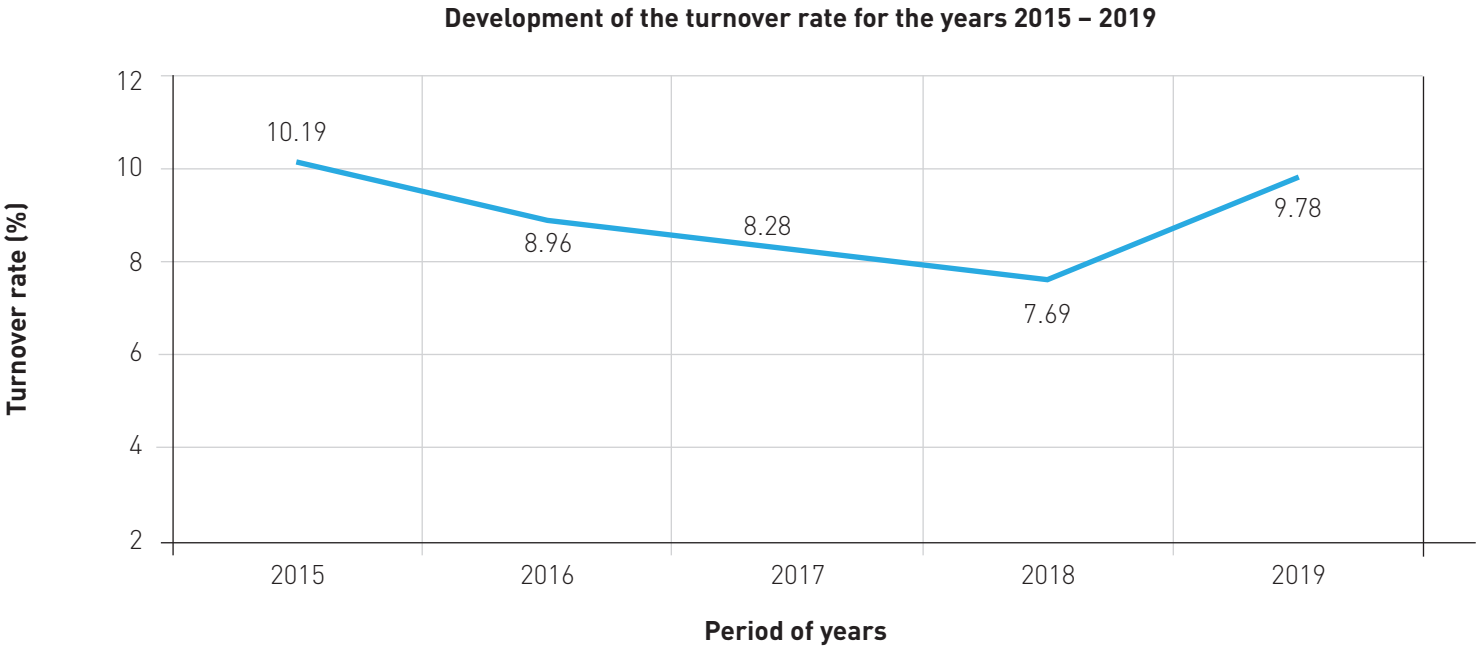


Occupational structure of employees as of 31 December 2019

Occupational structure of employees of BVS, a.s., as of 31 December 2019



During the period under review (2018) a total of 56 employees were hired and 73 employees terminated their employment. The overall staff turnover rate in 2019 was 9.78%.



Social policy

In 2019, BVS continued with its pre-set social programme, and in the area of employee care and as part of implementation of its social policy it contributed from the Social Fund for employees mainly to a supplementary pension saving scheme (SPS), to employee dining services and to 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 473 employees took part in the saving scheme; in addition to payments out of company expenses (totaling EUR 145,422.06 in 2019), the company also made contributions to-

taling EUR 62,333.00 from the Social Fund.

As in previous years, in 2019 the company paid attention to the implementation of an employee health care programme, including preventive vaccines against hepatitis A and B and tick-borne encephalitis, and a programme to support the adaptation of graduates and new company employees.

For many, the programme of social policy of BVS also included social activities for seniors – former company employees.

In 2019, 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

In 2019, BVS continued to pay special attention to the process of education, training and development of its employees in order to fulfil its vision.

Due to the main subject of BVS's activities, the company's employees completed educational activities last year aimed, among other things, at maintaining the quality of professional skills in the operation of public water mains and public sewerage.

The employees have completed a wide range of internal and external training to increase the quality of services provided, to learn and maintain technological processes, environmental protection and to deepen their knowledge for the provision of additional services to customers.

Great emphasis was placed on the development of managerial skills for selected successors from among the company's employees (so-called career replacements). In 2019, employees continued with the pre-set modular training focused on the labor law principles, the duties of an employee and a manager, as well as the area of criminal liability arising for employees from their job.

The planned training and education activities in 2019 also included activities aimed at developing communication skills, especially for first-contact employees. The pre-set modular training continued on the basis of already implemented modules and performed analyses of employees from previous pe-

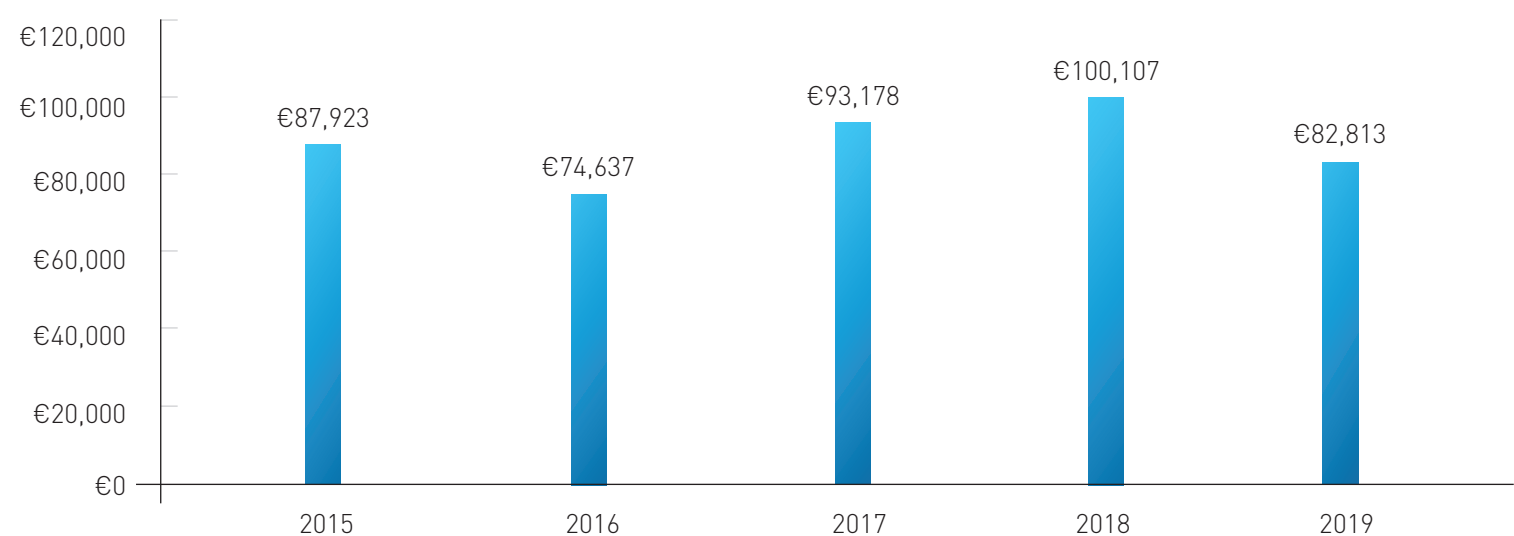
riods, in accordance with the needs of the company and managerial employees.

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 learning to be plumbers and electricians at BVS workplaces and with the aim of pupils participating in practical training acquiring professional craft skills. Productive work took place at BVS workplaces and premises under the supervision of professional employees at individual plants of the company.

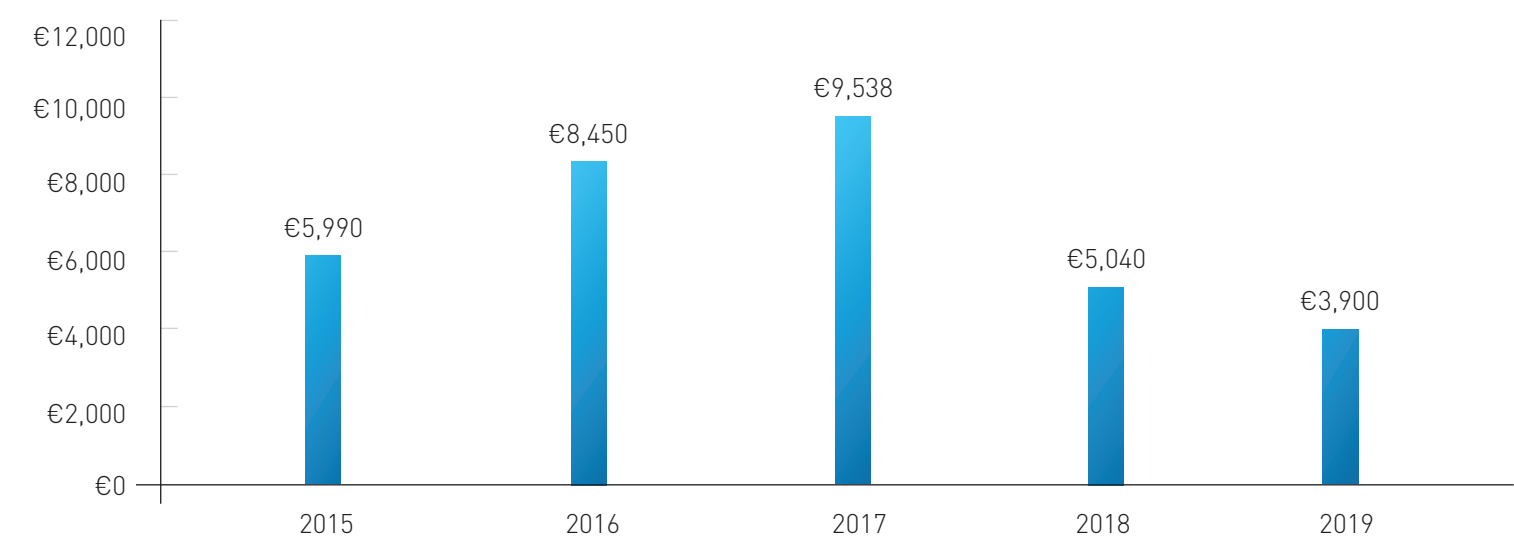
In 2019, the company invested € 82,813 in employee education, training and development for mandatory professional update retraining activities resulting from OSH and PPE regulations and other legislation, as well as professional workshops, domestic and foreign professional conferences, courses, seminars 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 2015 – 2019:



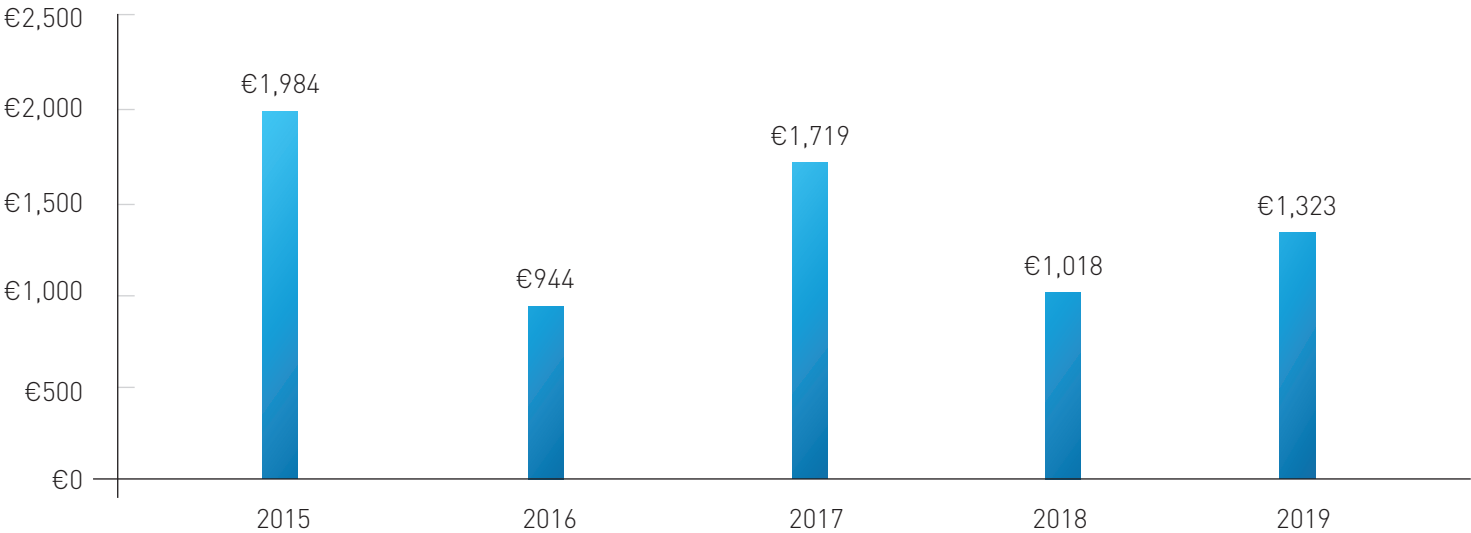
In 2019, the company again created conditions for the possibility of improving employee qualification and enabled 4 employees to improve their qualification, particularly in terms of law and natural science.

Overview of the development of employee **qualification improvement** costs (in €) for the years 2015 – 2019:

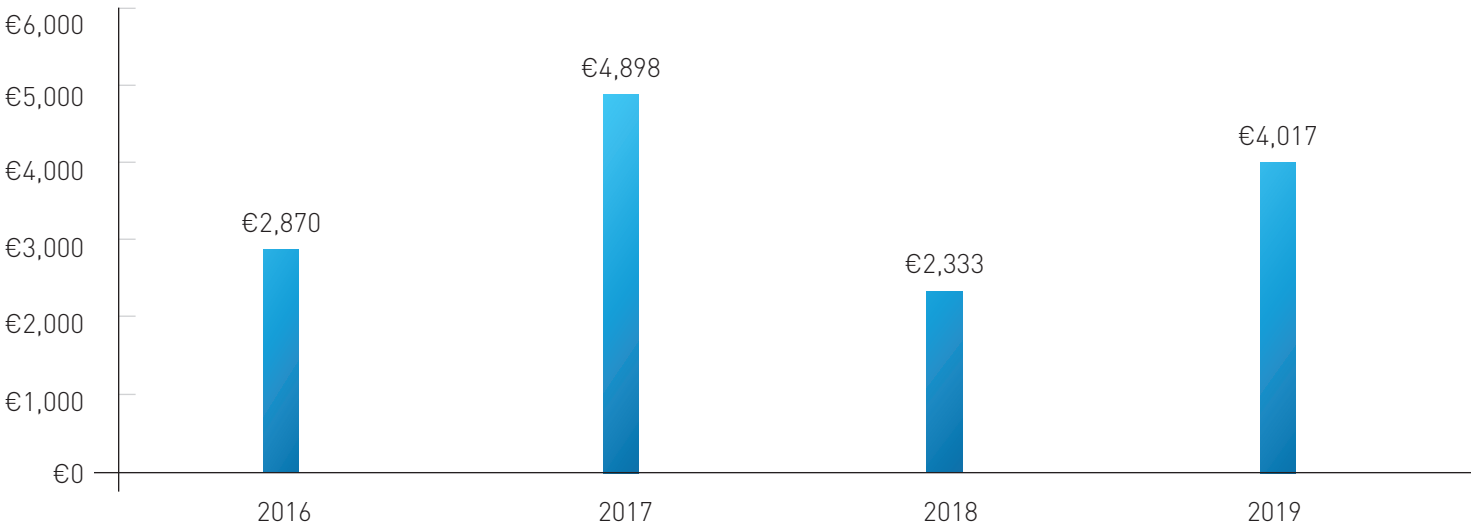


In 2019, a total of 1323 employees participated in various training and education activities in the BVS employee training, education and development system.

Overview of the **number of employees** participating in the process of employee training, education and development for the years 2015 – 2019:



Overview of the **cost** of secondary vocational schools as part of the provision of professional training for the year 2016 – 2019:



SOCIAL RESPONSIBILITY AND PHILANTHROPY

In 2019, 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 2019, BVS supported the following events: The Run 2019, STUPAVA TROPHY 2019, Less Waste Run 2019, IXPO 2019, Bratislava Coronation Days 2019, 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 elementary schools, secondary schools and universities, with non-governmental organizations, institutions and individuals. The foundation also conducts activities for employees of BVS, a.s., and for its subsidiaries – Infra Services, a. s., and BIOENERGY, a.s. We are pleased and we appreciate that employees are able to accept their share of social responsibility and to help where it is needed.

For the third time, the BVS Foundation was the part of the Festival Educational Trail Hory a mesto (Mountains and City), organized at the BORY MALL shopping centre for pupils of elementary and secondary schools.

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. Through our interactive model of a waterworks system, we uncovered for children some secrets of the path every drop of drinking water has to travel before we can enjoy it in a cup.

We arranged a blood donation event during which the employees of BVS and its subsidiaries had the opportunity to donate blood again. BVS has been organizing this volunteer event regularly for several years thanks to, among others, the mobile field work unit from the Ružinov National Transfusion Station, which carries out the blood draw at the Waterworks Museum thanks to all the resolute donors from among its employees.

The total expenses of the BVS Foundation amounted to EUR 12,692.17. The amount of EUR 10,587.00 was paid to the organizations/persons receiving donations. The donations were redistributed in accordance with the constitution of the foundation and with the consent of the Board of Trustees of the BVS Foundation. Other expenses associated with the operation of the foundation amounted to EUR 1,585.17.

For information about the Foundation's activities, visit the website www.nadaciabvs.sk or see the Annual Report of the BVS Foundation for Year 2019.

Educational projects

BVS emphasizes 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 2019, too.

In 2019, the programme was devoted to teaching 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, including a 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 can enjoy the topic of water even more and understand it better. In 2019, the educational programme was attended by 1,439 pupils from 34 schools within the territory of BVS.

One traditional activity was the Water Festival – a competitive show of pupils' projects about water. In 2019, the tenth anniversary of this event took place. Its aim is to help schools actively involve students in the educational process in the field of environmental education, with a special focus on waterworks and water management. Through the solution of student projects under the guidance of teachers, pupils also reflect on several important topics – the state of groundwater in Slovakia, sewerage is not a waste bin, the importance of water protection, virtual water, etc. During the final

day, the best 21 teams – a total of 85 students from 19 schools – presented their projects.

Through our awareness raising 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, and the OD in the Slovak Hydrometeorological Institute. We also participated in events spreading environmental awareness among pupils (Mountains and City Festival, ŠÍŠKA Festival) and teachers and coaches of environmental education (ŠÍŠKA Festival).

BVS's proactive approach to education is also demonstrated by trips to BVS's property, most frequently to the water source on Sihoť Island and to wastewater treatment facilities. In total, 17 trips to wastewater treatment facilities, 52 trips to Sihoť Island and 4 trips to other BVS properties (water treatment facilities, retention tanks, water sources) took place for educational reasons. They were attended by more than 1,400 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

During year 2019, 16,298 visitors came to the Waterworks Museum for a total of 240 events.

The museum organized 104 educational and professional visits to the Museum and the Sihot' water source, with a total number of 2,935 visitors. The educational programme Modrá škola (Blue School) carried out 47 educational tours in the museum for 1,043 visitors. During public events – the Open Doors Days and the Night of Museums and Galleries – we were visited by some 3,000 persons.

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

In 2019, 39 events for BVS (training sessions, general meetings, press conferences, employee events) were held in the museum. The premises of the museum were rented for 48 commercial events, with a total income of €53,866 (excl. VAT).

In addition to expositions, the museum administers the adjacent Waterworks Garden, and in 2019 it opened to the public a new outdoors exposition focusing on the presentation of waterworks technology.

Waterworks Museum – number of visitors of the museum expositions in 2019 (events for the public, WM field trips, Blue Schools)

Type of visit	Number of visitors	Number of events
WM field trips	2,935	104
Blue School educational tours	1,043	47
Events for the public	3,000	2
Total	6,978	153

Waterworks Museum – number of visitors of the conference rooms of the museum in 2019 (events for BVS, commercial rentals)

Type of visit	Number of visitors	Number of events
Events for BVS	2,520	39
Commercial rentals	6,800	48
Total	9,320	87



The background of the slide features several large, overlapping, curved shapes in various shades of blue (light blue, medium blue, and dark blue) against a white background. These shapes create a dynamic, flowing effect.

Capital construction

Prospects of modernizing the water
management infrastructure of BVS

Safe company

Information Technologies

CAPITAL CONSTRUCTION

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

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

BVS ensures smooth operation of public water distribution systems, public sewer systems, water sources and wastewater treatment facilities by their renewal, refurbishment and upgrading.

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

The company's investment activities are based on the existing operational condition of water distribution systems, sewer systems, water sources and wastewater treatment facilities, on

the necessity to harmonize their parameters with valid Legislation and the limits of wastewater released according to EU guidelines and the documents "Strategy and Upgrades of BVS, a.s. Water Infrastructure System Upgrade" and "Programme for Reducing Losses in the Water Distribution System". These strategic objectives are reflected in constructions and projects included in the investments plan and capital construction of BVS.

The planned material volume of investments and capital construction for BVS in 2019 was approved in the total amount of EUR 12,520,392.

The material fulfilment of the company's approved plan for investments and capital construction for the year 2019 amounted to EUR 7,891,820, i.e. 63.03% of the total planned material annual volume of EUR 12,520,392. From this, the total material fulfilment in constructions amounted to EUR 2,528,365, i.e. 40.02% of the total planned material annual volume of EUR 6,317,182.

Fulfilment of the plan for investments and capital construction of BVS in 2019 (in €)

	Own resources (including FRI)	Sources from the EU and the state budget	Total
Refurbishments and new investments – implemented in 2019	2,512,786	15,579	2,528,365
Total constructions	2,512,786	15,579	2,528,365
Other items	5,363,455	0	5,363,455
within capital construction			
TOTAL	7,876,241	15,579	7,891,820

In 2019, BVS completed the following constructions:

- Doubling of the force main from the Gaštanová Pumping Station to the Kramáre I Water Tank,
- Holíč Water Improvement Station, complete refurbishment of the built structure, stage 0,
- Most pri Bratislave, Bratislavská ulica and Nálepková ulica – renovation of the water mains (extent: Bratislavská ulica),
- Záhorie, Malacky – sewer system construction. Extending the sewer system routes, stage 2 (Stupavská ulica and Pri Mlyne),
- Senica – Holíč, connecting the water mains, stage 2, part 2; built structure SO – 06 – Lopašov water mains, stage 1,
- Senica – Holíč, connecting the water mains, stage 2, part 2; Dubovce water meter and reduction shaft,
- Senica – Holíč, connecting the water mains, stage 2, part 2; Popudinské Močidlany water meter and reduction shaft,
- Rohožník WWTP, refurbishment and upgrade (an EU project),
- Modra, Štefánikova ulica, Komenského ulica – renovation of the water mains (in cooperation with the WDD).

We list the following separately:

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 INTO YOUR FUTURE:

„Holíč, refurbishment and intensification of the wastewater treatment plant“ (€10,570,671)

The implementation of the project began in May 2011. The work was completed and accepted, and subsequently, in September 2014, the competent building authority issued its approval to putting the WWTP into permanent operation.

The subject of the project was a complete upgrade and refurbishment of the WWTP, with the construction of a new discharge line for treated water leading to the Morava River (the original recipient was the Kyštor stream). The upgrade had to be carried out in order to comply with the legislative requirements concerning the quality of discharged treated wastewater in terms of the indicators nitrogen and phosphorus. In accord-

ance with the Contract on the Provision of a Non-repayable Financial Contribution with the Ministry of the Environment of the Slovak Republic, BVS drew up a final request for payment in March 2015, which terminated the project in relation to the Ministry of the Environment of the Slovak Republic and started the running of the prescribed period for a mandatory 5-year monitoring.

“Sewer system Construction in the Danube Region of the Bratislava Region”

- **intensification and upgrade of the Vrakuňa Central WWTP, stage 2** (€20,198,964)
- **intensification and upgrade of the Petržalka WWTP, stage 2** (€8,572,860)

This 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. The treatment of wastewater related to the part of Bratislava, the Capital of the Slovak Republic, lying within the Danube River basin, but also partly to sewerage wastewater pumped to Bratislava from the part of the Little Carpathians region not lying further than Pezinok.

The project dealt with upgrading the biological stages:

- Vrakuňa Central Wastewater Treatment Plant,
- Petržalka Wastewater Treatment Plant.

Project implementation started on 8 November 2013. The work was completed in November 2015.

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

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

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

The actual project implementation started on 30 June 2014. The work was completed in December 2015; it received the final approval for use from the inspector, was put into trial oper-

ation and subsequently put into permanent operation.
A project co-financed by the European Union from the Cohesion Fund and the State Budget of the Slovak Republic within the Operational Programme Quality of the Environment:

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

The project objective is to improve the drainage and treatment of municipal wastewater in agglomerations with a population equivalent of over 2,000 in accordance with the commitments of the Slovak Republic towards the EU.

The actual implementation of the project started on 19 July 2017. The work was terminated in January 2019. The WWTP has received the final approval for use from the inspector and was put into trial operation. After an evaluation of its operation, a request for a permit for permanent operation will be filed.

In accordance with the terms and conditions of the Contract on a Non-repayable Financial Contribution, completed investment projects are subject to a mandatory 5-year monitoring by the Ministry of the Environment of the Slovak Republic. For a period of 5 years from the commissioning for permanent operation, BVS is obliged to submit, once a year, reports on the fulfilment of indicators (financial flows, measurable indicators, i.e.

the population equivalent connected to newly constructed sewer systems, and/or refurbished wastewater treatment plants and the number of agglomerations whose issues have been resolved). The Ministry of the Environment of the Slovak Republic will evaluate compliance with the terms and conditions of the Contract on a Non-repayable Financial Contribution only after the end of the monitoring period, and if the requirements of the financial analysis or of measurable indicators are not adhered to, it may perform corrections, i.e. a part of the subsidy may be returned in accordance with the terms and conditions of the contract.

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





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

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

- achieving the water capacities needed for reliably meeting the 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 the implementation of the following concepts:

- The current concept of using the water sources in the Danube valley for the Bratislava Waterworks System will be

kept in the long-term, as these sources are very suitably located on city land or in its immediate vicinity. In terms of water distribution from sources to waterworks system, it is necessary to refurbish and modernize the Podunajské Biskupice pumping station for the necessary prospective capacity.

- Regarding other places of water consumption, it has to be noted that the local water sources in the Záhorie and Little Carpathians regions are not sufficient due to their capacity and quality; therefore, these places of water consumption are currently supplanted to a significant degree by higher quality and more plentiful groundwater (water sources from the Danube region). The eccentric location of these water sources in relation to the location of consumers outside the city of Bratislava means that additional water piping capacity needs to be built. Thus far, distribution lines have been constructed from Bratislava to the Záhorie (up to Malacky) and to the Foothills region (up to Pezinok, or up to Modra and Senec). Keeping this in mind, we plan to build further distribution facilities to optimize the supply to the Little Carpathians region from the eastern part of Bratislava (a new Rača – Pezinok (Grinava) water line, or a variant of the connection between the Rača and Vajnory system with the Bernolákovo – Grinava water supply line system through Čierna voda), as well as distribution facilities to solve water supply problems of the Western Development Zone of Bratislava, and to optimize supply to the Záhorie region from Bratislava with a continuation line to the Senec group water supply system, as well as to the Holíč-Skalica group water supply system.

Specific measures:

- 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 water quality at the sources (e.g. water treatment is necessary at the Kalinkovo source); in addition, expansion of the Rusovce – Ostrovne lúčky – Mokrad' source and the Šamorín source is necessary to increase the degree of diversification of sources (backup of sources).

Priorities in sewer system modernization include:

- achieving 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 sewer systems focuses on the concept of centralizing the wastewater treatment process – the connection of additional municipalities to the left bank sewer system of the 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, independent 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 have been among the main objectives of Bratislavská vodárenská spoločnosť for many years.

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

With regard to compliance with the “Safe Company” programme in 2019, our company used its best efforts to increase occupational health and safety and hygiene at work and to improve the working conditions of its employees. Achieving the set objectives in terms of overall improvement of the working conditions involves long-term tasks that require considerable funds. Nevertheless, it can be stated that BVS considers occupational health and safety to be a serious issue and – to the extent possible – it uses funds, just like in previous years, to achieve OHS objectives, as well as the tasks and objectives included in the “Safe Company” programme. In 2019, we were the second company in Slovakia to obtain the “Safe Company” certificate for the third time in a row.



INFORMATION TECHNOLOGIES

In the IT field, the synergy effect of projects implemented in former periods was utilized.

In the area of SAP ERP and SAP ISU, development continued according to user requirements so as to effectively meet the demands placed on BVS.

Process changes in the area of quality standards, which have ensured a more efficient use of resources, also made a significant contribution to the said development. Due to the increasing intensity of the use of IT systems of BVS employees in all areas, a unified approach was also introduced for SAP in the area of management identity, the so-called SSO – single sign on, which in practice means connecting SAP with Active Directory, which allows administrators to set policies, install programs on many computers or apply critical updates throughout the organizational structure. Another step leading from data centralization is the transfer of the Fault Portal to SAP.

In IS Previs, the operating system for the support and management of the management agenda of technological and laboratory processes, adjustments were made in order to optimize the workload. These adjustments made it possible to simplify and streamline the work of employees in the affected sections. They also fully automated some processes, thereby providing enhanced functionality when working with tablets in the field for sample collection. The adjustments made it possible to prepare a system to meet the accreditation conditions for laboratories.

Team locations for departments and divisions have been expanded on the intranet, and the ITD is working with the company's employees to expand and make better use of this system in their day-to-day work.

In the area of information/communication and technological structure, we continued to meet technical and systemic legislative requirements to increase the security and availability of the company's IT infrastructure. We placed the main emphasis on securing systems related to the provision of basic services and the provision of critical infrastructure. This year,

the second stage of the replacement of the telemetry network terminals was completed. Based on the announced termination of support for the SW equipment as well as the legislative requirement for the security of applications providing the basic service, we then proceeded to an update of the Operating Systems and SQL databases of the servers of Central Technology Dispatching (CTD) and the BVS Security Access System. Due to the continuous operation of the CTD and the need to ensure continuous production and distribution of drinking water, as well as sewerage and wastewater treatment, these updates were performed under difficult operating conditions with a minimization of system outages in non-stop mode. At the same time, an upgrade of the visualization software of the CTD workplaces and an upgrade of the visualization of the Security Access System and attendance were carried out.

In the area of information infrastructure of the office part of IT, multifunctional devices in the printing environment were renewed, and equipment, including a tool for managing the printing environment, was delivered and installed this year. At the same time, the functionalities of the devices were expanded and safety elements were added, e.g. verifications of print outputs by an ID card reader.

In the area of the geographic information system (GIS), we focused on updating the main areas, especially the relocation of PWM (public water mains) networks regarding the D4/R7 motorway, the relocation of PWM as part of the construction, e.g. of shopping centres, multifunctional buildings and the like. In order to specify the topographic data of PSS (public sewer system), a check of approximately 1,740 map documents for the public sewer system with a status in the GIS system was ensured. The geographic information system was supplemented with the most up-to-date orthophotomaps.

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 "SYSTEM" project. The main objective of the project is to develop and design a new sensor system for the detection of selected substances present in municipal waste,

wastewater and air with the aim of improving the safety of residents in compliance with environmental protection. The project consortium is made up of a total of 21 entities from various EU countries (BE, DE, IT, PL, SK, SE, UK) and consists mainly of scientific and research organizations, technological developers and waterworks companies.

At the same time, new international partnerships were formed on the occasion of the preparation and submission of two new international projects called "HYDROS" and "AKVOCACY", of which the "HYDROS" project was approved in the first round of project approval and shortlisted among 16 European projects competing for a financial contribution from the European Commission in the field of "water". The aim of both projects was to

create, test and demonstrate intelligent technologies for water management.

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 water management, 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 to improve the support of processes through system solutions, so that the processes are focused on innovative and customer-oriented solutions in the waterworks environment.





Independent auditor's report

Consolidated financial statement
as of 31 December 2019

Notes to the consolidated financial statements

Statements of BVS for the last 5 years

Overview of changes in shares



INDEPENDENT AUDITOR'S REPORT



Správa nezávislého audítora

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

Podmienený názor

Podľa nášho názoru, okrem vplyvu skutočností uvedenej v časti Východisko pre náš podmienený názor, vyjadruje konsolidovaná účtovná závierka objektívne vo všetkých významných súvislostiach konsolidovanú finančnú situáciu spoločnosti Bratislavská vodárenská spoločnosť, a.s. (ďalej len „Spoločnosť“) a jej dcérskych spoločností (ďalej spoločne uvádzaných ako „Skupina“) k 31. decembru 2019, konsolidovaný výsledok jej hospodárenia a konsolidované peňažné toky za rok, ktorý sa k uvedenému dátumu skončil, v súlade s Medzinárodnými štandardmi pre finančné výkazníctvo platnými v Európskej únii.

Čo sme auditovali

Konsolidovaná účtovná závierka Skupiny obsahuje:

- konsolidovaný výkaz o finančnej situácii k 31. decembru 2019,
- konsolidovaný výkaz komplexného výsledku za rok končiaci sa 31. decembra 2019,
- konsolidovaný výkaz zmien vlastného imania za rok končiaci sa 31. decembra 2019,
- konsolidovaný výkaz peňažných tokov za rok končiaci sa 31. decembra 2019 a
- poznámky ku konsolidovanej účtovnej závierke, ktoré obsahujú významné účtovné postupy a ďalšie vysvetľujúce informácie.

Východisko pre náš podmienený názor

Ako je uvedené v bode č. 4 poznámok, *Zásadné účtovné odhady a rozhodnutia*, realizovateľná hodnota jednotky generujúcej peňažné toky, ktorú predstavuje účtovná jednotka, je významne nižšia ako jej účtovná zostatková hodnota, ktorú predstavuje neobežný majetok k 31. decembru 2019 vo výške 498 miliónov EUR (k 31. decembru 2018: 489 miliónov EUR), mínus výnosy budúcich období z dôvodu časového rozlíšenia prijatých darov a dotácií na výstavbu a obstaranie dlhodobého hmotného majetku k 31. decembru 2019 vo výške 45 miliónov EUR (k 31. decembru 2018: 43 miliónov EUR).

Skupina k 31. decembru 2019, k 31. decembru 2018 a k 1. januáru 2018 opravnými položkami v dostatočnej miere neznížila ocenenie neobežného majetku, ktorý pozostáva z dlhodobého hmotného majetku, dlhodobého nehmotného majetku, investície do spoločného podniku a práv na užívanie majetku, a nerozpustila k týmto dátumom súvisiace výnosy budúcich období, ktoré súvisia s týmito stratami zo zníženia hodnoty. Keďže Skupina k uvedeným dátumom sama nevyčíslila výšku strát zo zníženia hodnoty, neboli sme prakticky schopní kvantifikovať presný vplyv vyššie uvedenej skutočnosti na konsolidovanú účtovnú závierku, avšak podľa nášho názoru, je účtovná zostatková hodnota neobežného majetku k 31. decembru 2019, k 31. decembru 2018 a k 1. januáru 2018 nadhodnotená.

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

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

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The firm's ID No. 35 739 347. The firm is registered in the Commercial Register of Bratislava District Court, Ref. No. 14611/8, Section: Sro.
IČO Spoločnosti je 35 739 347. Spoločnosť je zapísaná v Obchodnom registri Okresného súdu Bratislava I, pod Všeobecnou č. 14611/8, Oddiel: Sro.



Nezávislosť

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

Správa k ostatným informáciám uvedeným vo výročnej správe

Štatutárny orgán je zodpovedný za ostatné informácie. Ostatné informácie obsahujú výročnú správu (ale neobsahujú individuálnu a konsolidovanú účtovnú závierku a naše správy audítora k nim).

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

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

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

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

- informácie uvedené vo výročnej správe za rok, za ktorý je konsolidovaná účtovná závierka zostavená, sú v súlade s konsolidovanou účtovnou závierkou, a že
- výročná správa bola vypracovaná v súlade so Zákonom o účtovníctve.

Navyše na základe našich poznatkov o Skupine a situácii v nej, ktoré sme počas auditu získali, sme povinní uviesť, či sme zistili významné nesprávnosti vo výročnej správe. Ako je uvedené vyššie v časti *Východisko pre náš podmienený názor*, Skupina vo svojej konsolidovanej účtovnej závierke nezaúčtovala zníženie hodnoty neobežného majetku. Dospeli sme k záveru, že ostatné informácie sú z toho istého dôvodu tiež významne nesprávne, pokiaľ ide o sumy alebo iné položky, ako je uvedené vyššie v časti *Východisko pre náš podmienený názor*.

Zodpovednosť štatutárneho orgánu za konsolidovanú účtovnú závierku

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

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

Zodpovednosť audítora za audit konsolidovanej účtovnej závierky

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



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

- Identifikujeme a posudzujeme riziká výskytu významných nesprávností v konsolidovanej účtovnej závierke, či už v dôsledku podvodu alebo chyby, navrhujeme a uskutočňujeme auditorské postupy, ktoré reagujú na tieto riziká, a získavame auditorské dôkazy, ktoré sú dostatočné a vhodné na to, aby tvorili východisko pre náš názor. Riziko neodhalenia významnej nesprávnosti, ktorá je výsledkom podvodu, je vyššie než v prípade nesprávnosti spôsobenej chybou, pretože podvod môže znamenať tajnú dohodu, falšovanie, úmyselné opomenutie, nepravdivé vyhlásenie alebo obídenie internej kontroly.
- Oboznamujeme sa s internými kontrolami relevantnými pre audit, aby sme mohli navrhnúť auditorské postupy, ktoré sú za daných okolností vhodné, ale nie za účelom vyjadrenia názoru na efektívnosť interných kontrol Skupiny.
- Hodnotíme vhodnosť použitých účtovných zásad a účtovných metód a primeranosť účtovných odhadov a s nimi súvisiacich zverejnených informácií zo strany štatutárneho orgánu.
- Vyhodnocujeme, či štatutárny orgán v účtovníctve vhodne používa predpoklad nepretržitého pokračovania v činnosti a na základe získaných auditorských dôkazov aj to, či existuje významná neistota v súvislosti s udalosťami alebo okolnosťami, ktoré by mohli významne spochybniť schopnosť Skupiny nepretržite pokračovať v činnosti. Ak dospejeme k záveru, že takáto významná neistota existuje, sme povinní upozorniť v správe audítora na súvisiace informácie uvedené v účtovnej závierke alebo, ak sú tieto informácie nedostatočné, sme povinní modifikovať náš názor. Naše závery vychádzajú z auditorských dôkazov získaných do dátumu vydania správy audítora. Budúce udalosti alebo okolnosti však môžu spôsobiť, že Skupina prestane pokračovať v nepretržitej činnosti.
- Hodnotíme celkovú prezentáciu, štruktúru a obsah konsolidovanej účtovnej závierky, vrátane informácií v nej uvedených, ako aj to, či konsolidovaná účtovná závierka zachytáva uskutočnené transakcie a udalosti spôsobom, ktorý vedie k ich vernému zobrazeniu.
- Získavame dostatočné a vhodné auditorské dôkazy phtadne finančných informácií účtovných jednotiek a obchodných aktivít v rámci Skupiny, aby sme vyjadrili názor na konsolidovanú účtovnú závierku. Sme zodpovední za usmernenie, riadenie a výkon auditu Skupiny. Správa audítora je výhradne našou zodpovednosťou.

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



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Licencia SKAU č. 161

Tučný
Mgr. Juraj Tučný, FCCA
Licencia UDVA č. 1059

1. októbra 2020
Bratislava, Slovenská republika



CONSOLIDATED FINANCIAL STATEMENTS OF AS OF 31 DECEMBER 2019

ASSETS	Note	31 December 2019	31 December 2018 (adjusted)	1 January 2018 (adjusted)
Non-current assets				
Non-current tangible assets	9	464,084,227	476,877,157	478,720,501
Intangible assets and other assets	10	3,085,895	3,553,496	2,798,793
Joint venture investment	27	8,093,235	8,988,388	9,024,366
Right-of-use assets	6	12,461,726	0	0
Other non-current assets		6,639	6,639	6,639
		487,731,722	489,425,679	490,550,299
Current assets				
		Current assets		
Inventories	8	261,167	733,845	570,963
Trade receivables and other receivables	7	16,135,485	19,096,567	16,575,509
Income tax asset		152,087	0	94,553
Cash and cash equivalents	5	4,250,184	5,647,815	10,603,091
		20,798,923	25,478,227	27,844,117
Total assets		508,530,644	514,903,906	518,394,416

LIABILITIES AND EQUITY	Note	31 December 2019	31 December 2018 (adjusted)	1 January 2018 (adjusted)
Equity				
Share capital	17	281,365,935	281,365,935	281,365,935
Treasury shares	17	-1,927,338	-1,927,338	-1,927,338
Legal reserve fund and other funds		71,574,317	71,069,316	70,986,821
Retained earnings		3,771,670	8,554,884	9,007,468
		354,784,584	359,062,797	359,432,886
Non-current liabilities				
Lease liabilities	6	8,696,685	0	0
Loans and borrowings	14	0	62,657,448	62,000,000
Provisions	16	1,395,740	1,375,157	3,102,193
Deferred income	12	41,324,670	40,204,970	41,512,650
Pension liabilities	15	1,260,677	1,090,278	1,069,428
Deferred tax liability	11	7,240,050	7,494,532	7,403,647
Other non-current liabilities	13	2,404,757	3,328,809	5,232,090
		62,322,580	116,151,193	120,320,008
Short-term payables				
Lease liabilities	6	3,524,161	0	0
Trade payables and other payables	13	19,495,716	32,090,962	24,775,697
Deferred income	12	3,276,264	3,002,710	3,076,499
Loans and borrowings	14	63,791,887	4,502,440	10,789,326
Income tax liabilities		1,335,453	93,803	0
		91,423,481	39,689,915	38,641,522
Total equity and liabilities		508,530,644	514,903,906	518,394,416

Tržby	Note	2019	2018 (adjusted)
Sales revenues	18	90,810,256	90,513,232
Consumption of water, other materials and utilities	19	-13,575,521	-12,990,945
Wages and salaries	20	-21,971,942	-20,416,775
Depreciation, amortization and changes in provisions for assets	6,9,10	-30,662,248	-26,068,366
Services	21	-30,716,134	-37,571,671
Other operating expenses	22	-2,306,376	1,405,024
Other operating revenues	22	5,966,141	4,916,459
Net operating expenses		-93,266,080	-90,726,274
Operating profit/loss		-2,455,824	-213,042
Financial income	23	155	170
Financial expenses	23	-588,694	-370,382
Net financial expenses		-588,539	-370,212
Joint venture profit share	27	-153,724	823,731
Profit/(loss) before tax		-3,198,088	240,476
Income tax	24	-1,139,458	-310,574
Profit/loss for the current period		-4,337,545	-70,097
Items that will not be reclassified subsequently into profit or loss			
Actuarial remeasurement of employee benefit obligations	15	64,192	-7,559
Deferred tax on the actuarial remeasurement of employee benefit obligations	24	-13,480	1,587
Other comprehensive income		50,712	-5,972
Comprehensive income for the current period		-4,286,834	-76,069

(in whole euros)	Share capital		Legal reserve fund and other funds			Retained earnings	Total	Minority interest	Total equity
Balance as of 1 January 2018	279,438,597		66,312,521			9,405,575	355,156,693	8,375,417	363,532,110
(in whole euros)	Share capital	Equity	Legal reserve fund	Development fund	Other capital reserves	Retained earnings	Total	Minority interest	Total equity
Balance as of 1 January 2018 (change in presentation)	281,365,935	-1,927,338	28,787,982	35,180,445	2,344,094	9,405,575	355,156,693	8,375,417	363,532,110
Correction of errors from previous periods [Note 2.29]	0	0	4 674 300	0	0	-398,107	4,276,193	-8 375 417	-4,099,224
Balance as of 1 January 2018 (adjusted)	281,365,935	1,927,338	33,462,282	35,180,445	2,344,094	9,007,468	359,432,886	0	359,432,886
Profit/(loss) for the year	0	0	0	0	0	-70,098	-70,098	0	-70,098
Other comprehensive profit/(loss) for the year						-5,972	-5,972	0	-5,972
Total comprehensive profit/(loss) for the year	0	0	0	0	0	-76,069	-76,069	0	-76,069
Contribution to the reserve fund and development fund	0	0	82,495	0	0	-82,495	0	0	0
Dividends	0	0	0	0	0			0	
Other		0	0	0	0	-23,543	-23,543	0	-23,543
Balance as of 31 December 2018 (adjusted)	281,365,935	-1,927,338	33,544,777	35,180,445	2,344,094	8,554,884	359,062,797	0	359,062,797
Profit/(loss) for the year	0	0	0	0	0	-4,337,545	-4,337,545	0	-4,337,545
Other comprehensive profit/(loss) for the year	0	0	0	0	0	50,712	50,712	0	50,712
Total comprehensive profit/(loss) for the year	0	0	0	0	0	-4,286,834	-4,286,834	0	-4,286,834
Contribution to the reserve fund and development fund	0	0	107,745	397,255	0	-505,000	0	0	0
Other	0	0	0	0	0	8,620	8,620	0	8,620
Balance as of 31 December 2019	281,365,935	-1,927,338	33,652,522	35,577,700	2,344,094	3,771,670	354,784,584	0	354,784,584

Cash flows from operating activities	Note	2019	2018 (adjusted)
Cash flows from operating activities		19,902,499	25,024,861
Expenditures for repayments of	25		
- short-term leases			
- leases of low-value assets			
- variable lease payments not included in the valuation of the lease liability	21	-376,797	0
Tax refunds (+)/Tax paid (-)	23	-219,013	-127,350
Interest paid	23	-418,948	-237,675
of which: Expenditure for the interest part of the lease liability	23	-177,663	0
Interest received		155	136
Dividends paid out		-295,383	0
Dividends received from the joint venture	27	741,429	859,710
Net cash flows from operating activities		19,358,847	25,519,682
Cash flows from investing activities			
Purchase of non-current tangible assets	9	-13,187,061	-23,080,862
Purchase of non-current intangible assets	10	-593,672	-1,566,803
Capitalized interest	9	-170,669	-239,217
Proceeds from the sale of non-current assets		0	41,362
Net cash flows from investing activities		-13,951,402	-24,845,520
Cash flow from financing activities			
Proceeds from received loans and borrowings	14	3,589,709	5,159,888
Repayment of loans and borrowings	14	-6,957,710	-10,789,327
Expenditure for the repayment of lease liabilities		-3,437,075	0
Net cash flows from financing activities		-6,805,076	-5,629,438
Net cash flows		-1,397,631	-4,955,276
Cash and cash equivalents at the beginning of the period	5	5,647,815	10,603,091
Cash and cash equivalents at the end of the period	5	4,250,184	5,647,815



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Description of the company

Bratislavská vodárenská spoločnosť, a. s. (IČO [organization ID No.]: 35 850 370), was founded in accordance with Privatization Decision No. 853 issued by the Ministry of Administration and Privatization of the National Property of the Slovak Republic on 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 Business Register on 7 January 2003 [Business Register of District Court Bratislava I in Bratislava, section: Sa [company limited by shares], file No. 3080/B].

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

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

Liability of the Company

The Company has no unlimited liability in any other company.

The reason for and method of preparing the financial statements

These consolidated financial statements are the annual consolidated financial statements of Bratislavská vodárenská spoločnosť, a. s., in accordance with Act No. 431/2002 Coll. on Accounting, as amended. The annual consolidated financial

statements were prepared for the period from 1 January 2019 to 31 December 2019 in accordance with the International Financial Reporting Standards (hereinafter referred to as the "IFRS") valid in the European Union (hereinafter referred to as the "EU").

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

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

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

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

Information on the Group and the joint venture

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

Company name	Registered office	Description of activities	Ownership interest/ voting rights	Ownership relationship
BIONERGY, a. s.	Prešovská 48, Bratislava	heat and electricity generation from biomass	100%	subsidiary

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

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

In 2019, the Group had an average of 793 employees, 156 of which were managerial employees (2018: an average of 800 employees, 162 of which were managerial employees).

The Company has a share in equity and voting rights in the following joint venture:

Company name	Registered office	Description of activities	Ownership interest/ voting rights	Ownership relationship
Infra Services, a. s.	Hraničná 10, Bratislava	servicing activities for water mains and sewer systems	51.09%	joint venture

The main objects of Infra Services, a. s., are the provision of servicing activities on the Company's water mains and sewer networks, as well as support services related to the Company's objects. The Company also focuses on the development of information technologies and automation elements for the administration of repairs and maintenance of technological elements of water supply and sewer system infrastructure.

For the purposes of the Company's separate financial statements, Infra Services, a. s., is considered a subsidiary under the Accounting Act No. 431/2002 Coll., as the Company owns an absolute majority of voting rights in it. However, according to the Articles of Association of Infra Services, a. s., certain (but not all) decisions, including an amendment of the company's Articles of Association and the election of the chairman and vice-chairman of the management board, require more than an absolute (two-thirds) majority of voting rights. The authorization for acting on behalf of Infra Services, a. s., and for putting Infra Services, a. s., under obligation in all matters always lies with three members of the management board of Infra Services, a. s., jointly, one of whom must always be the Chairman of the management board and one the Vice-Chairman of the management board. The method of electing the Chairman and Vice-Chairman of the management board by a qualified majority ensures that the external actions of Infra Services, a. s., is not unilaterally controlled by the Company, despite the fact that the Company holds an absolute majority of voting rights, which is sufficient, by virtue of the Accounting Act No. 431/2002 Coll., to classify Infra Services, a. s., as a subsidiary for the purposes of separate financial statements by virtue of the Accounting Act No. 431/2002 Coll., but not under the International Financial Reporting Standard 10. Under International Financial Reporting Standards, the company is a joint venture and not a subsidiary.

Infra Services, a. s., is included in these consolidated financial statements as a joint venture by means of the equity method.

Neither Bratislavská vodárenská spoločnosť, a. s., nor its subsidiary or the joint venture, are companies with unlimited liability in other accounting entities.

2. Summary of the main accounting principles and methods

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

2.1 Basis for preparation of the consolidated financial statements

The Company's consolidated financial statements for the previous reporting period were approved by the Extraordinary General Meeting of the Company held on 19 December 2019.

These consolidated financial statements are kept at the Company's registered office as well as in the Register of Financial Statements at <http://www.registeruz.sk>, under the Company's IČO [organization ID No.].

The Slovak Act on Accounting (Act of the National Council of the Slovak Republic No. 431/2002 Coll., as amended) requires that the Group prepare the consolidated financial statements as of 31 December 2019 in line with the International Financial Reporting Standards ("IFRS") valid in the European Union.

These consolidated financial statements were prepared in accordance with the IFRS valid in the European Union using the going concern assumption with respect to the Group. The consolidated financial statements were prepared using the historical cost principle. The Group applies all IFRS and interpretations issued by the International Accounting Standards Board (hereinafter referred to as the "IASB") which are valid in the EU and were valid and effective for consolidated financial statements prepared for the year ending on 31 December 2019.

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

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

The reporting period is the calendar year.

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

2.1.1 Changes in the accounting principles and reporting

In addition to a change in accounting policy resulting from the initial application of IFRS 16 Leases, effective from 1 January 2019, accounting policies have been applied consistently in all periods presented, unless otherwise stated. The accounting policies for leases applied until 31 December 2018 are set out in item 2.13 of the Notes. The accounting policies for leases applied from 1 January 2019 are set out in item 2.12 of the Notes.

Issued standards, interpretations and amendments to standards that the Group applied for the first time in 2019:

IFRS 16, Leases (standard issued on 13 January 2016 and effective in the EU for annual periods beginning on or after 1 January 2019)

This new standard introduces new principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 eliminates the classification of operating and finance leases as defined in IAS 17 Leases and introduces a single accounting model for lessees instead.

Lessees are required to recognize:

- assets and liabilities for all leases of more than 12 months, unless they are related to low-value assets; and
- depreciation of leased assets separately from accounting for interest on lease liabilities in the profit and loss statement.

In terms of the lessor, IFRS 16 adopts most of the accounting policies from the current IAS 17. The lessor continues to classify leases into operating and finance leases and to account for the two types of leases differently.

The Group began to apply the new standard from 1 January 2019, using a modified retrospective method and applying a simplified transition approach, where the initial balance of an asset representing a right-to-use asset equals the lease liability adjusted for all accrued lease payments or provisions for liabilities or provisions for assets. Data for the previous accounting period which ended before the date of initial application of the standard have not been adjusted. This means that the data presented for 2019 and 2018 are not comparable. The group also decided to apply the following practical simplifications:

- application of a single discount rate to a portfolio of leases with sufficiently similar characteristics,
- relying on previous assessments of whether the leases, as defined in IAS 37, are unfavourable,
- accounting for leases with a residual lease term of less than 12 months as of 1 January 2019 as short-term leases; and
- exemption of initial direct costs from the measurement of right-of-use assets from January 2019.

The Group decided to reassess whether the contract is a lease or contains a lease on the date of initial application.

The weighted average incremental borrowing rate of the lessee applied by the Group in measuring lease liabilities as of 1 January 2019 was 1.186% p.a.

The explanation of the difference between future payments under non-cancellable operating leases disclosed on 31 December 2018, when IAS 17 was applied, and lease liabilities recognized as of 1 January 2019 is set out in the table below:

(in whole EUR)	31 December 2018/ 1 January 2019
Total future payments from non-callable operating leases under IAS 17 as of 31 December	16,065,105
The effect of discounting to the present value	-1,405,347
Lease liabilities as of 1 January 2019	14,659,757
of which:	
Short-term lease liabilities	3,327,060
Long-term lease liabilities	11,332,697

The right-of-use assets were measured at the amount of the lease liability adjusted for all accrued lease payments relating to leases that were recognized in the balance sheet as of 31 December 2018. There were no loss-making lease contracts for which it would have been necessary to adjust the amount of right-of-use assets as of 1 January 2019. The initial application

of IFRS 16 did not affect the deferred tax on 1 January 2019, because the Group applies the approach where it considers a lease to be a single transaction in which assets and liabilities are linked, so that there is no temporary difference on the date of initial application of IFRS 16. Under Slovak legislation, rents are tax deductible after they have been paid.

The change in accounting policies as a result of the application of IFRS 16 affected the following items in the consolidated balance sheet as of 1 January 2019:

(in whole EUR)	
Decrease in advances, or prepaid expenses	323,333
Increase in right-of-use assets	14,983,091
Increase in lease liabilities	14,659,757

As IFRS 16 has taken over almost all of the accounting requirements for the lessor under IAS 17, the Group has not identified any significant impact on the consolidated financial statements in respect of the activities of the Group as a lessor. The Group's activities as a lessor are not significant.

The following amended standards and interpretations became effective for the Group on 1 January 2019 but did not have a significant impact on the Group:

- IFRIC 23 – Uncertainty over Income Tax Treatments (the interpretation was issued on 7 June 2017 and is effective in the EU for annual periods beginning on or after 1 January 2019).
- IPrepayment Features with Negative Compensation – amendments to IFRS 9 (issued on 12 October 2017 and effective in the EU for annual periods beginning on or after 1 January 2019).
- ILong-term Interests in Associates and Joint Ventures – amendments to IAS 28 (issued on 12 October 2017 and effective in the EU for annual financial statements beginning on or after 1 January 2019).
- IAnnual Improvements to IFRS Standards 2015 – 2017 – amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 (issued on 12 December 2017 and effective in the EU for annual periods beginning on or after 1 January 2019).
- IPlan Amendment, Curtailment or Settlement – amendments to IAS 19 (issued on 7 February 2018 and effective in the EU for annual periods beginning on or after 1 January 2019).

New accounting regulations

Certain new, already issued standards, interpretations and amendments to standards are mandatory for annual reporting periods beginning on or after 1 January 2020, with the Group not having applied them prematurely:

- Amendment to the Conceptual Framework for Financial Reporting (amendment issued on 29 March 2018 and effective for annual periods beginning on or after 1 January 2020).
- Definition of a Business – amendments to IFRS 3 (issued on 22 October 2018 and effective for acquisitions from the beginning of the annual period beginning on or after 1 January 2020).
- Definition of Material – amendments to IAS 1 and IAS 8

(issued October 2018 and effective for annual periods beginning on or after 1 January 2020).

- Reform of reference interest rates – amendments to IFRS 9, IAS 39 and IFRS 7 (issued on 26 September 2019 and effective for annual periods beginning on or after 1 January 2020).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on a date to be determined by the IASB).
- IFRS 17 – Insurance Contracts (a standard issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2021).
- Classification of Liabilities as Current or Non-current – amendments to IAS 1 (issued on 23 January 2020, amended on 15 July 2020 and effective for annual periods beginning on or after 1 January 2023).
- Proceeds before Intended Use, Onerous Contracts – Cost of Fulfilling a Contract, Reference to the Conceptual Framework – amendments to IAS 16, IAS 37 and IFRS 3 in narrow scope and Annual Improvements to IFRS Standards 2018–2020 – amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 (issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022).
- Covid-19-Related Rent Concessions – amendments to IFRS 16 (issued on 28 May 2020 and effective for annual periods beginning on or after 1 June 2020)
- Amendments to IFRS 17 and IFRS 4 – Insurance Contracts (amendments issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023).
- Reform of reference interest rates – phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (issued on 27 August 2020 and effective for annual periods beginning on or after 1 January 2021)

The above standards, interpretations and amendments to standards (which have not yet been approved by the European Union) are not expected to have any significant impact on the Group's consolidated financial statements.

2.2. Consolidation

Subsidiaries are those accounting entities, including structured entities, that the Group controls because (i) it has the power to govern those of their relevant activities that significantly affect their income, (ii) it has the right, or rights, to participate in var-

able returns from its interest in those accounting entities, and (iii) it has the ability to exercise its legal authority over those entities to affect the amount of the investor's returns.

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

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

2.3 Foreign currency translation

Functional currency and presentation currency

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

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

Transactions and balances

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

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

2.4 Financial assets

Financial instruments – key definitions for measurements

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

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

Amortized cost ("AC") is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus cumulative interest, and for financial assets less any allowance for expected credit losses ("ECL"). Accrued interest includes amortization of transaction costs deferred at initial recognition and of any premium or discount of the debt instrument to the maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and

amortized debt discount or premium (including possible accrued fees), are not recognized separately and are included in the carrying amounts of related items in the statement of the financial position.

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

Financial instruments – initial recognition

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

Financial assets – classification and subsequent measurement – measurement category

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

Financial assets – classification and subsequent valuation – business model

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

The business model is determined for a group of assets (at a portfolio level) based on all relevant evidence about the activities that the Group undertakes to achieve the objective set for the portfolio available on the date of the assessment. Factors considered by the Group in determining the business model include the purpose and composition of a portfolio and past experience on how the cash flows for the respective assets were collected. The purpose of the business model used by the Group is to hold financial assets to maturity and to collect the contractual cash flows.

Financial assets – classification and subsequent measurement – cash flow characteristics

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

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

The Group holds only trade receivables, contractual assets and cash and cash equivalents. The nature of financial assets is short-term, and the contractual cash flows represent principal

and interest payments that take into account the time value of money, and therefore the Group recognizes them in amortized cost.

Financial assets – reclassification

Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The reclassification has a prospective effect and takes place from the beginning of the first reporting period subsequent to a change in the business model. The Group did not change its business model during the current and immediately preceding reporting periods and did not make any reclassifications.

Impairment of financial assets – expected credit losses (“ECL”) provision

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

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

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

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

Financial assets – write-off

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

Financial assets – derecognition

The Group ceases to recognize financial assets when (i) the assets have been repaid or the right to cash flows from those assets has expired, or (ii) the Group has transferred rights to cash flows from financial assets to another person.

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.

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

A financial liability (or 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 paid, cancelled or expires. The gain or loss resulting from the derecognition of financial liabilities is recognized when the financial liability is derecognized.

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

Cash includes cash and bank accounts. Cash equivalents are short-term highly liquid investments readily convertible to cash with a 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 the carrying amount using the effective interest method, reduced by a provision for expected loan losses.

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

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

2.8 Inventories

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

Measurement of BVS's inventory loss is determined using the FIFO method. Measurement of the inventory loss of BIONER-GY is determined using the weighted arithmetic average, with such reporting having no significant impact on the consolidated financial statements.

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

2.9 Non-current tangible assets

Non-current tangible assets are recognized at historical cost less accumulated depreciation and provisions for impairment

of receivables. Upon the sale or disposal of assets, the cost and accumulated depreciation and provisions are cleared and the net gain or loss resulting from such 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 the costs of loans and borrowings. The estimated costs for decommissioning and reclamation are capitalized at initial recognition or when the decommissioning decision is made. Changes in estimates adjust the carrying amounts of non-current tangible assets. Expenditure incurred after the non-current tangible assets have been commissioned, for example, with respect to minor repairs, maintenance as well as overhead costs (excluding costs of overhauls), are recognized as expenses in the period in which they arise. Costs of overhauls are capitalized as a separate component of the related assets, and the component being replaced during the overhaul is derecognized.

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 are depreciated according to the depreciation plan drawn up based on the expected period of their use, which corresponds 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 is recognized at cost adjusted for impairment. Land is not depreciated.

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

	Expected period of use (years)	Depreciation method	Annual depreciation rate (%)
Constructions			
- buildings	20 - 50	straight-line	2.0 – 5.0
- water mains networks and sewer networks	12 - 100	straight-line	1.0 – 8.33
Machinery, devices and equipment	4 - 17	straight-line	5.88 – 25.0
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 waste-water drainage and treatment.

Gains and losses on the disposal of buildings, constructions, machinery and equipment are fully reflected in the profit/loss. Costs incurred after putting into use are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Costs of minor repairs and daily maintenance are expensed as incurred. The costs of replacing significant parts or components of non-current tangible assets are capitalized and the replaced part is derecognized.

The carrying amount of the asset is written down immediately to its recoverable amount if the 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 out 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 is acquired in a business acquisition at its fair value on the acquisition date. An intangible asset is recognized if the future economic benefits embodied in the asset and, in addition, the cost of such an asset are likely to be reliably estimated.

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

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

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

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

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

- it is technically feasible to complete the software product so that it will be available for use,
- management intends to complete the software product and use or sell it,
- the accounting entity has the ability to use or sell the software product,
- it can be demonstrated how the software product will generate future economic benefits,
- adequate technical, financial and other 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 employee costs for the software development and the appropriate portion of overheads. Other development costs that do not meet these criteria are recognized as expenses of the period in which they incurred. Development costs previously recognized as expenses are not recognized as an asset in subsequent periods.

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

2.11 Impairment of non-financial assets

At the end of each reporting period, management examines whether there is any indication that a non-current tangible or intangible asset may be impaired. If any such indication exists,

management estimates the recoverable amount, which is the higher of fair value less costs to sell, and value in use. The carrying amount is reduced to its recoverable amount and the impairment loss is recognized so as to affect profit/loss for the current period. Provisions for assets created in prior periods are released, if appropriate, when there has been a change in the estimates used to determine the asset's value in use or its fair value, less costs to sell.

2.12 Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group has opted for a policy of not separating lease and non-lease components for all categories of assets resulting from a lease and instead recognizes each lease as a single lease component. The Group does not apply IFRS 16 to leases of intangible assets.

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

In the year ended 31 December 2019, the Group did not enter into any sale and leaseback transactions.

The Group does not have leases that would result for the Group in restrictions on the payment of dividends or on compliance with set financial indicators.

Right-of-use assets

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

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

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

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

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

Depreciation of right-of-use assets

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

Lease liability

As of the commencement date of the lease, the Group measures the lease liability at the present value of future lea-

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

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

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

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

Lease modification

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

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

In other cases, the Group recognizes the lease modification as a remeasurement of the lease liability, (i) by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, with the resulting gains or los-

ses being recognized in profit or loss, or (ii) in other cases by making a corresponding adjustment to the right-of-use asset.

Reassessment of the lease liability

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

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

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

Lease term

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

The lease term is reassessed if the option is actually exercised (or not exercised) or if the Group is required to exercise it (or not to exercise it). The assessment of whether the exercise of the option is sufficiently certain is reassessed only if a significant event or significant change in circumstances occurs that affects such assessment and is under the control of the Group. For leases entered into for an indefinite term, the Group has

considered the relevant facts and circumstances that create an economic incentive for the Group and has determined a uniform duration of such leases – until the end of the term of the Service Level Agreement (SLA) with Infra Services, a. s., i.e. until the end of 2022.

Discount rate

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

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

For the purpose of determining the incremental borrowing rate during the year ended 31 December 2019, the Group:

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

An increase (decrease) in the incremental borrowing rate applied during 2019 by 1% would result in a decrease (increase) in lease liabilities as of 31 December 2019 of EUR 530,992 (EUR 593,008).

Interest on lease liability

Lease payments are allocated between the principal and interest on the lease liability. Interest on the lease liability in each period during the lease term shall be the amount that produces

a constant periodic rate of interest on the remaining balance of the lease liability. The periodic rate of interest is the discount rate, or if applicable, the revised discount rate described in the paragraph above.

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

Variable lease payments

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

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

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

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

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

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

Rental income

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

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

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

The Group presents the underlying assets subject to operating leases in its consolidated balance sheet according to the nature of the underlying asset.

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

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

The Group leases mainly parts of land, parts of water reservoirs and parts of wastewater treatment plant premises. The contractual terms and conditions do not provide the lessee with purchase options or require residual value guarantees. All significant contracts of the Group valid as of 31 December 2019 have been concluded for a definite period until the end of 2020. The future minimum amount of proceeds from operating leases is EUR 37,000. The carrying amount of assets leased under operating leases as of 31 December 2019 is EUR 210,000. The Group's activities as a lessor are not significant. For this reason, there is no formal policy for managing the residual value of leased assets.

Cash flows from leases

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

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

2.13 Leases till 31 December 2018

Operating lease

Till 31 December 2018, leases in which a significant portion of the risks and rewards of ownership are retained by the lessor were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were recognized as expenses on a straight-line basis over the period of the lease.

Finance lease

Till 31 December 2018, a lease was classified as a finance lease if almost all the risks and rewards incidental to ownership are transferred to the Group. Assets acquired under the finance lease were 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 was apportioned between the liability and finance charge so as to produce a constant periodic rate of interest on the outstanding financial liability. The corresponding rents payable, free of financial expenses, were part of other non-current liabilities. The interest related part of the financial expenses was recognized as expenses over the lease term 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 were depreciated either over their useful lives or over the lease term, if shorter, if the Group did not have sufficient certainty that it acquires ownership of the leased asset at the end of the lease agreement.

2.14 Subsidies related to assets

Government subsidies are reported at fair value if it is virtually certain that the subsidies will be received and all conditions associated with granting subsidies are fulfilled. If the subsidy is used for compensation of costs, the subsidy is recognized as other operating revenues during the period in which the expenses are recognized, for the settlement of which the subsidies were designed. If the subsidies are used to acquire non-current

assets, the fair value of the subsidy is recorded as deferred income and released to the profit/loss on a straight-line basis.

2.15 Non-current financial assets

The Company reports interests in joint ventures as non-current financial assets. Upon acquisition (initial measurement), interest in a joint venture is measured at the acquisition price, including acquisition-related costs (fees, brokerage commissions, etc.). The acquisition price of securities does not include interest on loans for the acquisition of shares, exchange rate differences and costs associated with holding the share. At the balance sheet date, interests in joint ventures are accounted for using the equity method.

2.16 Share capital

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

2.17 Retained earnings

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

2.18 Legal reserve fund

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

2.19 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 divi-

dends 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.

2.20 Development reserve and other capital reserves

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

2.21 Taxes

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

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

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

expected by the Group by the end of the reporting period.

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

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

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

- deferred tax liabilities arising from the initial recognition of goodwill or assets or liability in a transaction that is not a business combination and at the time of the transaction it affects neither accounting nor the taxable profit or loss, and
- deferred income taxes arising from temporary differences related to interests in subsidiaries or joint ventures, if the Group controls the settlement of these temporary differences and it is probable that the temporary differences will not be settled in the near future.

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

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

liability on a net basis.

Other taxes

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

Excise duty

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

- the excise duty incorporated into the price of purchased goods and services is not claimable by 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.

2.22 Loans and borrowings

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

2.23 Employee benefits

Short-term employee benefits

Salaries, wages, paid annual leave, bonuses and other non-monetary benefits are recognized in the costs in the reporting period in which the right to them ensues for the Group

employees. The current liabilities to the employees include, without limitation, wages and compensation of wages for used days of leave.

Pension plan

On 23 August 2017, a new Collective Agreement for the period of 2017–2019 was signed. The validity of the Collective Agreement was extended till 31 March 2021 by Supplement 3. Upon first termination of employment after having acquired the right to an old-age pension, a premature old-age pension and a disability pension if the capacity to perform gainful activities is reduced by at least 70%, an employee is entitled to retirement payment under section 76a of the Labour Code amounting to at least average monthly wages increased by another retirement payment amounting to at least average monthly wages. The right to an old-age pension or a disability pension will be proved by the employee in the form of a legally effective decision of the Social Insurance Company (Sociálna poisťovňa). The right to a premature old-age pension will be proved by the employee in the form of a legally effective statement of the Social Insurance Company about filling the application for a premature old-age pension. The right to a retirement payment can be exercised only once.

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

For selected 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 of

four-times the average monthly wage only after a newly hired employee for the relevant job position completes the induction training.

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

Other long-term employee benefits

The Group also pays work and life jubilee remunerations.

Non-current liabilities to employees arising from work jubilees are also recognized as long-term provisions and 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 actuarial gains and losses arising from changed assumptions for the provision for work jubilees and life jubilees are recognized as expenses affecting profit/loss.

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

Pension plans with pre-determined contributions

The Group contributes to government defined contribution supplemental pension plans.

The Group makes contributions to government health, sickness, retirement benefit, accidental and guarantee insurance and unemployment schemes at the statutory rates in force during the year, based on gross salary payments. Throughout the year, the Group made contributions amounting to 35.2% (2018: 35.2%) of gross salaries up to a monthly salary cap, which is defined by the applicable legal provisions for such schemes, together with contributions by employees of a further 13.4% (2018: 13.4%).

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

Severance payments

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

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

2.24 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.

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

2.26 Revenue recognition

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

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

Sale of own products, material and goods

Revenues from the sale and distribution of drinking water (the so-called "water rates") are reported when the drinking water is supplied to the customer. The amount of supplied drinking water is determined by the reading on the specified meter (water meter). If the amount of water is not measured, the Group determines the amount of water supplied by indicative consumption numbers in accordance with the Regulation of the Ministry of the Environment of the Slovak Republic No. 397/2003 Coll. The consumption readings and invoicing for large customers are performed monthly. In the small consumption segment, the Group performs consumption readings and billing once a year, with the Group having divided the customer base into twelve invoicing cycles, in the case of very small consumption into four, two, or one invoicing cycle. The amount of payments in individual invoicing cycles is determined according to the average amount of supplied drinking water for a comparable period on the basis of the billing of the previous invoicing cycle. The invoicing of drinking water delivered in 2019 for all twelve invoicing cycles will be completed during 2020. The Group uses the average consumption measured at individual consumption points for the purpose of estimating

the revenue from supplied and uninvoiced drinking water.

Provision of services

Revenues from the sale of services (in particular the so-called "sewer rates" and "precipitation rates") are recognized in the reporting period in which the services are rendered. The amount of water discharged into the public sewer system (the sewer rate) is provided for by the customer with his meter, which must meet the conditions specified by a special regulation. If the amount of discharged water is not measured, it is assumed that the customer discharges into the public sewer system the amount of wastewater that he was found to take off from the public water mains, plus the amount of water discharged from other sources (e.g. a domestic well). If the amount of precipitation water discharged into the public sewer system (the precipitation rate) is not measured, the amount is calculated and updated in accordance with Regulation of the Ministry of the Environment of the Slovak Republic No. 397/2003 Coll. The invoicing and invoicing cycles for sewer rates and precipitation rates are determined analogically to those for water rates.

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

2.27 Costs of borrowings and loans received

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

2.28 Contingent assets and liabilities

Contingent assets are not recognized in the consolidated financial statements but disclosed in the notes to the consolidated financial statements when it is probable that they will result in economic benefits. Contingent liabilities are not 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.

2.29 Corrections of errors from previous periods

In preparing the consolidated financial statements in previous accounting periods, the Group incorrectly assessed its control over Infra Services, a. s., under the International Financial Reporting Standard 10, Consolidated Financial Statements ("IFRS 10") and accounted for this company as a subsidiary of the Group. As stated in item 1 of the Notes to the consolidated financial statements, despite the fact that for the purposes of the Company's separate financial statements (prepared in accordance with the Slovak Accounting Act) Infra Services, a. s., is considered a subsidiary, the method of electing the Chairman and Vice-Chairman of the management board by a qualified majority ensures that external acting of Infra Services, a. s., is not unilaterally controlled by the Company, although the Company holds an absolute majority of the voting rights. Since based on a performed analysis, Infra Services, a. s., does not meet the criteria for a subsidiary under IFRS 10, the Group has included it in these consolidated financial statements as a joint

venture using the equity method.

In previous accounting periods, the Group did not capitalize interest expense on loans and borrowings as required by International Accounting Standard 23, Borrowing Costs, but accounted for them directly in financial expenses.

In previous reporting periods, the Group incorrectly presented the amount of the legal reserve fund, other funds and retained earnings, while the total amount of equity was reported correctly. The Group also incorrectly presented income from received loans and borrowings and loan repayments at a net value in the consolidated statement of cash flows.

The issues described above represent material errors of previous periods that the Group corrected in these consolidated financial statements in accordance with the requirements of the International Accounting Standard 8, Accounting Policies, Changes in Accounting Estimates and Errors by adjusting amounts for the previous period.

The impact of adjustments on consolidated financial statements of the Group for the previous reporting period was as follows:

Consolidated statement of financial position	1 January 2018 (original)	Correction of the presentation	Correction Infra Services, a.s.	Correction of inter- est capitalization	1 January 2018 (adjusted)
ASSETS					
Non-current assets					
Non-current tangible assets	478,734,692	0	-3,243,140	3,228,949	478,720,501
Intangible assets and other assets	4,532,664	0	-1,733,871	0	2,798,793
Joint venture investment	0	0	9,024,366	0	9,024,366
Right-of-use assets	0	0	0	0	0
Other non-current assets	6,639	0	0	0	6,639
	6,483,273,995	0	4,047,356	3,228,949	490,550,299
Current assets					
Inventories	2,059,277	0	-1,488,314	0	570,963
Trade receivables and other receivables	17,177,546	0	-602,037	0	16,575,509
Income tax assets	65,808	0	28,745	0	94,553
Cash and cash equivalents	18,200,159	0	-7,597,068	0	10,603,091
	37,502,790	0	-9,658,673	0	27,844,117
Total assets	520,776,785	0	-5,611,318	3,228,949	518,394,416
LIABILITIES AND EQUITY					
Equity					
Share capital	279,438,597	0	0	0	279,438,597
Legal reserve fund and other funds	66,312,521	4,674,300	0	0	70,986,821
Retained earnings	9,405,575	-4,674,300	1,693,034	2,583,159	9,007,468
	355,156,693	0	1,693,034	2,583,159	359,432,886
Non-controlling interest	8,375,417	0	-8,375,417	0	0

Consolidated statement of financial position	1 January 2018 (original)	Correction of the presentation	Correction Infra Services, a.s.	Correction of inter- est capitalization	1 January 2018 (adjusted)
Total equity	363,532,110	0	-6,682,383	2,583,159	359,432,886
Non-current liabilities					
Lease liabilities	0	0	0	0	0
Loans and borrowings	62,000,000	0	0	0	62,000,000
Provisions	3,102,193	0	0	0	3,102,193
Deferred income	41,711,034	0	-198,384	0	41,512,650
Pension liabilities	1,129,889	0	-60,461	0	1,069,428
Deferred tax liability	7,421,697	0	-663,840	645,7909	7,403,647
Other non-current liabilities	4,057,713		1,174,377		5,232,090
	119,422,5267	0	251,692	645,790	120,320,008
Short-term payables					
Lease liabilities	0	0	0	0	94,553
Trade payables and other payables	23,956,324	0	819,373	0	10,603,091
Deferred income	3,076,499	0	0	0	27,844,117
Loans and borrowings	10,789,326	0	0	0	518,394,416
Income tax liabilities	0	0	0	0	0
	37,822,149	0	819,373	0	38,641,522
Total equity and liabilities	520,776,785	0	-5,611,318	0	518,394,416

Consolidated statement of financial position	31.12.2018 (původný)	Correction of the presentation	Correction Infra Services, a.s.	Correction of inter- est capitalization	31 December 2018 (original)
ASSETS					
Non-current assets					
Non-current tangible assets	476,754,649	0	-3,054,244	3,176,753	476,877,157
Intangible assets and other assets	5,509,020	0	-1,955,524	0	3,553,496
Joint venture investment	0	0	8,988,388	0	8,988,388
Right-of-use assets	0	0	0	0	0
Other non-current assets	6,639	0	0	0	6,639
	482,270,308	0	3,978,619	3,176,753	489,425,679
Current assets					
Inventories	2,127,938	0	-1,394,093	0	733,845
Trade receivables and other receivables	20,568,906	0	-1,472,339	0	19,096,567
Income tax assets	0	0	0	0	0
Cash and cash equivalents	6,273,501	0	-625,686	0	5,647,815
	28,970,345	0	-3,492,118	0	25,478,227
Total assets	511,240,653	0	486,500	3,176,753	514,903,906
LIABILITIES AND EQUITY					
Equity					
Share capital	279,438,597	0	0	0	279,438,597
Legal reserve fund and other funds	66,490,540	4,578,776	0	0	71,069,316
Retained earnings	8,761,722	-4,578,776	1,830,536	2,541,402	8,554,884
	354,690,859	0	1,830,536	2,541,402	359,062,797
Non-controlling interest	8,248,028	0	-8,248,028	0	0
Total equity	362,938,887	0	-6,417,492	2,541,402	359,062,797
Non-current liabilities					
Lease liabilities	0	0	0	0	0
Loans and borrowings	62,657,448	0	0	0	62,657,448

Consolidated statement of financial position	1 January 2018 (original)	Correction of the presentation	Correction Infra Services, a.s.	Correction of inter- est capitalization	1 December 2018 (original)
Provisions	1,375,157	0	0	0	1,375,157
Deferred income	40,476,395	0	-271,425	0	40,204,970
Pension liabilities	1,175,795	0	-85,517	0	1,090,278
Deferred tax liability	7,255,528	0	-396,347	635,351	7,494,532
Other non-current liabilities	2,873,877	0	454,932	0	3,328,809
	115,814,200	0	-298,357	635,351	116,151,193
Short-term payables					
Lease liabilities	0	0	0	0	0
Trade payables and other payables	24,890,523	0	7,200,439	0	32,090,962
Deferred income	3,002,710	0	0	0	3,002,710
Loans and borrowings	4,502,440	0	0	0	4,502,440
Income tax liabilities	91,893	0	1,910	0	93,803
	32,487,566	0	7,202,349	0	39,689,915
Total equity and liabilities	520,776,785	0	486,500	3,176,753	514,903,906

Consolidated statement of financial position	2018 (original)	Correction of the presentation	Correction Infra Services, a.s.	Correction of interest capitalization	2018 (adjusted)
Sales revenues	91,424,268	0	-911,036	0	90,513,232
Consumption of water, other materials and utilities	-16,058,891	0	3,067,946	0	-12,990,945
Wages and salaries	-27,823,206	7,559	7,398,872	0	-20,416,775
Depreciation, amortization and changes in provisions for assets	-26,464,844	0	687,891	-291,413	-26,068,366
Services	-26,709,741	0	-10,861,930	0	-37,571,671
Other operating expenses/revenues	7,558,724	0	-1,237,241	0	6,321,483
Net operating expenses	-89,497,958	7,559	-944,463	-291,413	-90,726,274
Operating profit/loss	1,926,310	7,559	-1,855,498	-291,413	-213,042
Financial income	190	0	-20	0	170
Financial expenses	-612,170	0	2,761	239,217	-370,382
Net financial expenses	-612,170	0	2,740	239,217	-370,213
Joint venture profit share	0	0	823,731	0	823,731
Profit/(loss) before tax	1,314,140	7,559	-1,029,027	-52,196	240,476
Income tax	-546,090	-1,587	247,543	-10,439	-310,574
Profit/loss for the current period	768,050	5,972	-781,485	-62,635	-70,098
Items that will not be reclassified subsequently into profit or loss					
Actuarial remeasurement of employee benefit obligations	0	-7,559	0	0	-7,559
Deferred tax on the actuarial remeasurement of employee benefit obligations	0	1,587	0	0	1,587
Other comprehensive income	0	-5,972	0	0	-5,972
Comprehensive income for the current period	768,050	0	-781,485	-62,635	-76,069
Profit/loss and comprehensive income falling upon:	354,690,859	0	1,830,536	2,541,402	359,062,797
The owners of the parent company	-20,452	0	20,452	0	0
Interests with minority influence	788,502	0	-788,502	0	0

Consolidated statement of cash flows	2018 (original)	Correction of the presentation	Correction Infra Services, a.s.	Correction of interest capitalization	2018 (adjusted)
Cash flows from operating activities	20,933,264	0	4,091,597	0	25,024,861
Tax refunds(+)/Tax paid(-)	-580,366	0	453,016	0	-127,350
Interest paid	-476,892	0	0	239,217	-237,675
Interest received	156	0	-20	0	136
Dividends received from the joint venture	0	0	859,710	0	859,710
Net cash flows from operating activities	19,876,162	0	5,404,303	239,217	25,519,682
Cash flows from investing activities					
Purchase of non-current tangible assets	-25,053,536	1,525,441	447,233	0	-23,080,862
Purchase of non-current intangible assets	0	-1,566,803	0	0	-1,566,803
Capitalized interest	0	0	0	-239,217	-239,217
Proceeds from the sale of non-current assets	0	41,362	0	0	41,362
Net cash flows from investing activities	-25,053,536	0	447,233	-239,217	-24,845,520
Cash flows from financing activities					
Proceeds from received loans and borrowings	-5,629,438	10,789,327	0	0	5,159,88
Repayment of loans and borrowings	0	-10,789,327	0	0	-10,789,327
Expenditure for the repayment of lease liabilities	-1,119,844	0	1,119,844	0	0
Net cash flows from financing activities	-6,749,282	0	1,119,844	0	-5,629,438
Net cash flows	-11,926,656	0	6,971,380	0	-4,955,276
Cash and cash equivalents at the beginning of the period	18,200,160	0	-7,597,069	0	10,603,091
Cash and cash equivalents at the end of the period	6,273,504	0	-625,689	0	5,647,815

3. Financial risk management

3.1 Financial risk factors

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

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

Market risk

(A) Price risk

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

(B) Cash flow and fair value interest rate risk

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

The Group has considerable liabilities with a Euribor floating rate; its interest expense depends on changes in interest rates, and therefore the Group is exposed to interest rate risk. The Group monitors the volume of floating rate loans with regard to internally set limits and at the same time regularly monitors the development of interest rates. In the event of a negative expected development, the Group reassesses its sources of funding. Upon a change of the interest rate by -1%, the Group will have no interest expenses. Upon a change of the interest rate by +1%, the Group's interest expense was EUR 664,000 higher than (2018: EUR 725,000 higher).

As of 31 December 2019 and 2018, the Group has no significant interest-bearing assets, apart from short-term bank deposits and funds on bank accounts; cash flows from operating activities depend on variation of the market interest rate only to a

minor extent.

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)	k 31. decembru 2019	k 31. decembru 2018
Trade receivables and other receivables (Note 6)	16,135,485	19,096,567
Cash and cash equivalents (Note 5)	4,250,184	5,647,815
Total financial assets	20,385,669	24,744,382

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

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

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

Liquidity risk

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

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

5 of the Notes).

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

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

as of 31 December 2019

(in whole euros)	Below 1 year	From 3 months to 1 year	From to 5 years	Over 5 years	Total
Bank loans (Note 14)	2,259,439	61,532,448	0	0	63,791,887
Interest on bank loans	98,460	285,013	0	0	383,473
Trade payables and other liabilities (Note 13)	19,495,716	0	5.0-33.33	0	21,900,473
Lease liabilities including interest (Note 10)	951,498	2,511,767	5,318,090	3,439,492	12,220,846
Total financial liabilities under IFRS 7	22,805,113	64,329,227	7,722,847	3,439,492	98,296,680

as of 31 December 2018

(in whole euros)	Below 1 year	From 3 months to 1 year	From to 5 years	Over 5 years	Total
Bank loans (Note 14)	1,127,440	3,375,000	62,657,448	0	67,159,88
Interest on bank loans	101,784	310,171	383,473	0	795,428
Trade payables and other liabilities (Note 13)	32,090,962	0	3,328,809	0	35,419,771
Total financial liabilities under IFRS 7	33,320,186	3,685,171	66,369,730	0	103,375,087

To maintain the currently valid conditions of loan contracts with Tatra banka, a. s., the Company has to meet the following indicators:

Indicator	Limit	Value achieved as of 31 December 2019	Value achieved as of 31 December 2018
Debt service coverage ratio (DSCR)	minimum: 1.2	4.28	4.78
Debt/EBITDA	maximum: 6	3.03	2.65
Equity ratio	minimum: 55%	73.32%	71.64%

3.2 Capital management

The management considers the Group's equity, as reported in these financial statements (as of 31 December 2019: EUR 354,784,584; as of 31 December 2018: EUR 359,062,794), to be the capital.

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

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

The Group is bound by loan agreements to comply with the financial indicator of ratio equity to the sum of equity and liabilities. At the end of the reporting period, the indicator was

met. If the provision for non-current assets in the Company's separate financial statements was 53%, which means EUR 266 million with a simultaneous release of deferred income of EUR 24 million, the Company would cease to meet this indicator, which is linked to the separate (and not these consolidated) financial statements of the Company. The Company's management is convinced that the value of non-current assets is not reduced by that much. See item No. 4 of the Notes. Based on loan contracts, the calculation of covenants is tied to the values presented in the financial statements, with the auditor's opinion not being taken into account in the calculation.

3.3 Fair value estimate

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

4. Critical accounting estimates and judgments

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

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

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

The rates in the water management industry and the terms and conditions for their application fall under the power of the Regulatory Office for Network Industries (hereinafter referred to as RONI) under Act No. 250/2012 Coll. on Regulation in Network Industries, as amended, and Regulation of the RONI No. 204/2018 Coll. of 27 June 2018 amending Regulation of the RONI 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 implementing the price regulation takes into account the extent, structure and amount of economically justified costs that were demonstrably incurred in carrying out the regulated activities; the method of determining the amount of reasonable profit, including the amount of investments that can be included in the price; the method of calculating the maximum price for production, distribution and supply of drinking water and the drainage and treatment of wastewater; as well as the source data for the price proposal and the procedure and terms and conditions of applying the price.

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

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 February 2017, final price decision No. 0158/2017/V, by which it approved for the Company the prices valid for the period from 1 January 2017 to 31 December 2021.

The 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/m ³ 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

In the period 2015 – 2019, BVS had no RONI-approved 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 public sewer systems.

Impairment of non-current tangible and intangible assets

The Company manages extensive tangible and intangible assets needed to provide for its activities. Another part of 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 488 million as of 31 December 2019 (as of 31 December 2018: EUR

489 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.

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

The Group's cash inflows are regulated and are based on its justified expenses, which are assessed by the Office for the Regulatory Office for Network Industries (hereinafter referred to as "RONI") in accordance with applicable legislation. A description of the regulatory framework for the development and operation of public water mains and public sewer systems is given below. The Company's profitability is limited to 0.08 EUR/m³ excl. VAT for the production, distribution and supply of drinking water and 0.10 EUR/m³ excl. VAT for drainage and treatment of wastewater. Due to the regulation of income, the Company does not achieve a profitability that would ensure the payback of investments in non-current tangible and intangible assets (including the right to use leased assets) and investments in the Infra Services, a. s., joint venture to an appropriate extent, and the Company's management has assessed this fact as an indicator of impairment of assets.

To calculate impairment, it is necessary to estimate the recoverable amount of the cash-generating unit, which is determined as fair value less costs to sell or value in use, whichever is higher.

Due to the complexity of calculating long-term planned future cash flows, primarily due to RONI income regulation and possible future changes in this regulation, the Group has not prepared a detailed calculation of the recoverable amount of a cash-generating unit. For the purpose of assessing the overall rate of overvaluation of assets and the possible impact on the consolidated carrying amount, the Group compared the level of the asset value with an estimate of the total value of the enterprise (the enterprise value), which was determined based on the indicator EBITDA (earnings before interest, taxes, depreciation and amortization) multiples for listed companies operating in the same or a similar industry. Based on the analysis performed and using an average EBITDA multiple value of

approximately 8 applied to the Company's normalized EBITDA level of EUR 33 million (taking into account the increase in water prices effective from August 2020), the Company's non-current assets are significantly overvalued. However, the actual amount of the provision for impairment depends on the future development of the method of regulating the price of water. If a provision is recognized, the related deferred income, which represents received asset-related subsidies, would also be released to a corresponding extent. Due to the extent of the uncertainty associated with the development of regulated prices in the future and the fact that the Group was not able to quantify the impairment value with sufficient accuracy, the amount of non-current assets in the consolidated financial statements was not adjusted and no provision was recognized. The provision could be released in the future in the event of a change in the method of regulating the water price and sewer rate so that the Group can achieve a reasonable rate of return.

Litigations

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

Actuarial estimates in the calculation of pension scheme liabilities

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

5. Cash and cash equivalents

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

(in whole euros)	as of 31 December 2019	as of 31 December 2018
Cash and cash equivalents on hand	4,380	1,466
Current accounts in banks	4,245,804	5,646,349
Term deposits	0	0
TOTAL	4,250,184	5,647,815

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

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

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

(in whole euros)	credit rating	31 December 2019	31 December 2018
Všeobecná úverová banka	Moody's A2	4,191,910	5,276,517
Tatra banka	Moody's A2	992	315,257
Slovenská sporiteľňa	Moody's Baa1	51,911	53,493
ČSOB	Moody's Baa1	991	1,082
Total cash and cash equivalents in banks		4,245,804	5,646,349

6. Right-of-use assets and lease liabilities

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

(in whole euros)	Vehicles	Land	Buildings and premises	Machinery	Total
As of 1 January 2019	7,616,852	3,760,940	2,563,441	1,041,858	14,983,091
Additions	453,164	0	545,000	0	998,164
Disposals	0	0	0	0	0
Other lease modifications	0	0	0	0	0
Reassessments of the lease liability	0	0	0	0	0
Depreciations	-2,678,963	-150,143	-390,962	-299,461	-3,519,529
As of 31 December 2019	5,391,053	3,610,797	2,717,479	742,397	12,461,726

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

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

The costs of short-term leases, variable lease payments and leases of low-value assets are specified in item 21 of the Notes. Additions to right-of-use assets and lease liabilities represent significant non-monetary transactions from investment activities or financial activities. The total monetary expenditure for 2019 in connection with the leases amounts to EUR 3,991,535.

7. Trade receivables and other receivables

(in whole euros)	as of 31 December 2019	as of 31 December 2018
Trade receivables	11,633,434	13,764,999
Unbilled revenues	4,081,821	4,168,796
Total trade receivables	15,715,255	17,933,795
Advances and prepaid expenses	358,579	683,383
Tax receivables (mainly resulting from VAT)	61,650	479,389
Other non-financial receivables	420,229	1,162,772
Total other non-financial receivables	16,135,485	19,096,567

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

(in whole euros)	2019	2018
As of 1 January	2,805,105	3,567,023
Creation of a provision for receivables	294,882	
Release of the provision		-761,918
Write-off of unenforceable receivables	-677,029	0
As of 31 December	2,422,958	2,805,105

The Group created 100% provisions for all receivables overdue for more than 1,080 days, because it follows from the previous experience that receivables overdue for more than 1,080 days are unenforceable. The provisions for trade receivables overdue for 360 to 1080 days are created based on an estimate of the irrecoverable amount according to previous experience with a percentage of unsettled receivables. The Group does not create provisions for overdue receivables for which it has agreed on a repayment schedule with the debtor and the debtor adheres to the repayment schedule. On 9 June 2017, the

Group entered into a Settlement Agreement with the Borough of Bratislava - Ružinov, which includes a repayment schedule in the amount of EUR 3,253,268, due on 28 February 2022. As the borough is complying with the repayment schedule, the Company carried out a once-only cancellation of the provisions for receivables from the borough, which are the subject of the repayment schedule, and in 2019 it wrote off receivables from this borough, which were time-barred and were not the subject of the repayment schedule.

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

(in whole euros)	As of 31 December 2019				As of 31 December 2018			
	loss %	Gross carrying amount	Expected credit loss (ECL)	Net carrying amount	loss %	Gross carrying amount	Expected credit loss (ECL)	Net carrying amount
Non-overdue	0.01 %	11,532,810	1,153	11,531,657	0,01 %	12,058,565	1,291	12,057,274
Overdue:								
- less than 361 days	0.87 %	3,208,217	27,911	3,180,306	0,64 %	4,359,247	27,780	4,331,467
-361-720 days	20 %	438,949	120,971	317,978	20 %	464,671	110,553	354,118
-721-1,080 days	50 %	336,571	194,407	142,164	50 %	699,984	197,650	502,334
-more than 1,080 days	100 %	2,621,667	2,078,517	543,150	100 %	3,156,433	2,467,831	688,602
Trade receivables		18,138,213	2,422,958	15,715,255		20,738,900	2,805,105	17,933,795

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

less of the original maturity of these receivables. The receivables are pledged for the benefit Tatra banka, a. s. The highest hedging amount is 115 mil. EUR.

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

8. Inventories

(in whole euros)	as of 31 December 2019	as of 31 December 2018
Material and spare parts	261,167	733,845
TOTAL	261,167	733,845

The inventory items are shown after provisions for slow-moving materials and spare parts of EUR 0 (2018: EUR 0).

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



9. Non-current tangible assets

(in whole euros)	Land, buildings and constructions	Machinery, devices and equipment	Capital construc- tion in progress	Total
As of 1 January 2019				
Cost	774,220,971	125,129,820	35,724,489	935,075,280
Accumulated depreciation and provisions	-373,862,263	-83,220,628	-1,115,232	-458,198,123
Net book value as of 1 Jan. 2019	400,358,708	41,909,192	34,609,257	476,877,157
Additions	0	0	13,187,061	13,187,061
Capitalized cost of loans and borrowings*	0	0	170,669	170,669
Capitalization	20,010,296	5,871,910	-25,882,206	0
Asset disposals	-868,013	-285,682	0	-1,153,695
Decrease in accumulated depreciation	800,878	283,604	0	1,084,482
Depreciation	-17,607,841	-8,398,680	0	-26,006,520
Change in provisions	4,063	0	-78,989	-74,926
Net book value as of 31 Dec. 2019	402,698,091	39,380,344	22,005,792	464,084,227
Cost	793,363,254	130,716,048	23,200,013	947,279,315
Accumulated depreciation and provisions	-390,665,163	-91,335,704	-1,194,221	-483,195,088
Net book value as of 31 Dec. 2019	402,698,091	39,380,344	22,005,792	464,084,227

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

(in whole euros)	Land, buildings and constructions	Machinery, devices and equipment	Capital construc- tion in progress	Total
As of 1 January 2018				
Cost	754,895,737	117,819,631	40,061,813	912,777,181
Accumulated depreciation and provisions	-357,499,333	-75,634,069	-923,278	-434,056,680
Net book value as of 1 Jan. 2018	397,396,404	42,185,562	39,138,535	478,720,501
Additions	0	0	23,080,862	22,800,887
Capitalized cost of loans and borrowings*	90,057	2,785	239,217	332,059
Capitalization	19,911,701	7,745,702	-27,657,403	0
Asset disposals	-676,524	-438,298	0	-1,114,822
Decrease in accumulated depreciation	676,524	438,298	0	1,114,822
Depreciation	-17,046,555	-8,024,858	0	-25,071,413
Change in provisions	7,101	0	-191,953	-184,853
Net book value as of 31 Dec. 2018	400,358,708	41,909,192	34,609,257	476,877,157
Cost	774,220,971	125,129,820	35,724,489	935,075,280
Accumulated depreciation and provisions	-373,862,263	-83,220,628	-1,115,232	-458,198,123
Net book value as of 31 Dec. 2018	400,358,708	41,909,192	34,609,257	476,877,157

* Sadzba použitá pre kapitalizáciu nákladov na úvery a pôžičky bola približne 0,70 % p.a. za rok 2019.

Na dlhodobý majetok Skupiny nie je v prospech veriteľov zriadené záložné právo. Dlhodobý hmotný majetok je poistený pre prípad škôd živelnou pohromou, prerušením prevádzky (a ďalšie prípady) až do výšky obstarávacej hodnoty majetku.

10. Non-current intangible assets

(in whole euros)	Acquired software	Royalties, other non-current intang. assets	Acquisition of non-current intang. assets in process	Total
As of 1 January 2019				
Cost	5,763,731	4,787,819	76,520	10,628,070
Accumulated amortization and provisions	-3,311,219	-3,762,372	-982	-7,074,574
Net book value as of 1 January 2019	2,452,512	1,025,446	75,537	3,553,496
Additions	0	0	593,672	593,672
Capitalization	5,391,053	199,972	-566,547	0
Asset disposals	-707,695	-2,428,919	0	-3,136,614
Decrease in accumulated amortization	707,695	2,428,919	0	3,136,614
Amortization	-522,246	-539,027	0	-1,061,273
Change in provisions	0	0	0	0
Net book value as of 31 December 2019	2,296,842	686,391	102,662	3,085,895
Cost	5,422,612	2,558,871	103,645	8,085,128
Accumulated amortization and provisions	-3,125,770	-1,872,481	-982	-4,999,233
Net book value as of 31 December 2019	2,296,842	686,391	102,662	3,085,895
As of 1 January 2018				
Cost	3,300,906	3,889,108	1,871,252	9,061,267
Accumulated amortization and provisions	-2,867,694	-3,393,797	-982	-6,262,474
Net book value as of 1 January 2018	433,212	495,311	1,870,270	2,798,793
Additions	0	0	1,566,803	1,566,803
Capitalization	2,462,825	898,710	-3,361,536	0
Asset disposals	0	0	0	0
Decrease in amortization	0	0	0	0
Amortization	-443,525	-368,575	0	-812,100
Change in provisions	0	0	0	0
Net book value as of 31 December 2018	2,452,512	1,025,446	75,537	3,553,496
Cost	5,763,731	4,787,819	76,520	10,628,070
Accumulated amortization and provisions	-3,311,219	-3,762,372	-982	-7,074,574
Net book value as of 31 December 2018	2,452,512	1,025,446	75,537	3,553,496

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

company BVS. The Group owns no software created by its own activities.

11. 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 2018). Deferred tax liabilities are mainly made up of the difference between the tax

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

(in whole euros)	as of 31 December 2019	as of 31 December 2018
Deferred tax liability from assets	-11,173,448	-10,594,477
Deferred tax asset with respect to provisions	1,046,259	648,057
Deferred tax asset with respect to the provision for retirement payments	136,681	150,161
Deferred tax asset with respect to assets (subsidized assets, provisions)	2,693,588	1,684,056
Deferred tax asset due to unasserted tax losses	462,771	925,578
Other	-405,900	-307,907
Total deferred tax liabilities	-7,240,050	-7,494,532

The Group accounts for a deferred tax asset due to a tax loss from 2016 in the residual amount of EUR 463 thousand. The Group amortized the tax loss evenly in the years 2017 - 2019. The remaining part of the loss can be amortized at the latest for the tax period of 2020. Due to the suspension of tax depreciation of part of tangible fixed assets due to optimization of tax liability in connection with tax receivables in full.

Movements in deferred tax on temporary differences were recognized in profit or loss, except for EUR 13,480 (2018: EUR -1,587), which relates to actuarial remeasurements of employee benefit obligations payable after termination of employment, and which was recognized in other comprehensive income.

12. Deferred income

(in whole euros)	Year 2019	Year 2018
Long-term subsidies and contributions		
As of 1 January	40,204,970	4,787,819
Transfer to the short-term part	-3,319,685	-3,762,372
Additions per year	4,439,385	1,025,446
As of 31 December	41,324,670	40,204,970
Short-term subsidies and contributions		
As of 1 January	3,002,710	3,036,149
Use per year through the profit and loss account	-3,480,759	-3,028,867
Transfer from the long-term part	3,319,685	2,995,429
Additions per year	434,628	0
As of 31 December	3,276,264	686,391
Total subsidies and contributions	44,600,934	1,025,446

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

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

- Sewer system construction in the Danube Region of the Bratislava Region in the parts
 - intensification and upgrade of the Vrakuňa Central WWTP, stage 2
 - intensification and upgrade of the Petržalka WWTP, stage 2

The provision of wastewater treatment related to the part of Bratislava, the Capital of the Slovak Republic, belonging to the basin of the Danube border river, but partly also to sewerage wastewater pumped to Bratislava from a part of the Little Carpathians region (not lying further than Pezinok). The implementation of the project started on 8 November 2013. The work was completed in November 2015. After the subsequent approval, the District Office issued a permit for trial operation,

which began in February 2016. Based on the issued permit, the Company included the construction in its assets in 2016. After a year of trial operation, both treatment plants are in permanent operation.

- Completion of the sewer system and the WWTP in the Modra agglomeration

The project included the refurbishment of the wastewater treatment plant in Modra, the completion of the sewer system in the town of Modra and construction of a sewer system in the village of Dubová. The actual project implementation started on 30 June 2014. The work was completed in December 2015. The construction then received final approval for use from the inspector and was put into trial operation. Based on the trial operation permit, the Company included the construction in its assets in 2016. The construction is currently in permanent operation.

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

- Rohožník wastewater treatment plant – refurbishment and upgrade

The project was co-financed from EU funds and its objective is to improve the drainage and treatment of municipal wastewater in agglomerations with a population equivalent of over 2,000 in accordance with the commitments of the Slovak Republic towards the EU. The actual implementation of the project started on 19 July 2017. The work was terminated in January 2019. The WWTP received the final approval for use from the inspector and was put into trial operation. After the evaluation of the trial operation, a request for a permit for permanent operation will be filed.

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

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

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

Tangible fixed assets acquired by means of co-financing from subsidies are subject to the condition of maintaining the ownership of these assets for at least 5 years from the end of the projects.

13. Trade payables and other liabilities

(in whole euros)	as of 31 December 2019	as of 31 December 2018
Trade payables and other liabilities	19,953,064	34,137,429
Unbilled deliveries and doubtful accounts	356,672	5,327
Financial liabilities	20,309,737	34,142,756
Liabilities to employees	870,898	708,927
Liabilities to the Social Insurance Company	719,840	568,088
Non-financial liabilities	1,590,737	1,277,014
Total trade payables and other liabilities	21,900,474	35,419,771

The fair value of current and non-current liabilities is not materially different from their carrying amount. The Company has

no trade liabilities covered by a right of pledge.

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

(in whole euros)	as of 31 Decem- ber 2019	as of 31 Decem- ber 2018
Non-overdue liabilities	920,106	9,010,451
Overdue liabilities	20,980,368	26,409,320
Total trade payables and other liabilities	21,900,474	35,419,771

The liabilities include the creation of a EUR 1,003,304 provision for contractual fines and default interests for overdue liabilities.

14. Loans and borrowings

(in whole euros)	Year 2019	Year 2018
Short-term bank loans		
As of 1 January	4,502,440	10,789,326
Bank loans received	3,589,709	2,440
Transfer from the long-term part	62,657,448	4,500,000
Principal repayments	-6,957,710	-10,789,326
As of 31 December	63,791,887	4,502,440
Long-term bank loans	62,657,448	62,000,000
As of 1 January	0	5,157,448
Bank loans received	-62,657,448	-4,500,000
Transfer to the short-term part	0	62,657,448
As of 31 December	63,791,887	67,159,888
Total loans and borrowings	63 791 887	67 159 888

In August 2013, the Company entered into a contract on an instalment loan with Tatra banka, a. s., for the granting of a bank loan amounting to EUR 80 million for the purpose of funding projects and buying fixed assets. As of 31 December 2019, the amount of EUR 22.5 million had been repaid. In accordance with the contract, 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 contract with Tatra banka, a. s., for the granting of a bank loan worth EUR 5.3 million in total (according to the contract, although EUR 5.16 million were drawn in reality) for the purpose of repaying the loan liabilities to Všeobecná úverová banka, a. s. The maturity of the bank loan is 31 December 2020.

On 2 October 2019, the Company entered into an overdraft facility contract with Tatra banka, a. s., for the granting of a short-

term loan with a total drawdown limit of 8 mil. EUR for the purpose of covering short-term cash flow outages. As of 31 December 2019, the Company had drawn EUR 1.13 million of the loan.

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 amounts.

The Company reports the balance part of bank loans as short-term bank loans due to their maturity as of 31 December 2020, but the Company plans to refinance the loans by the end of 2020.

15. Liability concerning benefits upon termination

The Company's long-term employee benefits plan represents a defined benefit plan, under which, upon retirement, employees are entitled to a one-time contribution. Liabilities from benefits are measured at the present value of expected future monetary cash outflows discounted at an interest rate equal to the interest rate of high-quality corporate bonds with a 30-year time to maturity, published by the European

Central Bank. The company derives the discount rate from the expected real interest rate of 0.3709% p. a. (in 2018: 3.21%) and the expected employee turnover of 11.68% (in 2018: 10.88%).

The change in provisions for retirement payments, reported in the balance sheet for the year ending on 31 December 2019 and the year ending on 31 December 2018, can be summarized as follows:

(in whole euros)	31 December 2019	31 December 2018
Provision for retirement payments as of 1 January	715,054	707,495
Net change in the provisions (actuarial estimate), included in other comprehensive income	-64,192	7,559
Provision for retirement payments	650,862	715,054
Provision for work jubilees	205,893	0
Social Fund liabilities	403,922	375,224
Liability concerning liabilities upon termination	1,260,677	1,090,278

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

(in whole euros)	as of 31 December 2019	as of 31 December 2018
As of 1 January	375,224	361,933
Creation through expenses, other allocation	342,476	324,464
Drawdown	-313,778	-311,172
As of 31 December	403,922	375,224

16. Long-term provisions

(in whole euros)	As of 1 January	Creation	Use	Cancelled	As of 31 December
Provisions for environmental issues	7,269	0	0	0	7,269
Provisions for litigations	1,367,888	214,254	24,490	169,181	1,388,471
Total for 2019	1,367,888	214,254	24,490	169,181	1,388,471
Provisions for environmental issues	7,269	0	0	0	7,269
Provisions for litigations	3,094,924	86,456	158,066	1,655,426	1,367,888
Total for 2018	3,094,924	86,456	158,066	1,655,426	1,367,888

(i) Provisions for environmental issues

As of 31 December 2019, the provision amounted to EUR 7,269 (31 December 2018: EUR 7,269).

(ii) Litigations

The provision for passive litigations totalling EUR 1,388,471 (2018: EUR 1,367,88) is created until the court decides on individual litigations, on the basis of expert appraisals by the Company's legal representatives, who have the most relevant information on the course of litigation, evidence, etc. The litigations against the Group mainly concern compensations for damage cause by operating activities, compensation of a non-proprie-

tary loss, compensation for unjust enrichment, and bills of exchange. The Group expects the litigations to be terminated in the 2020-2023 period.

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

17. Share capital

As of 31 December 2019 and 2018, the share capital of the Company consisted of 8,477,431 ordinary book-entry shares with a face value of EUR 33.19 each, which were fully paid up. As of 31 December 2019, the Company held 714,771 treasury shares (2018: 714,771) at a cost of EUR 1,927,338. Laws do not

restrict the holding of such shares in any manner. Other shareholders hold 7,762,660 shares. In 2019, the Company paid shareholders dividends of EUR 295,383 (in 2018: EUR 0) from the 2017 profit. The dividend paid per share in 2019 is equal to EUR 0.41 (2018: EUR 0).

18. Revenues

(in whole euros)	Year 2019	Year 2018
Water rates	43,813,698	43,344,039
Sewer rates and precipitation rates	45,325,901	45,526,297
Lease revenues	308,002	143,326
Other revenues	1,362,655	1,499,569
Total revenues	90,810,256	90,513,232

19. Cost of the water, material and energy consumption

(in whole euros)	Year 2019	Year 2018
Underground water extraction	2,104,802	2,107,515
Consumption of other material	2,367,795	2,502,116
Energy consumption (electricity, gas, heat)	7,332,479	6,854,569
Consumption of other non-inventory items	1,770,445	1,526,746
Total cost of water, material and energy consumption	13,575,521	12,990,945

20. Wages and salaries

(in whole euros)	Year 2019	Year 2018
Wages and salaries (including remuneration for members of "statutory bodies")	14,881,952	14,101,732
Pension funds contributions	2,033,697	1,927,640
Other social security contributions and social expenses	5,056,293	4,387,404
Total wages and salaries	21,971,942	20,416,775

21. Services

(in whole euros)	Year 2019	Year 2018
Repairs and asset maintenance	15,024,054	17,026,736
IT expenses	3,421,051	3,236,285
Car rental (or lease)	0	2,465,050
Other rents (or lease payments)	0	593,394
Replacements and readings of water meters, installation of connections and water meters	2,856,147	2,895,552
Sludge disposal, waste collection	1,340,944	1,483,861
Security service	1,375,031	1,366,088
Telecommunication services	742,783	669,335
Legal and economic advice	932,712	1,308,637
Audit and advice	69,100	62,000
Specialized transport	940,091	1,038,797
Postage, hybrid mail	799,824	614,047
Regime monitoring	134,982	133,462
Marketing	92,337	400,643
Revisions and diagnostics	541,731	670,191
Winter and summer maintenance	463,276	530,577
Registry records administration	595,434	440,000
Short-term lease expenses	55,054	0
Variable lease payments expenses	241,918	0
Low-value asset lease expenses	79,824	0
Other	1,009,842	2,637,016
Total revenue	30,716,133	37,571,671

22. Other operating expenses and revenues

(in whole euros)	Year 2019	Year 2018
Creation and clearing of provisions for receivables impairment	294,883	-761,918
Taxes and fees	319,944	113,676
Creation and clearing of the provision for contractual fines and default interest	1,003,304	0
Property insurance, organization liability insurance, vehicle insurance	447,356	498,293
Creation and clearing of provisions for litigations	20,583	-1,568,970
Other expenses	220,307	313,896
Total other operating expenses	2,306,376	-1,405,024
Gains from the sale of non-current assets and material	4,217	81,419
Contractual fines and penalties	567,145	83,575
Release of subsidies and gifts to income	3,436,263	3,092,697
Capitalization of own work to investments	582,009	550,168
Damages	131,727	64,598
ZSE CHPU additional distribution payments	618,681	769,080
Other revenues	626,101	274,923
Total other operating revenue	5,966,141	4,916,459

The contractual fines and penalties in other operating expenses are made up of fees for demand notes, default interests and sanctions for unauthorized connections to the water ma-

ins and unauthorized discharge of wastewater into the sewer system.

23. Financial income and expenses

(in whole euros)	Year 2019	Year 2018
Interest income	155	136
Gains on foreign exchange	1	34
Total financial income	155	170
Interest expenses	418,948	237,675
of which: Lease liability interest	177,663	0
Losses on foreign exchange	70	142
Other financial expenses	169,676	132,566
Total financial expenses	588,694	370,382

23. Financial income and expenses

[24. Income tax]

(in whole euros)	Year 2019	Year 2018
Current income tax	1,407,420	218,299
Change in the deferred tax	-267,962	92,275
Total income tax	1,139,458	310,574

The standard income tax rate applied for 2019 was 21% (2018: 21%). The reconciliation between the actual income tax expense and the theoretical amount calculated based on the applied tax rate is as follows:

(in whole euros)	Year 2019	Year 2018
(Loss)/profit before tax	-3,198 088	240,476
Theoretical tax expense at the applied 21% tax rate (2018: 21%)	-671,598	50,500
Expenses unrecognizable for tax purposes/untaxed expenses to which a deferred tax has not been posted	1,335,453	0
Other	475,603	260,074
Income tax expense for the reporting period	1,139,458	310,574

25. Cash flows from operating activities

(in whole euros)		Year 2019	Year 2018
Profit for the period before tax		3,198,088	240,476
adjusted by:			
Depreciation of non-current tangible and intangible assets	9,10	30,587,322	25,883,513
Write-off of receivables		677,029	0
Increase (decrease) in provisions for receivables	7	-382,146	-761,918
Increase (decrease) in provisions for non-current assets	9,10	74,926	184,853
Increase (decrease) in provisions for inventories	8	0	0
Increase (decrease) in provisions for liabilities	16	1,727,066	-811,640
Loss (profit) from the sale of long-term tangible assets		0	-41,362
Change in deferred income	12	1,393,254	3,092,697
Net interest expense	23	418,794	237,539
Joint venture profit share		153,724	-823,731
Changes in working capital			
Decrease (increase) in inventories	8	472,678	-162,882
Decrease (increase) in trade receivables and other receivables	7	2,248,145	-1,275,444
Increase (decrease) in trade payables and other liabilities	13	-14,270,205	3,3736,926
Total other proceeds from operating activities		19,902,499	25,024,861

26. Balances and transactions with related partiesi

The Group's main related parties are (a) the company Infra Services, a. s., and (b) key management. Transactions and balances with Infra Services, a. s., were as follows in 2018 and 2019:

(in whole euros)	Year 2019	Year 2018
Repair and maintenance expenses	13,175,031	15,219,726
Service expenses	12,634,941	12,981,813
Purchased goods, other services	556,585	679,946
Acquisition of non-current intangible and tangible assets, refurbishments	5,970,905	15,808,118
Lease (rental) revenues	66,612	58,126
Other revenues	62,955	80,748

(in whole euros)	As of 31 December 2019	As of 31 December 2018
Trade payables	8,872,831	19,407,164
Provisions and unbilled deliveries	1,464,362	512,567
Trade receivables	27,052	46,749

Remuneration paid to members of the Group's bodies during the year ended 31 December 2019 amounts to EUR 365,463 (as of 31 December 2018: EUR 213,700). In addition, salaries of EUR 690,863 were paid to BVS's key management (as of 31 December 2018: EUR 774,308). The severance pay to BVS management paid in 2019 amounts to EUR 21,613. The extraordinary remuneration of management in 2019 amounted to EUR 239,218. No other significant payments or benefits were provided to key management. Remuneration as well as wages and salaries are included in personnel costs.

In 2019, members of the BVS "statutory body" were provided with company motor vehicles, which they could also use for private purposes. Beyond that, no loans, guarantees or other forms of collateral were provided to them, nor funds or other benefits for private purposes that are accounted for (in 2018: the same).

27. Interest in joint ventures

Below are the Group's joint ventures as of 31 December 2019, which, in the opinion of management, are significant to the

Group.

The accounting entities listed below have share capital consisting exclusively of ordinary shares held directly by the Group.

Company name	Equity share	Relationship	Reporting	Carrying amount as of 31 December 2019 (EUR)	Carrying amount as of 31 December 2018 (EUR)
Infra Services, a. s.	51.09%	joint venture	equity method	8,093,235	8,988,388

The Company owns an absolute majority of voting rights in the joint venture (51.09%). However, according to the Articles of Association of Infra Services, a. s., certain (but not all) decisions, including an amendment of the company's Articles of Association and the election of the chairman and vice-chairman of the management board, require more than an absolute (two-thirds) majority of voting rights. The authorization for acting on behalf of Infra Services, a. s., and for putting Infra Services, a. s., under obligation in all matters always lies with three members of the management board of Infra Services, a. s., jointly, one of which must always be the Chairman of the management board and one the Vice-Chairman of the mana-

gement board. The method of electing the Chairman and Vice-Chairman of the management board by a qualified majority ensures that the external acting of Infra Services, a. s., is not unilaterally controlled by the Company, despite the fact that the Company has an absolute majority of voting rights.

The following tables provide a summary of the financial information of the joint venture. The published information reflects the amounts presented in the financial statements of the joint venture and not the Group's share of the assets. The figures have been adjusted for differences in accounting policies.

Statement of financial position

(in whole euros)	Year 2019	Year 2018
Non-current intangible assets	2,039,634	2,084,486
Non-current tangible assets	4,778,582	5,347,316
Right-of-use assets	4,760,541	0
Non-current assets	11,578,757	7,431,802
Inventories	1,341,930	1,631,791
Trade receivables and other receivables	18,053,080	20,624,679
Cash and cash equivalents	2,501,022	625,686
Current assets	21,896,032	22,882,156
TOTAL ASSETS	33,474,789	30,313,958

(in whole euros)	Year 2019	Year 2018
Share capital	13,642,734	13,642,734
Share premium	228,135	228,135
Legal reserve fund and other funds	1,930,515	1,769,284
Retained earnings	-300,889	1,612,313
Equity	15,500,495	17,252,466
Lease liabilities	6,811,703	0
Deferred income	132,825	202,125
Liabilities from pension plans	266,446	235,584
Deferred tax liability	87,249	207,409
Other non-current liabilities	163,428	1,057,648
Non-current liabilities	7,461,651	1,702,766
Lease liabilities	5,020,173	0
Trade liabilities and other liabilities	5,423,169	11,289,426
Deferred income	69,300	69,300
Short-term payables	10,512,642	11,358,726
TOTAL EQUITY AND LIABILITIES	33,474,788	30,313,958
Conversion to the carrying amount		
As of 1 January	8,988,388	9,024,366
Profit during the reporting period	-300,889	1,612,313
Share of the group (%)	51,09%	51,09%
Profit/loss share of the group (EUR)	-153,724	823,731
Dividends paid	-741,429	-859,710
As of 31 December	8,093,235	8,988,388

Statement of comprehensive income

(in whole euros)	Year 2019	Year 2018
Sales revenues	29,519,085	45,193,842
Consumption of material and energy	-2,800,082	-4,056,245
Wages and salaries	-8,473,138	-7,548,941
Depreciation, amortization and provisions	-3,215,324	-704,166
Services	-15,780,094	-30,875,674
Other operating expenses	-956,844	-232,269
Other operating revenues	1,328,068	333,771
Financial income	710,298	20
Financial expenses	-367,261	-2,761
Income tax	-265,597	-495,264
Profit from continuing operations	-300,889	1,612,313
Profit from discontinued operations	0	0
Profit for the period	-300,889	1,612,313
Other income	0	0
Total profit	-300,889	1,612,313

28. 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

Receivables are pledged for the benefit 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 amount.

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

Under the Water Act, the Company pays fees of EUR 0.0332 per m³ for water taken from underground sources and pursuant to 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 2019, the Company

paid advance payments for fees for water taken from underground sources in the amount of EUR 2,107,515 (in 2018: EUR 2,145,231) by virtue of a Decision issued by the SLOVENSKÝ VODOHOSPODÁRSKY PODNIK, štátny podnik [Slovak Water Management Company, state-owned enterprise]. The actual amount of costs of water taken is EUR 2,104,802.

In 2019, the Company paid fees of EUR 207,519 (in 2018: EUR 200,322) for the discharge of wastewater into surface waters by virtue of a Decision issued by the SLOVENSKÝ VODOHOSPODÁRSKY PODNIK, štátny podnik. The entire amount of EUR 207,519 was refunded to the Company on 20 May 2020, because in no case did the wastewater discharged 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.

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

- claimant: Blockchain SK, s. r. o., the merits of the dispute are: unjust enrichment, the claimed principal with accessions thereof is EUR 731,000,
- claimant: BLUECUBE s. r. o., the merits of the dispute are: compensation for a non-proprietary loss, claimed principal with accessions thereof is EUR 5.97 million,
- claimant: three natural persons, the merits of the dispute are: damages, the claimed principal with accessions thereof is EUR 367,000.

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

See item 4 of the Notes.

(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 valid-

ity 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. Please note the events after balance sheet date item 29 of the Notes, where we state that we acquired the remaining 49% share in Infra Services, a. s., on 15 July 2020, thereby becoming the company's 100% owner.

29. Events after the balance sheet date

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

During May 2020, negotiations took place between the shareholders of Infra Services, a. s., on the purchase of a minority stake, whose new owner will be BVS. On 28 May 2020, the City Council of Bratislava, the Capital of the Slovak Republic, approved a proposal to purchase a 49% stake in Infra Services by the majority shareholder – BVS. On 29 June 2020, a General Meeting of BVS approved the purchase of a minority stake in Infra Services, a. s., from GRAFOBAL GROUP development, a. s. On 15 July 2020, BVS became the 100% owner of Infra Services, a. s. The purchase price of the 49% share consists of a basic part of EUR 6 million, a part of the purchase price of EUR 2 million which takes into account the determined cash balance in bank accounts at Infra Services, a. s., as of 30 April 2020, and a part of the purchase price in the amount of the estimated fair value of the site on Hraničná ulica (valued at approximately EUR 2.5 million), where Infra Services, a. s., is based and which the seller will receive under the condition of a three-year re-lease out to the Group. Information about the carrying amount of the assets of Infra Services, a. s., as of 31 December 2019 is specified in item 27 of the Notes. The Group is currently working to determine the fair value of the acquired identifiable assets, liabilities and contingent liabilities of Infra Services, a. s.

For this purpose, BVS drew a loan of EUR 10.5 million, granted by UniCredit Bank Czech Republic and Slovakia, a. s. The loan is due on 30 June 2030, and the interest rate on the granted loan is set at 3M EURIBOR + 0.85% p. a.

The Company reports the remaining part of bank loans as short-term bank loans due to their maturity on 31 December 2020, but the Company plans to refinance the loans by the end of 2020. The Company is currently negotiating with banks on the possibilities of refinancing these loans.

On 10 August 2020, the Regulatory Office for Network Industries issued Decision No. 0016/2020/V on an increase of the price of water, which became final on the day of delivery, i.e. on 11 August 2020.

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

Item	EUR/m3 excl. VAT
the maximum price for the production and supply of drinking water through public water mains	1.0135
the maximum price for the production and distribution of drinking water through public water mains	0.7090
the maximum price for the drainage and treatment of wastewater through the public sewer system	0.9985

The outbreak of the pandemic of the novel coronavirus COVID-19 and the potential impacts are considered by the Company to be an event after the end of the reporting period, which does not require adjustment of the financial statements for 2019. The Company has assessed the consequences of this pandemic and is convinced that the current situation does not entail a significant uncertainty of the going concern assumption for the Company. The Company expects a slight decrease in sales in 2020 as a result of the pandemic (a decrease of 0.6% of the total annual planned volume is expected). Losses in sales caused by a shortfall in larger customers due to the pandemic will be offset to some extent by an increase in consumption by smaller consumers, which should manifest itself over the next year. In the year-on-year comparison, only a slight decrease in the amount of water taken from water sources was recorded for the period 01-08/2020 (by 0.10%, i.e. by 40,000 m3). In the same period, a decrease in the volume of treated water by 10.14%, i.e. 4.5 million m3, was recorded. This decrease is mainly due to climate changes, as the first two months of 2020 were weak in precipitation and snow compared to the same period in 2019, and April and May were also very weak in precipitation.

Due to the coronavirus COVID-19 pandemic, the Company's operations were limited in the first half of 2020. The exceptional situation caused a temporary slowdown in the performance of certain activities, in particular as regards repairs and maintenance (only 88.68% have been drawn, i.e. expenditure was EUR 1.27 million lower compared to the plan), which was reflected in reduced operating expenses of the Company, as well as in reduced expenses of operating the administration, as the vast majority of employees worked during the first wave of the corona crisis from their homes. In connection with the pandemic, the item "consumption of other material" was exceeded by EUR 57,000 compared to the plan, because protective equipment in connection with the situation (disinfectants and gels, face masks, protective gloves) was purchased, and the item "consumption of low-value assets" was exceeded by EUR 54,000 (purchase of laptops for work from home).

As a result of the pandemic, the Company did not record a cash flow deterioration (the balance on bank accounts as of 31 August 2020 amounted to EUR 10.40 million, which represents an increase of EUR 6.15 million compared to 31 December 2019). The Company does not anticipate default on covenants arising from loan liabilities due to the coronavirus pandemic.

STATEMENTS OF BVS FOR THE LAST 5 YEARS

Balance sheet

BALANCE SHEET	2019 (EUR)	2018 (EUR)	2017 (EUR)	2016 (EUR)	2015 (EUR)
TOTAL ASSETS	523,029	541,404	544,108	552,678	557,159
Non-current assets	501,704	514,721	516,307	517,733	512,069
Non-current intangible assets	3,086	3,553	2,799	2,017	1,858
Non-current tangible assets	442,471	455,020	457,361	459,569	454,063
Non-current financial assets	56,147	56,147	56,147	56,147	56,147
Shares and ownership interests in affiliated entities	56,141	56,141	56,141	56,141	56,141
Current assets	16,791	21,190	27,312	34,540	42,005
Inventories	206	680	516	515	319
Long-term receivables	335	574	0	0	0
Current receivables	11,535	13,808	15,974	14,634	15,510
Current financial assets	1,927	1,927	1,927	1,927	1,927
Financial accounts	2,788	4,201	8,894	17,463	24,248
Accruals and deferrals	4,534	5,493	489	405	3,086

BALANCE SHEET	2019 (EUR ths.)	2018 (EUR ths.)	2017 (EUR ths.)	2016 (EUR ths.)	2015 (EUR ths.)
TOTAL EQUITY AND LIABILITIES	523,029	541,404	544,108	552,678	557,159
Equity	383,479	387,865	387,702	387,357	389,030
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	32,988	32,902	32,853	32,803	32,501
Other revenue reserves	33,650	33,253	33,253	33,253	32,708
Revaluation differences	34,159	34,159	34,159	34,159	34,159
Retained earnings	1,952	3,232	3,232	2,935	2,935
Profit/loss for the period	-2,981	608	495	497	3,017
Liabilities	94,950	110,331	111,769	118,127	123,996
Legal provisions	548	452	395	316	1,144
Other long-term and short-term provisions	5,481	3,614	4,660	6,097	9,223
Non-current liabilities	7,968	9,034	10,883	10,405	9,625
Current liabilities	17,162	30,071	23,042	21,734	17,647
Bank loans and financial assistance	63,792	67,160	72,789	79,574	86,357
Long-term bank loans	0	62,657	62,000	72,786	79,571
Current bank loans and short-term financial assistance	63,792	4,502	10,789	6,788	6,786
Accruals and deferrals	44,601	43,208	44,637	47,194	44,133

VÝKAZ ZISKOV A STRÁT

PROFIT AND LOSS STATEMENT	2019 (EUR ths.)	2018 (EUR ths.)	2017 (EUR ths.)	2016 (EUR ths.)	2015 (EUR ths.)
Net turnover	96,400	95,546	94,280	91,982	89,969
Operating revenues	96,404	95,626	94,300	92,290	90,284
Revenues from goods sold	0	0	0	0	0
Revenues from own products sold	43,814	43,860	43,314	42,065	41,274
Revenues from services sold	47,754	47,789	47,100	45,395	45,620
Change in internal inventories	-512	0	0	196	316
Capitalization	582	550	768	772	579
Revenues from the sale of non-current assets and material	4	80	22	122	39
Other operating revenues	4,761	3,347	3,096	3,740	2,456
Operating expenses	100,413	95,500	93,954	91,961	87,162
Cost of goods sold	0	0	0	0	0
Cost of material, energy and other non-inventory items	13,742	13,077	13,088	12,281	12,149
Provisions for inventories	0	0	0	0	0
Services	37,322	40,432	39,796	38,083	35,708
Personnel expenses	20,193	18,994	17,947	17,019	16,217
Taxes and fees	299	94	461	641	595

PROFIT AND LOSS STATEMENT	2019 (EUR ths.)	2018 (EUR ths.)	2017 (EUR ths.)	2016 (EUR ths.)	2015 (EUR ths.)
Depreciation, amortization and provisions for non-current intangible assets and non-current tangible assets	25,537	24,613	23,682	21,228	20,617
Net book value of non-current assets sold and material sold	0	39	441	96	11
Provisions for receivables	-382	-762	-980	1,930	959
Other operating expenses	3,702	-987	518	684	906
Operating profit/loss	-4,008	126	346	328	3,121
Value added	40,575	38,690	39,297	38,064	39,932
Income from financing activities	932	1,177	1,014	875	1,616
Expenses for financing activities	581	609	787	982	893
Profit/loss from financing activities	169	568	227	-107	723
Profit/loss for the period before tax	-3,658	694	573	221	3,844
Current income tax	3	1	3	5	377
Deferred income tax	-681	85	75	-281	450
Profit/loss for the period after tax	-2,981	608	495	497	3,017

STATEMENT OF CASH FLOWS

	Item name	Reporting period				
		2019 (EUR ths.)	2018 (EUR ths.)	2017 (EUR ths.)	2016 (EUR ths.)	2015 (EUR ths.)
Cash flows from operating activities (OA)						
P/L	Profit/loss from ordinary activities before income tax (+/-)	-3,658	694	573	221	3844
A.1	Non-cash transactions effecting the profit/loss from ordinary activities before income tax (+/-)	25,313	22,118	21,372	19,976	25,162
A.1.1	Depreciation and amortization of intangible and non-current tangible assets (+)	24,411	24,450	24,637	23,312	20,761
A.1.2	Net book value of non-current tangible and intangible assets recorded upon disposal of such assets and charged to expenses for ordinary activities, except for its sale (+)	6	2	1	4	1
A.1.3	Write-off of the provision for acquired assets (+/-)	-	-	-	-	-
A.1.4	Change in provisions for liabilities (+/-)	1,963	-988	-1,359	-3,136	4,129
A.1.5	Change in provisions for assets (+/-)	-262	-601	-2,050	-233	1,073
A.1.6	Dividends and other profit sharing charged to revenues (-)	-931	-1,177	-1,013	-864	-1,576
A.1.7	Interest expense (+)	412	477	717	909	810
A.1.8	Interest income (-)	-	-	-1	-10	-40
A.1.9	Gain/loss on the sale of non-current assets except for assets considered cash equivalents (+/-)	-4	-44	419	-24	-27
A.1.10	Other items of a non-cash nature (+/-)	-1,280	-	22	19	31
A.2	Effect of changes in working capital on the profit/loss from ordinary activities	-7,431	565	-959	11,279	15,522
A.2.1	Change in receivables and accruals and deferrals from operating activities (-/+)	3,425	-2,116	-279	2,049	3,057
A.2.2	Change in payables and accruals and deferrals from operating activities (+/-)	-11,330	2,885	-679	9,426	12,779
A.2.3	Change in inventories (-/+)	474	-165	-1	-196	-314
A.2.4	Change in current financial assets except for those included in cash and cash equivalents (-/+)	-	-	-	-	-
A.2.5	Other	-	-	-	-	-
*	Cash flow from operating activities except for cash inflows and outflows listed separately in other sections of the statement of cash flows (+/-) (sum P/L +A.1 + A.2)	14,224	23,377	20,986	31,476	44,529
A.3	Interest received (+)	-	-	1	10	40
A.4	Interest paid (-)	-412	-477	-717	-909	-810
A.5	Dividends and other profit sharing received (+)	931	1,177	1,013	864	1,576
A.6	Dividends and other profit sharing paid (-)	-271	-	-	-2,015	-2,051
A.7	Income tax paid (-/+)	-1	9	366	-414	-94
A	Net cash flow from operating activities	14,471	24,086	21,649	29,014	43,189

	Item name	Reporting period				
		2019 (EUR ths.)	2018 (EUR ths.)	2017 (EUR ths.)	2016 (EUR ths.)	2015 (EUR ths.)
Cash flows from investing activities (IA)						
B.1.1	Expenditures for the acquisition of non-current tangible and intangible assets (-)	-12,520	-23,150	-23,433	-29,015	-65,021
B.1.2	Expenditures for the acquisition of non-current financial assets (-)	-	-	-	-	-
B.1.3	Proceeds from the sale of non-current tangible and intangible assets (+)	4	-	-	-	38
B.1.4	Proceeds from the sale of non-current financial assets (+)	-	-	-	-	-
B.2.1	Expenditures for long-term borrowings granted (-)	-	-	-	-	-
B.2.2	Proceeds from the repayment of long-term borrowings (+)	-	-	-	-	-
B.3.1	Other cash inflows related to investing activities (+)	-	-	-	-	-
B.3.2	Other cash outflows related to investing activities (-)	-	-	-	-	-
B	Net cash flow from investing activities	-12,516	-23,150	-23,433	-29,015	-64,983
Cash flows from financing activities (FA)						
C.1	Cash flows in equity	-	-	-	-	-
C.2	Cash flows arising from long-term and current liabilities from financing activities	-3,368	-5,629	-6,785	-6,783	1,605
C.2.1	Proceeds from the issue of debt securities (+)	-	-	-	-	-
C.2.2	Expenditure for the repayment of liabilities from debt securities (-)	-	-	-	-	-
C.2.3	Proceeds from loans (+)	1,134	5,157	-	-	8,393
C.2.4	Expenditure for the repayment of loans (-)	--4,502	-10,786	-6,785	-6,783	-6,788
C.2.5	Proceeds from borrowings received (+)	-	-	-	-	-
C.2.6	Expenditure for the repayment of borrowings (-)	-	-	-	-	-
C.2.7	Expenditure for the repayment of liabilities from finance leases (-)	-	-	-	-	-
C.2.9	Proceeds from other long-term and current liabilities resulting from financing activities of the entity (+)	-	-	-	-	-
C.2.10	Expenditure for the repayment of other long-term and current liabilities resulting from financing activities of the entity (-)	-	-	-	-	-
C.3	Cash flows from other financing activities	-	-	-	-	-
C	Net cash flow from financing activities	-3,368	-5,629	-6,785	-6,783	1,605
D	Net increase or net decrease in cash and cash equivalents (+/-) (sum A + B + C)	-1,413	-4,693	-8,569	-6,785	-20,190
E	Cash and cash equivalents at the beginning of the reporting period	4,201	8,894	17,463	24,248	44,438
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)	2,788	4,201	8,894	17,463	24,248

BALANCE SHEET AND PROFIT AND LOSS STATEMENT OF BVS AS OF 31 DECEMBER 2019

Calculation as of 31 December 2019

INDICATOR	Formula numerator		Data as of 31 December 2019 (net)	Conversion to annual data
Debt-service coverage ratio DSCR (from the year-end audited financial statements)	Operating profit/loss (PLS-r.27)		-4,008,487	-4,008,487
	Revenues from the sale of non-current intangible assets and non-current tangible assets (PLS-r.8)	-	4,183	4,183
	Residual value of non-current assets sold and material sold (PLS-r.24)	+	0	0
	Depreciation and amortization of non-current intangible assets and non-current tangible assets (PLS-r.22)	+	25,416,609	25,416,609
	Provisions for receivables (PLS-r.25) (negative balance)	+	-382,146	-382,146
	Provisions for inventories (PLS-r.13) (negative balance)	+	0	0
	Provisions for non-current intangible assets and non-current tangible assets (PLS-r.23) (negative balance)	+	0	0
	Income tax – current (PLS-r.58)	-	3,458	3,458
			21,018,335	21,018,335

INDICATOR	Formula numerator		Data as of 31 December 2019 (net)	Conversion to annual data	Value	Limit
Debt-service coverage ratio DSCR (from the year-end audited financial statements)	Interest expenses (PLS-r.49)		411,955	411,955		
	A – of the total annual amount of principal repayments			0		
	i) of all loans and borrowings	+	4,500,000	4,500,000		
	ii) intra-group borrowings and financial assistance	+	0	0		
	iii) from finance leases	+	0	0		
	iv) from other debt (Bonds payable issued by the debtor and Notes payable issued by the debtor)	+	0	0		
				0		
				0		
			4,911,955	4,911,955	4.28	min. 1.2

INDICATOR	Formula numerator		Data as of 31 December 2019 (net)	Conversion to annual data
DEBT/EBITDA (from the year-end audited financial statements)	Long-term bank loans (BS-r.121)		0	0
	Current bank loans (BS-r.139)	-	63,791,887	63,791,887
	Short-term financial assistance (BS-r.140)	+	0	0
	Bonds payable (BS-r.113)	+	0	0
	Long-term notes payable (BS-r.112)	+	0	0
	Principal of finance lease liabilities	+	0	0
	Financial accounts (BS-r.71)	-	2,788,144	2,788,144
			61,003,743	61,003,743

INDICATOR	Formula numerator		Data as of 31 December 2019 (net)	Conversion to annual data	Value	Limit
DEBT/EBITDA (from the year-end audited financial statements)	Operating profit/loss (PLS-r.27)		-4,008,487	-4,008,487		
	Revenues from the sale of non-current intangible assets and non-current tangible assets (PLS-r.8)	-	4,183	4,183		
	Residual value of non-current assets sold and material sold (PLS-r.24)	+	0	0		
	Depreciation and amortization of non-current intangible assets and non-current tangible assets (PLS-r.22)	+	25,416,609	25,416,609	2.90	max. 6
	Provisions for receivables (PLS-r.25) (negative balance)	+	-382,146	-382,146		
	Provisions for inventories (PLS-r.13) (negative balance)	+	0	0		
	Provisions for non-current intangible assets and non-current tangible assets (PLS-r.23) (negative balance)	+	0	0		
			21,021,793	21,021,793		

INDICATOR	Formula numerator		Data as of 31 December 2019 (net)	Conversion to annual data
Equity ratio	Equity (BS-r.80)		383,478,563	383 478 563

INDICATOR	Formula numerator	Data as of 31 December 2019 (net)	Conversion to annual data	Value	Limit
Equity ratio	Total equity and liabilities (BS-r.79)	523,029,450	523 029 450	73.32%	min. 55%

Calculation as of 31 December 2019

INDICATOR	Formula numerator			Data as of 31 December 2019 (net)	Conversion to annual data
NETDEBT/EBITDA (from the year-end financial state-ments)	Long-term bank loans (BS-r.121)			0	0
	Current bank loans (BS-r.139)		+	63,791,887	63,791,887
	Short-term financial assistance (BS-r.140)		+	0	0
	Bonds payable (BS-r.113)		+	0	0
	Long-term notes payable (BS-r.112)		+	0	0
	Principal of finance lease liabilities		+	0	0
			63,791,887	63,791,887	

INDICATOR	Formula numerator			Data as of 31 December 2019 (net)	Conversion to annual data	Value	Limit
NETDEBT/EBITDA (from the year-end financial state-ments)	Operating profit/loss (PLS-r.27)			-4,008,487	-4,008,487	3.03	max. 6
	Revenues from the sale of non-current intangible assets and non-current tangible assets (PLS-r.8)		-	4,183	4,183		
	Residual value of non-current assets sold and material sold (PLS-r.24)		+	0	0		
	Depreciation and amortization of non-current intangible assets and non-current tangible assets (PLS-r.22)		+	25,416,609	25,416,609		
	Provisions for receivables (PLS-r.25) (negative balance)		+	-382,146	-382,146		
	Provisions for inventories (PLS-r.13) (negative balance)		+	0	0		
	Provisions for non-current intangible assets and non-current tangible assets (PLS-r.23) (negative balance)		+	0	0		
			21,021,793	21,021,793			

Data from the statements

Financial accounts (71)	BS071	2,788,144
Total equity and liabilities (79)	BS079	523,029,450
Equity (080)	BS080	383,478,563
Long-term notes payable (112)	BS112	0
Bond payable (113)	BS113	0
Long-term bank loans (121)	BS121	0
Current bank loans (139)	BS139	63,791,887
Short-term financial assistance (140)	BS140	0
Revenue from the sale of non-current assets (8)	PL008	4,183
Provisions for inventories (13) (negative balance)	PL013	0
Depreciation and amortization of non-current intangible assets and non-current tangible assets (22)	PL022	25,416,609
Provisions for non-current intangible assets and non-current tangible assets (23) (negative balance)	PL023	
Residual value of non-current assets sold (24)	PL024	0
Creation and clearing of the provision for receivables (25) (negative balance)	PL025	-382,146
Operating profit/loss (27)	PL027	-4,008,487
Interest expenses (49)	PL049	411,955
Current income tax from ordinary activities (58)	PL058	3,458
Current income tax from extraordinary activities PLS-r.56 (0)	-	0
Total annual principal repayments of all loans and borrowings	-	4,500,000.00
Principal of finance lease liabilities	-	0.00

OVERVIEW OF CHANGES IN SHARES FOR THE YEARS 2015 TO 2019

No.	shareholder	as of 31 December 2015				as of 31 December 2016			
		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 Malacký			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

as of 31 December 2017				as of 31 December 2018				as of 31 December 2019			
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
		50,21,1	0.59			50,21,1	0.59			50,21,1	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

No.	shareholder	as of 31 December 2015				as of 31 December 2016			
		additions	disposals	number of shares	%	additions	disposals	number of shares	%
32	Municipality of Hrubá Borša			3,910	0.05			3,910	0.05
33	Municipality of Hurbanova Ves			2,562	0.03			2,562	0.03
34	Municipality of Chorvátsky Grob			17,213	0.20			17,213	0.20
35	Municipality of Igram			6,180	0.07			6,180	0.07
36	Municipality of Ivanka pri Dunaji			52,436	0.62			52,436	0.62
37	Municipality of Jablonica			25,538	0.30			25,538	0.30
38	Municipality of Jablonka			6,101	0.07			6,101	0.07
39	Municipality of Jablonové			11,786	0.14			11,786	0.14
40	Municipality of Jakubov			15,134	0.18			15,134	0.18
41	Municipality of Kalinkovo			9,663	0.11			9,663	0.11
42	Municipality of Kaplná			7,539	0.09			7,539	0.09
43	Municipality of Kátov			6,595	0.08			6,595	0.08
44	Municipality of Kostolište			10,325	0.12			10,325	0.12
45	Municipality of Kostolná pri Dunaji			5,180	0.06			5,180	0.06
46	Municipality of Kostolné			7,685	0.09			7,685	0.09
47	Municipality of Krajné			19,381	0.23			19,381	0.23
48	Municipality of Kráľová pri Senci			15,527	0.18			15,527	0.18
49	Municipality of Láb			15,336	0.18			15,336	0.18
50	Municipality of Limbach			12,022	0.14			12,022	0.14
51	Municipality of Lozorno			29,774	0.35			29,774	0.35
52	Municipality of Malé Leváre			11,505	0.14			11,505	0.14
53	Municipality of Malinovo			14,303	0.17			14,303	0.17
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 Mokrá 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

as of 31 December 2017				as of 31 December 2018				as of 31 December 2019			
additions	disposals	number of shares	%	additions	disposals	number of shares	%	additions	disposals	number of shares	%
		3,910	0.05			3910	0.05			3910	0.05
		2,562	0.03			2,562	0.03			2,562	0.03
		17213	0.20			17213	0.20			17213	0.20
		6,180	0.07			6,180	0.07			6,180	0.07
		52,436	0.62			52,436	0.62			52,636	0.62
		25,538	0.30			25,538	0.30			25,538	0.30
		6,101	0.07			6,101	0.07			6,101	0.07
		11,786	0.14			11,786	0.14			11,786	0.16
		15,134	0.18			15,134	0.18			15,136	0.18
		9,663	0.11			9,663	0.11			9,663	0.11
		7,539	0.09			7,539	0.09			7,539	0.09
		6,595	0.08			6,595	0.08			6,595	0.08
		10,325	0.12			10,325	0.12			10,325	0.12
		5,180	0.06			5,180	0.06			5,180	0.06
		7,685	0.09			7,685	0.09			7,685	0.09
		19,381	0.23			19,381	0.23			19,381	0.23
		15,527	0.18			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	0.16
		29,774	0.35			29,774	0.35			29,776	0.35
		11,505	0.14			11,505	0.14			11,505	0.16
		14,303	0.17			14,303	0.17			16,303	0.17
		10,662	0.13			10,662	0.13			10,662	0.13
		9,663	0.11			9,663	0.11			9,663	0.11
		6,584	0.08			6,584	0.08			6,586	0.08
		17,190	0.20			17,190	0.20			17,190	0.20
		18,482	0.22			18,482	0.22			18,682	0.22
		8,539	0.10			8,539	0.10			8,539	0.10
		2,764	0.03			2,764	0.03			2,766	0.03
		8,112	0.10			8,112	0.10			8,112	0.10
		7,202	0.08			7,202	0.08			7,202	0.08
		22,055	0.26			22,055	0.26			22,055	0.26
		3,180	0.03			3,180	0.03			3,180	0.03
		8,033	0.09			8,033	0.09			8,033	0.09

No.	shareholder	as of 31 December 2015				as of 31 December 2016			
		additions	disposals	number of shares	%	additions	disposals	number of shares	%
66	Municipality of Prietržka			4,798	0.06			4,798	0.06
67	Municipality of Prievaly			9,797	0.12			9,797	0.12
68	Municipality of Reca			13,943	0.16			13,943	0.16
69	Municipality of Rohožník			470	0.01			470	0.01
70	Municipality of Rohov			4,303	0.05			4,303	0.05
71	Municipality of Rovinka			13,853	0.16			13,853	0.16
72	Municipality of Sekule			17,819	0.21			17,819	0.21
73	Municipality of Slovenský Grob			19,853	0.23			19,853	0.23
74	Municipality of Smrdáky			7,292	0.09			7,292	0.09
75	Municipality of Sološnica			16,595	0.20			16,595	0.20
76	Municipality of Stará Myjava			7,820	0.09			7,820	0.09
77	Municipality of Studienka			17,741	0.21			17,741	0.21
78	Municipality of Suchohrad			6,483	0.08			6,483	0.08
79	Municipality of Šenkvice			46,234	0.55			46,234	0.55
80	Municipality of Štefanová			3,854	0.05			3,854	0.05
81	Municipality of Tomášov			22,640	0.26			22,640	0.26
82	Municipality of Trnovec			3,427	0.04			3,427	0.04
83	Municipality of Veľké Leváre			38,167	0.45			38,167	0.45
84	Municipality of Viničné			16,359	0.19			16,359	0.19
85	Municipality of Vinosady			10,146	0.12			10,146	0.12
86	Municipality of Vištuk			14,696	0.17			14,696	0.17
87	Municipality of Vlky			4,191	0.05			4,191	0.05
88	Municipality of Vysoká Pri Morave			20,527	0.24			20,527	0.24
89	Municipality of Záhorská Ves			17,348	0.20			17,348	0.20
90	Municipality of Zálesie			8,359	0.10			8,359	0.10
91	Municipality of Závod			28,909	0.34			28,909	0.34
92	Municipality of Zohor			34,392	0.41			34,392	0.41
	Total	0	0	8,477,431	100.00	0	0	8,477,431	100.00

as of 31 December 2017				as of 31 December 2018				as of 31 December 2019			
additions	disposals	number of shares	%	additions	disposals	number of shares	%	additions	disposals	number of shares	%
		4,798	0.06			4,798	0.06			6,798	0.06
		9,797	0.12			9,797	0.12			9,797	0.12
		13,943	0.16			13,943	0.16			13,963	0.16
		470	0.01			470	0.01			670	0.01
		4,303	0.05			4,303	0.05			6,303	0.05
		13,853	0.16			13,853	0.16			13,853	0.16
		17819	0.21			17819	0.21			17819	0.21
		19,853	0.23			19,853	0.23			19,853	0.23
		7,292	0.09			7,292	0.09			7,292	0.09
		16,595	0.20			16,595	0.20			16,595	0.20
		7,820	0.09			7,820	0.09			7,820	0.09
		17,741	0.21			17,741	0.21			17,761	0.21
		6,483	0.08			6,483	0.08			6,683	0.08
		46,234	0.55			46,234	0.55			66,236	0.55
		3,854	0.05			3,854	0.05			3,856	0.05
		22,640	0.26			22,640	0.26			22,660	0.26
		3,427	0.04			3,427	0.06			3,627	0.06
		38,167	0.45			38,167	0.65			38,167	0.65
		16,359	0.19			16,359	0.19			16,359	0.19
		10,146	0.12			10,146	0.12			10,166	0.12
		14,696	0.17			14,696	0.17			16,696	0.17
		4,191	0.05			4,191	0.05			6,191	0.05
		20,527	0.24			20,527	0.26			20,527	0.26
		17,348	0.20			17,348	0.20			17,368	0.20
		8,359	0.10			8,359	0.10			8,359	0.10
		28,909	0.34			28,909	0.36			28,909	0.36
		34,392	0.41			34,392	0.61			36,392	0.61
0	0	8,477,431	100.00	0	0	8,477,431	100.00	0	0	8,677,631	100.00



Bratislavská vodárenská spoločnosť, a.s.

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