



Stredoslovenská vodárenská  
prevádzková spoločnosť, a.s.

## ANNUAL REPORT

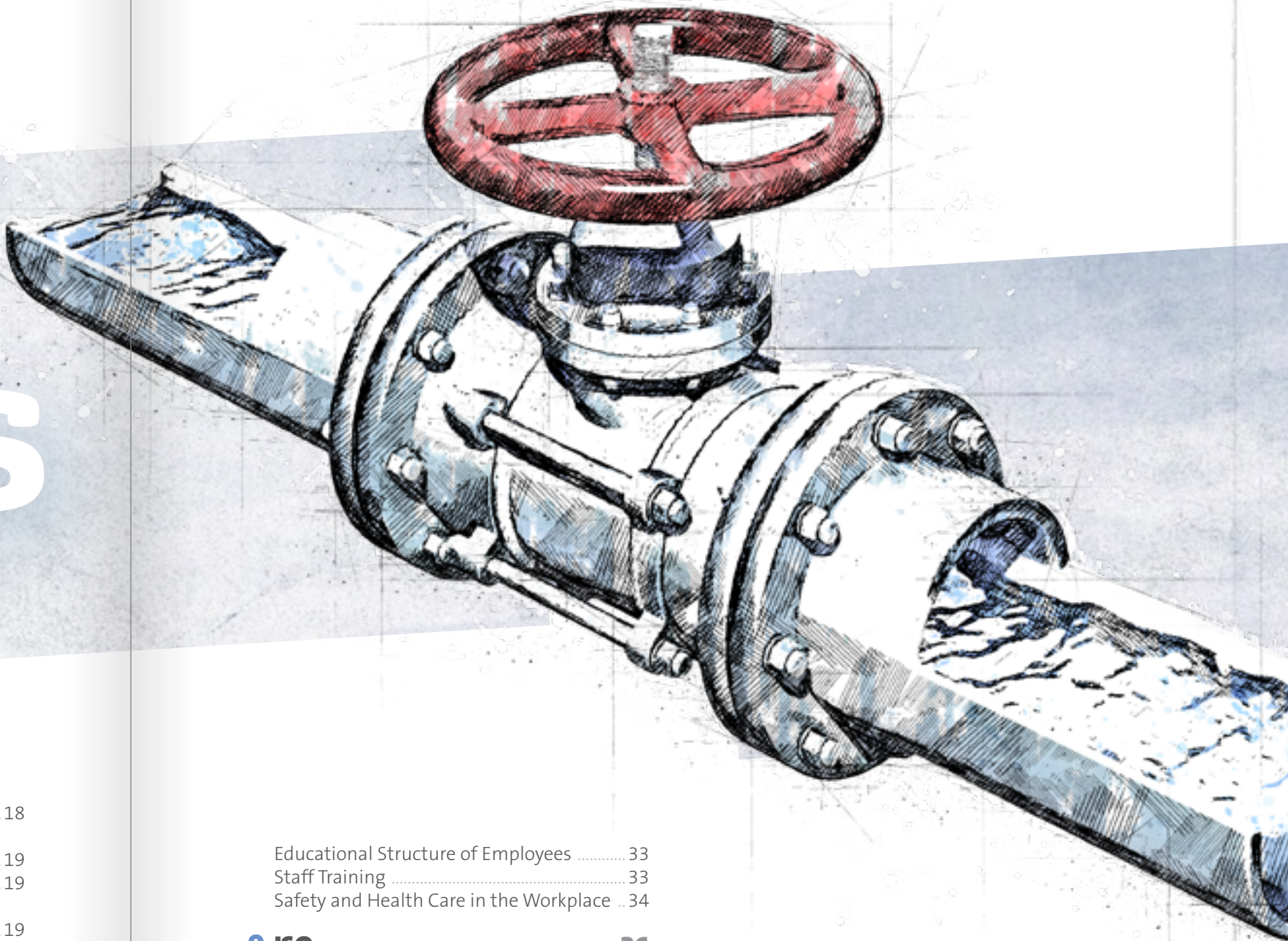
# 2019



Stredoslovenská vodárenská  
prevádzková spoločnosť, a. s.



# contents



<b>1 Basic Data</b> .....	<b>4</b>	Drainage and Sewage Treatment .....	18
Business Activities .....	5	Survey and Measurement of Sewer Network .....	19
<b>2 Statutory Bodies of the Company</b> .....	<b>6</b>	Breakdowns in the Sewer Network .....	19
<b>3 Key Data</b> .....	<b>8</b>	Main Indicators of the Drainage and Treatment of Waste water .....	19
<b>4 Editorial</b> .....	<b>10</b>	Quality of Drinking and Waste Water .....	20
<b>5 Organizational Structure</b> .....	<b>12</b>	Drinking Water .....	21
<b>6 Our Services</b> .....	<b>14</b>	Wastewater .....	21
Water Production .....	15	<b>7 Customers</b> .....	<b>22</b>
Water Management .....	15	Structure of the Customers .....	22
Water Losses .....	15	Communication, Customer Service .....	24
Main Indicators of the Production and Supply of Drinking Water .....	16	Satisfaction Survey .....	26
Breakdowns in the Water Supply Network .....	17	Customer Processes .....	26
Investment Implementation .....	17	12 Largest Customers in 2019 .....	28
		<b>8 Responsibility</b> .....	<b>30</b>
		Employees .....	31
		Age Structure of Employees .....	32
		Internal Communication .....	32
		Social Dialogue .....	32
		Educational Structure of Employees .....	33
		Staff Training .....	33
		Safety and Health Care in the Workplace .....	34
		<b>9 ISO</b> .....	<b>36</b>
		<b>10 Waste Management</b> .....	<b>38</b>
		<b>11 Environmental Responsibility &amp; Promotion of Biodiversity</b> .....	<b>40</b>
		Activities of our company to support environmental protection in 2019 .....	43
		<b>12 Innovations</b> .....	<b>44</b>
		Water Preparation .....	44
		Pumping Stations and Reservoirs .....	45
		Sewage Treatment Plants .....	46
		Sewer Network .....	47
		Information Systems and APCS .....	47
		Power Engineering .....	48
		<b>13 Financial Statement</b> .....	<b>50</b>
		Comments on the Financial Results in 2019 .....	51
		Prices of Drinking Water and Drainage of Wastewater in 2019 .....	53
		Balance Sheet .....	54
		Profit and Loss Statement .....	56
		Cashflow Statement .....	57
		Independent Auditor's Report .....	58
		Report of the Supervisory Board .....	62
		<b>Contacts</b> .....	<b>64</b>



# 1

## basic data

### Trade name:

Stredoslovenská vodárenská prevádzková spoločnosť, a. s.

### Company seat:

Partizánska cesta 5  
974 01 Banská Bystrica

### Legal form:

Joint-stock company

**Identification No:** 36 644 030

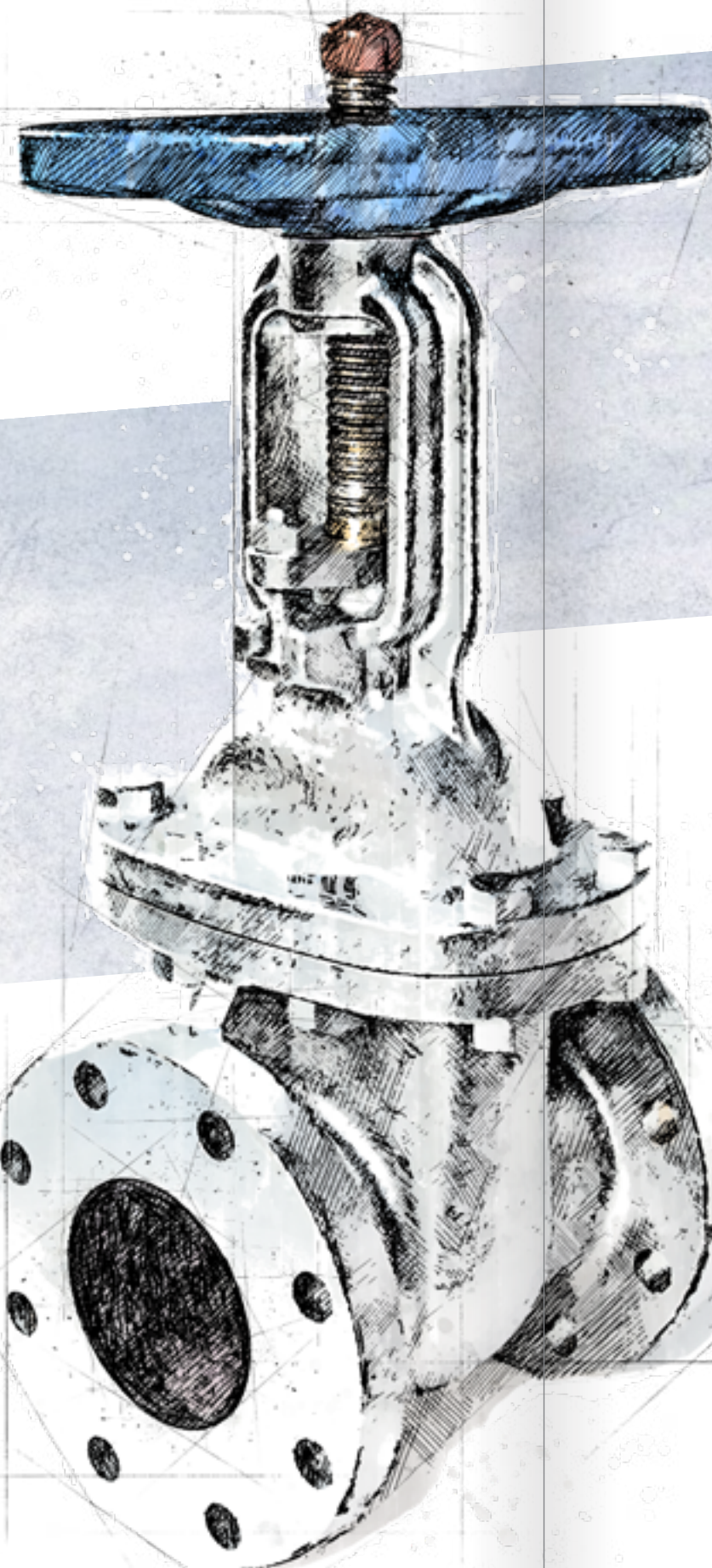
**VAT reg. No:** SK 2022102236

**Capital stock:** 34 000,- €

### Trade register

of the District court in Banská Bystrica,  
section: Sa, Insert No.: 840/S

**Registered on:** January 1, 2006



## business activities

- operation of I to III Category public water supply systems,
- operation of I to III Category public sewer systems,
- consulting, technical and professional assistance in the field of production, treatment and supply of drinking and industrial water, operation of water supply systems, sewage and wastewater treatment plants,
- cleaning of water and sewerage pipelines,
- conducting inspections of sewer systems by instrumentation,
- detection of hidden water leaks by correlative and electroacoustic techniques,
- setting out water supply, sewerage networks and armatures and determining contact points for connection of instrumentation,
- measuring wastewater volume on specific volumes and sewerage systems with the determination of the immediate or cumulative flow by instrumentation,
- physicochemical, radiological, microbiological and hydrobiological analyses of drinking, utility and waste water, including technological water analyses,
- conducting water tightness tests of water management facilities and equipment,
- business activities in the field of the disposal of non-hazardous waste,
- conducting technical inspections of pipelines,
- repair and installation of water meters,
- designing, solving and evaluating the roles of hydrogeological surveys, engineering geological surveys and geological surveys of the environment,
- electricity generation in small hydroelectric power stations with an output up to 5 MW,
- electricity distribution,
- purchase of goods with the purpose of their sale to other trading license holders (wholesale trade),
- purchase of goods with the purpose of their sale to end users (retail trade),
- intermediation in commercial and service activities,
- draw up documentation and projects for simple buildings, small buildings and changes to such buildings,
- realization of simple buildings, small buildings and changes to such,
- realization of buildings and changes to such,
- implementation of water and civil engineering works,
- execute construction site manager activities,
- execute construction site supervisor activities,
- engineering activities in civil engineering,
- supply and installation of chlorination and dosing equipment for chemicals,
- repairs, servicing, maintenance and execution of expert inspection and testing of chlorinating and dosing equipment for chemicals,
- machinery and equipment rental,
- public procurement,
- national road freight,
- real estate rental,
- repairs and servicing of all kinds of pumps,
- conducting revisory and pressure tests of stable pressure tanks,
- repair, installation, maintenance and servicing of electrical equipment,
- conducting technical inspections and testing of specified electrical equipment,
- organizing courses, training and seminars,
- conducting courses, training and seminars,
- fire safety engineer,
- accommodation and catering services in accommodation facilities.

**THE COMPANY HAS NO ORGANIZATIONAL UNIT ABROAD.**



# 2 statutory bodies

of the company on 31.12.2019

## board of directors

### chairman

Philippe Guitard

### members

Ing. Martin Bernard, MBA

Ing. Peter Martinka

Ing. Robert Tencer

Ing. Peter Dobrý

## shareholder

VEOLIA CENTRAL & EASTERN EUROPE S.A.

rue La Boétie 21

Paris 750 08

France

## supervisory board

JUDr. Roman Dula

Tomáš Paclík

Roman Szabó

Ing. Miluše Poláková

Ing. Lucia Harachová

Marián Detvan





# 3 key data

(as of 31. 12. 2019)

**€ 59.836 mil.**

Turnover of the Company

**652,409**

Supplied Residents

**€ 585,000**

Profit after Taxation

**1,083**

Employees

**40.404 mil. m<sup>3</sup>**

Total Production of Own Water

**4,511 km**

Length of the Water  
Distribution Network

**22**

Water Preparation Plants

**52.663 mil. m<sup>3</sup>**

Treated Waste Water

**42**

Wastewater  
Treatment Plants

**1,065.5 km**

Length of the  
Sewer Network

**117,208**

Contracted Customers

**121,818**

Water Meters

**1,707**

Calls Made on  
Customer Line  
(on average monthly)





4

# editorial

## Dear Ladies and Gentlemen, Dear Shareholders...

The preparation and submission of the annual report is always an opportunity for us to take stock and evaluate our work and results for the past year. In the following lines, I would like to elucidate you on how the Stredoslovenská vodárenská prevádzková spoločnosť, a.s. performed in 2019.

In the area of water production, 40,404 thous. m<sup>3</sup> of drinking water were produced in the water management facilities of our company. As regards the supply of drinking water to customers, a slight decrease was recorded for other customers compared to the previous year, while in the population category we recorded a slight increase. We supplied drinking water to 652,409 inhabitants. In the area of water losses, we have long focused mainly on repairs of water pipes, where we use the most modern technologies to locate hidden leaks. Our staff inspected 1,554 km of water supply networks and located 539 faults. Prevention is important and therefore we carry out regular monitoring of the minimum night consumption associated with the search for detected hidden leaks in the field. In our administration, 408,778 inhabitants are connected to the sewerage network, for whom we provide wastewater treatment in 42 wastewater treatment plants.

As far as customer services are concerned, we continue to improve and expand them. We focus on expanding the portfolio of services provided. I am pleased that ac-

cording to the latest external satisfaction survey, the overall satisfaction of our customers has recently risen above the high satisfaction threshold. Thus, the strategic goal was met, the 90 % threshold was exceeded, the current status is on average 91.3 %. However, maintaining this level is also a challenge and sufficient investment is needed to manage it.

Responsible behaviour towards the environment is a part of every process in our company. Our main activity, wastewater treatment, is a major contribution to environmental protection, but other activities are also focused on ecology. As part of the technological processing of biodegradable waste in the waste management system, we managed to obtain 1,665 MWh of electricity, 10,485 GJ of thermal energy and 1,966,148 m<sup>3</sup> of biogas through further activities. Other activities in the field of waste management are focused on the thorough separation of waste and improving the possibilities of their collection in our facilities.

As the first company in Slovakia, we are transforming the technical area of a wastewater treatment plant into an oasis of biodiversity in the project „Protection and support of biodiversity in technical areas“. In 2019, in cooperation with the Ekopolis Foundation, we installed nesting boxes for several bird species, we built a pond that uses rainwater from a nearby building, and after reconstruction of the administration building, we installed nests for house martins. Almost 200 pupils visited the treatment plant premises during the year for the purpose of education.

As part of the development of human resources, I would like to mention the importance of continuous support for the professional development of our employees, which I provide through corporate training. Although there was a slight decrease in the number of employees to 1,083 in 2019, we still remain one of the largest and most stable employers in the region, thanks to several benefits provided. We are aware that satisfied and motivated employees are of a huge value to us.

Ladies and gentlemen, I have only briefly mentioned some of the activities that have caught our attention last year. You can read them in more detail on the following pages. I would like to conclude on behalf of the entire management of the Stredoslovenská vodárenská prevádzková spoločnosť, a.s. by thanking colleagues and co-workers for their daily work, customers and business partners for their encouraging cooperation, shareholders, members of the Board of Directors and the Supervisory Board for their trust, which supports us in all important decisions.



Ing. Peter Martinka  
Managing Director  
StVPS, a. s.



# 5

# organizational structure



## Division of the Managing Director

ASSISTANT TO THE MANAGING DIRECTOR  
MARKETING AND COMMUNICATION DEPARTMENT  
CRISIS MANAGEMENT DEPARTMENT  
QUALITY MANAGER  
PROJECT MANAGER  
VODÁR GUEST HOUSE, DONOVALY  
CONTROL DEPARTMENT  
ADMINISTRATIVE AND LEGAL DEPARTMENT  
COMPLIANCE MANAGER SR  
QUALITY MANAGEMENT DEPARTMENT  
INFORMATION TECHNOLOGIES DEPARTMENT  
HUMAN RESOURCES  
DEPARTMENT OF HEALTH AND SAFETY AND FIRE SAFETY

## Division of the Economic Director

SECRETARIAT  
TAXES DEPARTMENT  
ACCOUNTING DEPARTMENT  
DEPARTMENT OF ASSETS AND PROCUREMENT  
SUPPLY DEPARTMENT  
CONTROLLING DEPARTMENT  
PAYMENTS OFFICE  
INTERNAL CONTROL OFFICE

## Division of the Commercial Director

DEPARTMENT FOR WATER DEDUCTIONS AND METERS  
BACK OFFICE AND ASSETS AND LIABILITIES DEPARTMENT  
FRONT OFFICE  
CUSTOMER CENTRES:  
01 Banská Bystrica  
02 Lučenec  
03 Prievidza  
04 Rimavská Sobota  
05 Veľký Krtíš  
06 Zvolen, Žiar nad Hronom  
08 Brezno  
CALL CENTRE

## Division of the Director for Production - Operating Activities

REGISTRY OFFICE AND ASSISTANT TO THE DIRECTOR FOR P-OA  
DEPARTMENT OF PRODUCTION AND OPERATING ACTIVITIES CONTROL  
DEPARTMENT OF TECHNICAL OPERATING ACTIVITIES  
DEPARTMENT OF PROPERTY CARE  
DEPARTMENT OF ASRTP  
DEPARTMENT OF GIS  
PLANTS:  
01 Banská Bystrica  
02 Lučenec, Veľký Krtíš  
03 Prievidza  
04 Rimavská Sobota  
06 Zvolen, Žiar nad Hronom



6

# Our services

Stredoslovenská  
vodárenská prevádzková  
spoločnosť, a. s.,  
provides services  
for

**652 409**  
residents.



**For households and industrial clients, we bring more than quality drinking water and drainage and wastewater treatment. We offer water infrastructure management at a high professional level. In accredited laboratories, we provide laboratory analyses of drinking, utility and waste water. We minimise the impact of our activities on individual components of the environment, whether through the development of new technologies or the responsible and safe operation of existing facilities.**

## water production

In the area of water production, 40,404 thousand m<sup>3</sup> of drinking water, of which 12,586 thousand m<sup>3</sup> was surface water and 27,818 thousand m<sup>3</sup> groundwater was produced in the company's water management facilities. The total volume of water produced was roughly at the level of 2018. There was only a slight increase (by 64 thousand m<sup>3</sup> more water produced). The quality of the drinking water supplied in accordance with valid legislation was provided from 22 surface and groundwater treatment facilities. Mainly water taken from water reservoirs was used for the production of drinking water from surface water sources. Subsequent water treatment is carried out in the large water treatment plants at Hriňová, Málinec, Klenovec and Turček. In case of unsatisfactory groundwater quality, groundwater treatment plants were also used. In the water treatment plants operated by our company, in 2019 raw water was treated in the total volume of 14,800 thous. m<sup>3</sup>.

## water losses

Hidden water leaks from the pipeline have the greatest impact on water loss, which in the network have long represented the largest part of the volume of unbilled water. In the area of water losses, we therefore focus mainly on repairs of water pipes, where the highest incidence of failures occurs. Modern technology and instrumentation are used to locate hidden water leaks as accurately as possible. Centralised management of search for hidden water leaks and the purchase of state-of-the-art search technology in our company play a large part in locating hidden water leaks. This work is carried out by 4 workgroups within the Fault Search Department. They are: group Banská Bystrica, Brezno, group Lučenec, Veľký Krtíš, Rimavská Sobota, group Prievidza and group Zvolen, Žiar nad Hronom. In 2019, the Fault Search Department scanned 1,554 km of water mains and located 539 faults. Metering work worth € 7,890 was carried out for external customers.

## water management

In the area of drinking water supply to customers, there was only a slight decrease compared to the previous year. In 2019, the water supplied to, or invoiced to customers amounted to 25,677 thousand m<sup>3</sup>, which is a decrease of 179 thousand m<sup>3</sup> compared to 2018 (25,856 thousand m<sup>3</sup>). A decrease in water consumption was recorded for other customers, and there was a slight increase in invoiced water for the population. In 2019, the specific consumption was 72 l / person / day, which is approximately at the level of 2018.





## main indicators of the production and supply of drinking water

**4,511**

length of water distribution network, in km

**118,580**

number of water connections

**765**

length of water connections, in km

**225**

number of pumping stations

**22**

number of water preparation plants

**25,677**

water invoiced, in thousand m<sup>3</sup>/year

**13,086**

water losses in the pipeline network, in thousand m<sup>3</sup>/year

**14,581**

water not invoiced, in thousand m<sup>3</sup>/year

**32.5**

share of water losses from water for realization in %

**40,258**

water to realization, in thousand m<sup>3</sup>/year

**652,409**

number of supplied residents



## breakdowns in the water supply network

In 2019, a total of 2,270 defects on the water supply network were repaired, of which 276 were in the feeders, 1,371 in distribution networks and 623 in the connections. Of the total number, 2,041 were leaks (1,502 on the network and 539 on connections) and 1,996 were excavated (1,507 on the network and 489 on the connections). Of the total number of repaired faults, 1,591 were on the pipes and 679 on the fittings. The most common cause of failure in 2018 was the corrosion of pipe materials and fittings which is related to the high age of public

water mains. The second most common cause of failures is material failure and soil movement caused mainly by freezing and thawing of the ground in the winter and spring months. The mild winter months of 2018/2019 and in December 2019 resulted in a 12 % decrease in the number of failures compared to the previous year.

As part of accident prevention, we carry out regular monitoring of the minimum night consumption associated with the search for detected hidden leaks in the field. In 2019, 539 hidden leaks were detected and repaired.

## investment implementation

The amount of the revenue plan from the implementation of investments for the infrastructure of Stredoslovenská vodárenská spoločnosť, a.s. was set at 709 thousand € for 2019.

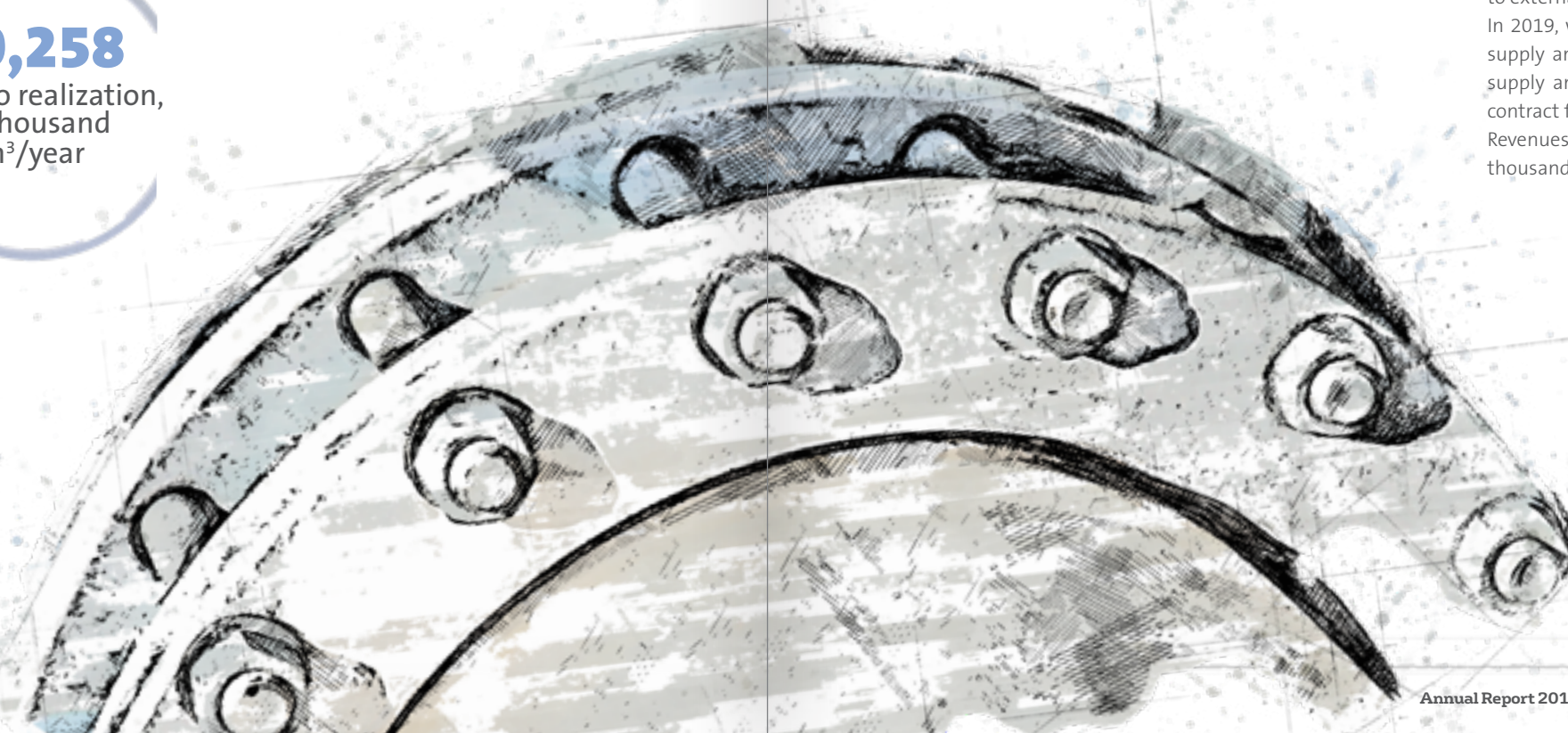
The implementation of individual construction works took place during the year in accordance with the elaborated time and financial schedule. At the beginning of the year, the projects „Hiadel, reconstruction of the group water supply system Hiadel - Lučatín - Ľubietová“ and „Banská Bystrica, ul. Bakossova - reconstruction of the public sewerage system“ were completed and handed over; these were contracted and largely implemented in 2018. Another activity, which although was contracted in 2018 was implemented in 2019, was the construction of „Janova Lehota - supply pipeline from DVZ“. This con-

struction was our most important in terms of financial volume in 2019 and its completion is planned for the end of 2020.

In addition to the ongoing works, in 2019 2 new contracts were concluded for the construction of „Construction of a public sewer in the village of Opatovce nad Nitrou, part Bojnice“ and „Králiky, ul. Priehon, extension of the public water supply system“, the first of which was also completed in 2019.

Globally, our company realised revenues to the amount of € 733.12 thousand in 2019 in the area of investments for other investors, which meant the fulfilment of the set revenue plan for the year at 103.4%. During the actual implementation of construction works, the trend of increasing the share of outsourcing of individual works to external companies continued.

In 2019, we implemented the connection of the water supply and sewerage connections to the public water supply and public sewerage on the basis of a special contract for Stredoslovenská vodárenská spoločnosť, a.s. Revenues from this activity in 2019 amounted to € 114.2 thousand.







## drainage and sewage treatment

408,778 inhabitants are connected to the sewerage network with a total length of 1,065.5 km. When compared to 2018, a difference was recorded in the amount of treated water which means a year-on-year increase of 2,057 thousand m<sup>3</sup>, which represents an increase of 4.07 %.

## survey and measurement of sewer network

In the field of sewer network survey and the detection of connected producers, smoke test technology is successfully used in testing the sewer network. With this technology, it is possible to detect failures of sewerage pipes and sewerage objects and unauthorised connection to properties, as well as unauthorised connections of rainwater into the separated sewerage system. In 2019, flow measurements were carried out on uncleaned outlets of public sewers, as well as control measurements and a TV sur-

vey of the technical condition on public sewers. In 2019, both IPEK and Rausch TV camera systems were used to survey the technical condition of sewer pipes on both operated and newly handed over construction works. In 2019, the WinCan VX database software for evaluating, plotting and planning repairs and costs for repairs of sewers was updated to a higher version. The IPEK system has proven itself on new sewer systems, which also allows the measurement of deformations of flexible pipes.

## breakdowns in the sewer network

The most common cause of accidents on the sewerage network in 2019 were blockages, especially in the winter and spring months. Other causes of accidents are the damage to the pipeline system caused by the traffic load, as well as due to the lack of discipline of some producers who dispose of materials and objects in the public sewerage system that do not belong there, and, last but not least, the poor level of structural work carried out in the previous period.

In 2019, a total of 1,136 failures were removed from gravity sewer networks, of which 963 were blockages and 173 structural failures. Of the structural failures, 21 were directly on the sewers, 12 at the sewer connections and 140 faults were sewer network facilities. There were a total of 117 malfunctions in the pressure sewers, of which 103 were in the pump stations and 14 malfunctions in the pressurised pipeline. Compared to the previous year, a decrease in the number of failures by 3.32 % was recorded.

## main indicators of the drainage and treatment of waste water

**61**  
pumping  
stations

**1,065.5**  
length of  
sewer system  
in km

**36,459**  
number  
of sewer  
connections

**262.9**  
length of sewer  
connections  
in km

**42**  
waste water  
treatment  
plants

**408,778**  
residents  
connected to the  
sewer network

**22,103**  
invoiced  
waste water in  
thousand m<sup>3</sup>/year

**393,890**  
residents  
connected  
to WWTP

**52,663**  
treated  
waste water  
in thousand m<sup>3</sup>/year



# quality of drinking & wastewater



Defective samples of drinking water taken from reservoirs and the distribution network in 2019 reached the value of 2.63 in microbiological indicators and 4.09 % in physico-chemical indicators, which represents a slight increase in the level of defective samples compared to the previous year. Defective drinking water samples in the free chlorine indicator at the consumer reached the value of 0.56 %, which led to an improvement compared to 2018 by about 37 %. The reduction of the drinking water supply defects in the free chlorine indicator was achieved by optimising the process of disinfection of the supplied water.

## drinking water

Drinking water quality in our company is controlled by accredited laboratories according to STN EN ISO / IEC 17025 and meets the requirements of current legislation. In addition to the basic physicochemical, microbiological and biological indicators, the presence of metals, pesticides and organic substances is monitored in drinking water in accordance with Slovak technical standards. The health safety of drinking water is ensured not only by quality control, but also by the system of water re-

sources control, protection of water supply facilities and regular disinfection. In 2019, 3,928 samples were taken to monitor microbiological indicators and 3,932 samples for the monitoring of physicochemical indicators in the Quality Control Department laboratories. In total, 112,806 analyses were carried out at consumer premises on drains from reservoirs and treatment plants. At the same time, samples were collected from 2,295 sources, where 67,738 analyses were performed.



## wastewater

Implementation of a programme for monitoring the quality of waste water drainage and sewage treatment in sewers and treatment plants managed by StVPS a.s. is provided by accredited wastewater laboratories in Zvolen, Banská Bystrica and Lučenec in accordance with STN EN ISO/IEC 17025. In 2019, 8,988 samples were collected

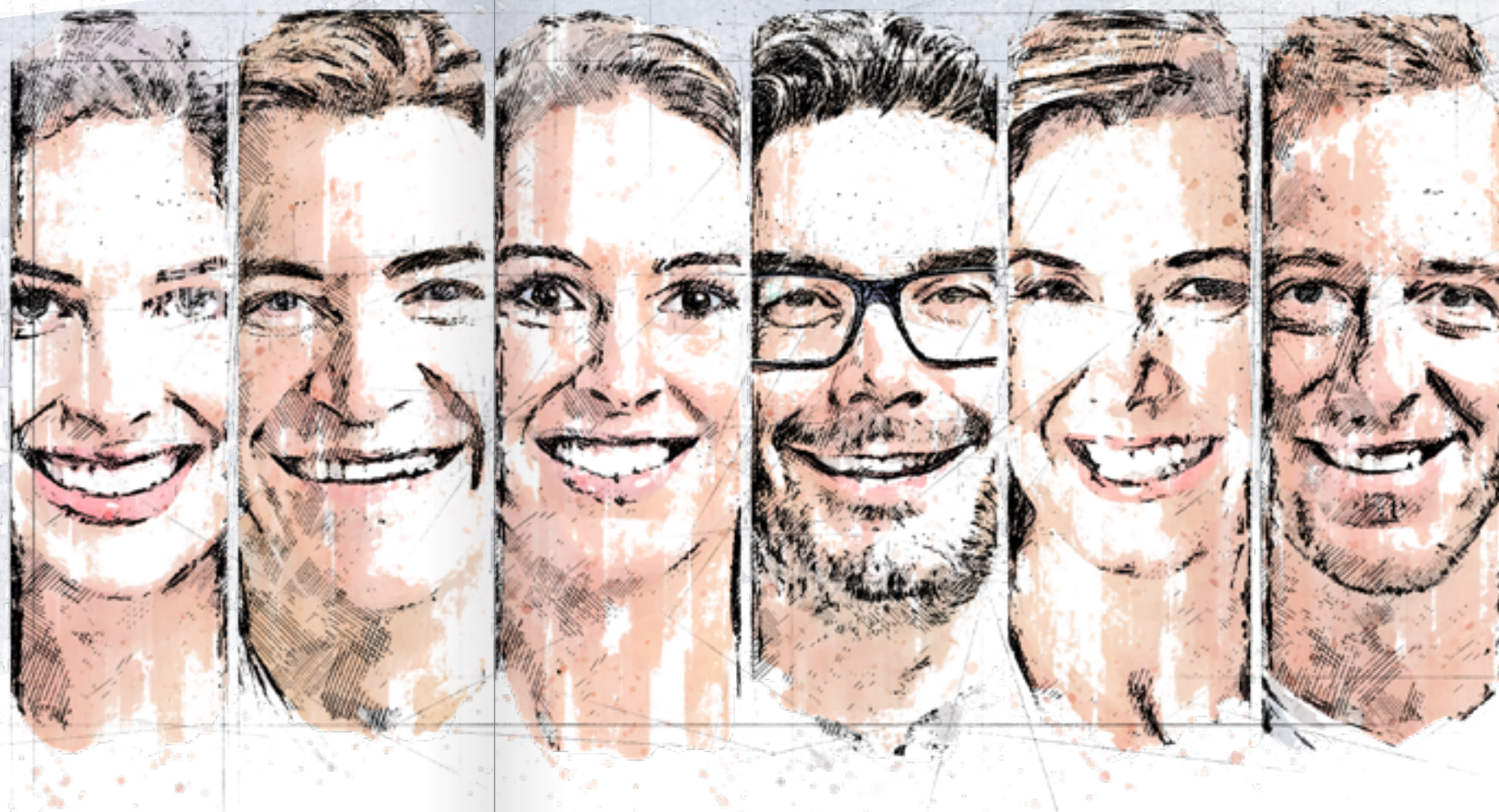
at each stage of the wastewater treatment process and uncleaned outlets. 55,911 analyses were performed. The range and number of samples are determined by Decree 315/2004 Zz and related valid regulations. At the same time, 1,408 samples from producers were examined in our laboratories, representing 5,259 analyses.



# 7 customers

Stredoslovenská vodárenská prevádzková spoločnosť, a. s. promotes customer relationships based on long-term partnership, transparency and ethical behaviour. We want to be a partner that respects the needs and requirements of customers and realises their expectations in practice. That is why we are constantly developing and improving our customer service.

We provide contracted customers with modern and convenient forms of communication.



## structure of the customers

	January	February	March	April	May	June
The number of customers	116,429	116,435	116,477	116,457	116,569	116,709
Of which are households - individual customers	105,986	105,988	106,033	106,056	106,163	106,300
Of which are households - high-rise flats and housing association flats	2,222	2,220	2,220	2,215	2,215	2,215
Others	8,221	8,227	8,224	8,186	8,191	8,194

July	August	September	October	November	December	Average	Sum of averages
116,817	116,927	117,018	117,110	117,187	117,208	116,779	116,779
106,399	106,499	106,590	106,673	106,739	106,798	106,352	91,07 %
2,215	2,216	2,214	2,215	2,215	2,211	2,216	1,90 %
8,203	8,212	8,214	8,222	8,233	8,199	8,211	7,03 %





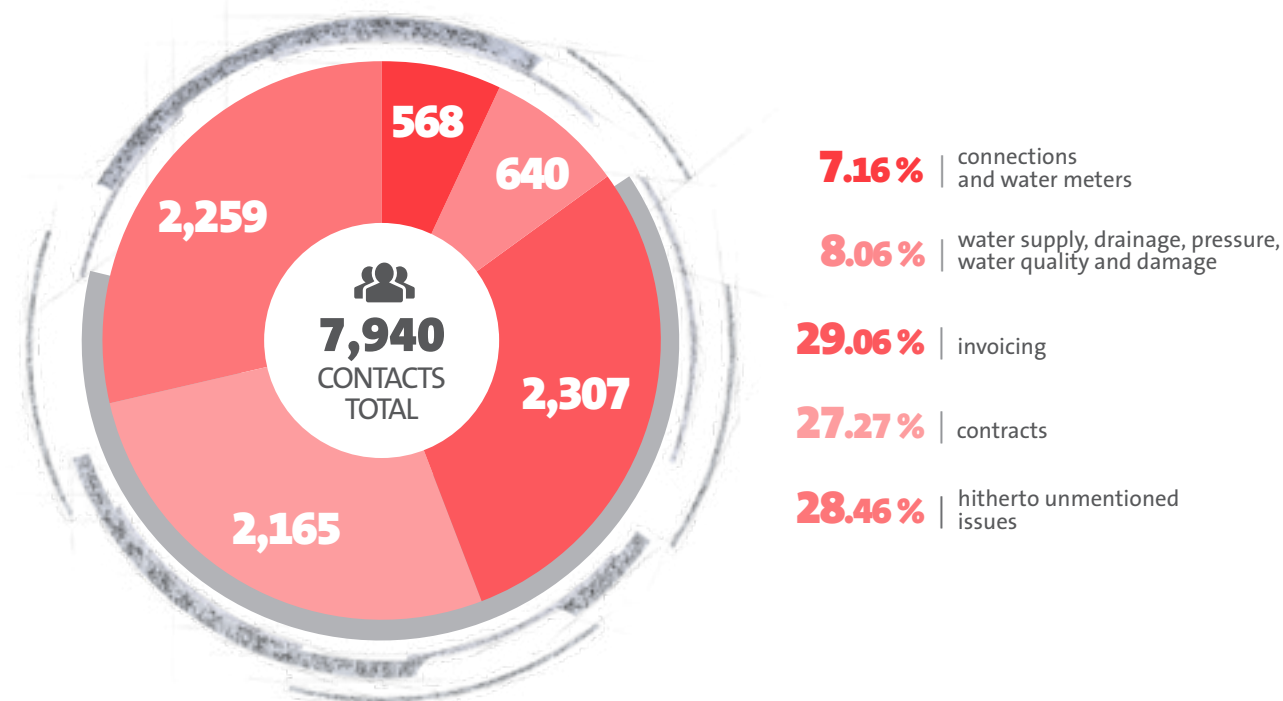
## communication, customer service

A network of eight customer centres ensures efficient customer service during uniformly adjusted office working hours. In 2019, an average of 4,309 customers visited the **customer centres**.

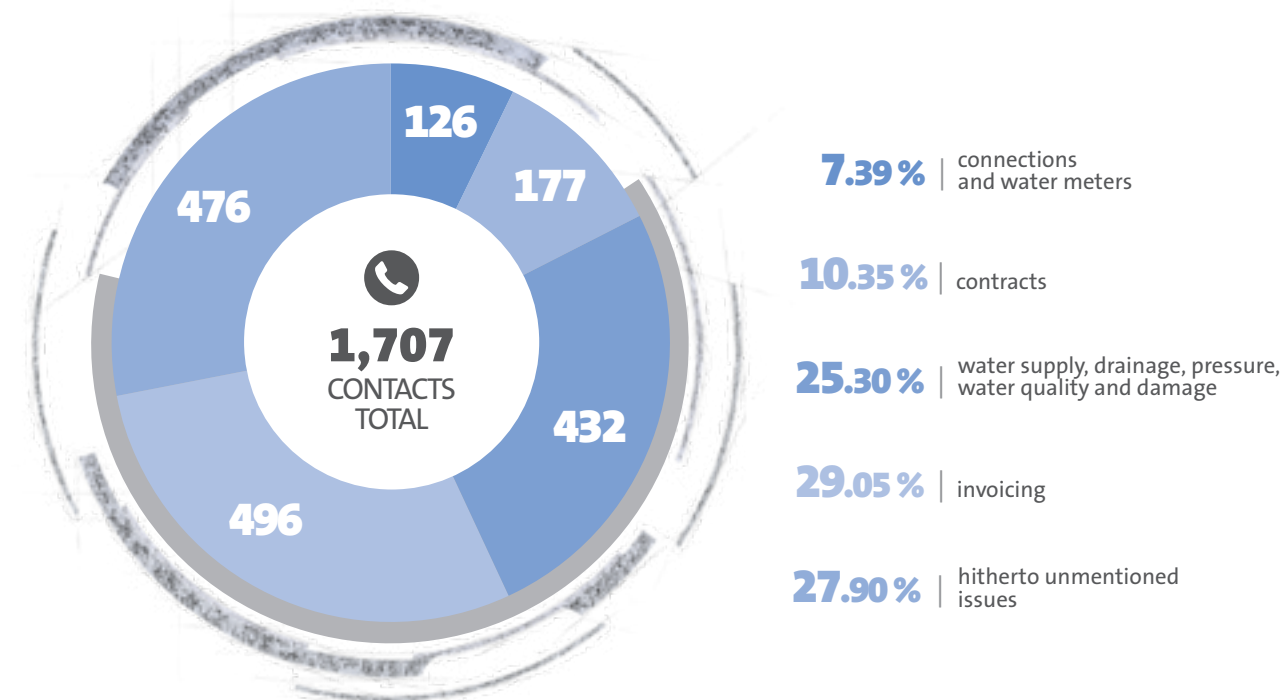
The StVPS, a.s. website [www.stvps.sk](http://www.stvps.sk) is one of the main information tools of the company. The site is visited by an average of approximately 5,300 people per month. The site is optimised for all kinds of different devices, enabling customers to find the necessary information anytime and anywhere. Frequently searched information includes reports of accidents and water supply closures. In the „water accident“ section, it is possible to search for information on the location of the accident, the impact on the supply, the introduction of a replacement water source and the estimated time

of completion of the repair. Another frequently sought-after topic is the quality of the water supplied. For customers who prefer telephone and electronic communication, there is a continuous **customer line** at **0850 111 234** at the call centre. We regularly communicate with customers through the customer magazine **Voda pre vás** (Water for You), which we publish twice a year in both electronic and printed versions. Presentation events on the occasion of World Water Day are intended for the general public, where not only our customers have the opportunity to learn about water quality and prices, services provided and new projects. As part of the events on the occasion of World Water Day, we carry out a free analysis of drinking water for nitrates for those who take drinking water from wells.

### Data about average monthly contacts in the matter of:



### Average number of calls carried out per month in the Call Centre:





# satisfaction survey

Continuous improvement of services is one of the main priorities of the Stredoslovenská vodárenská spoločnosť, a. s. Therefore, as part of the long-term monitoring of preferences and satisfaction values, as well as the evaluation of customer satisfaction trends, an external satisfaction survey was conducted in 2019.

From the methodological point of view, the research was carried out in a quantitative form, 1,000 randomly selected customers were contacted and the selection took into account the geographical distribution of target groups in the given area. The research consisted of a total of eighteen questions.

The first questions focused on satisfaction with services, with the quality of drinking water, with a continuous supply of water, with the speed of troubleshooting and with the pressure of drinking water in the pipeline. On all these issues, satisfaction has increased on average compared to previous years. In terms of overall satisfaction with the level of services provided, we can assess the exceeding of the limit of high satisfaction and the general increase in satisfaction in all segments.

This was followed by questions related to the clarity of invoices and types of payments. The structural difference between companies, BBS / SVB and individual customers confirmed that while the mentioned institutions showed an extreme level of satisfaction, customers who had no experience with reading invoices were less satisfied. Nevertheless, compared to 2017, we are also seeing an increase in satisfaction in this respect, which is in the range of high values. Similar results were recorded for responses to payment types, where the level of satisfaction was almost absolute, even **for companies out of 200 respondents, not a single customer stated that they were dissatisfied with the payment methods.**

The last segment of questions focused on communication and access to information. In the area of communication, customer ratings were slightly below the threshold of high satisfaction. The final questions focused on the

preferences of the method of communication, the method of providing information and what kind of information the customer is most interested in. In addition, the questions also asked whether the respondents knew the name of their supplier and whether they knew where to turn to in case of problems related to drinking water supply, sewerage or billing of water and sewage. As in the previous period, the work with information should be clearly directed towards information about water parameters and pricing items. Without exception, preferences about water quality information once again rose and this change applies to all regions. When it comes to the preference of the method of being provided with information, the results are characterised by their high variability. While 67% of companies prefer being provided with information via the Internet, in family homes it is only 19%. On the contrary, the preference for leaflets and brochures by family homes is obvious (21%), whereas companies are just above the 5% threshold. In general, the second most preferred channel after the Internet was the telephone line, followed by the already mentioned brochures and leaflets. Radio and television ranked last with low percentages. In terms of knowledge of the name of the supplier, there is less knowledge in the category of family houses compared to institutional segments.

The last question was focused on the preference of the method of communication and it turned out that after a tangible decrease in 2017, the preference of telephone communication returned to the range of values from previous periods (65%). The „Personally“ preference fluctuates in the narrow range of 17-19%. E-mail communication preferences fluctuate in the range of 8 to 14%.

In the final evaluation, we can state that the overall satisfaction for the last period has risen above the limit of high satisfaction. Thus, the strategic goal was met, the limit of 90% was exceeded, the current value is on average 91.3%. However, maintaining this level is a significant challenge and requires sufficient investment to manage it.

# customer processes

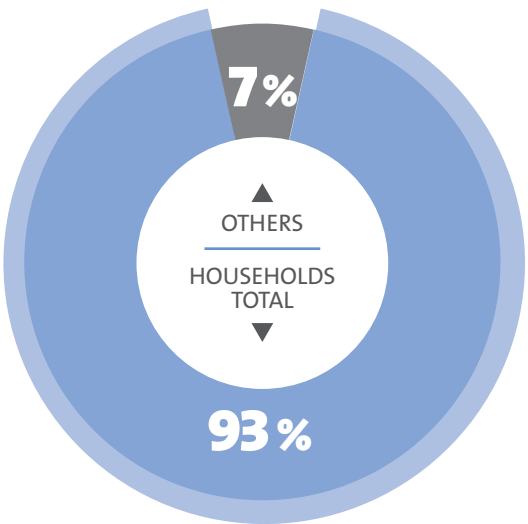
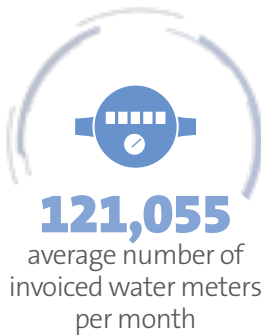
In 2019, we focused on increasing the recoverability of receivables as part of customer processes for water supply and wastewater disposal, as well as for other work and services. As of January 2019, a reminder fee was introduced in the amount specified in the Price List of Works and Services. The aim of charging is to educate customers to fulfill their obligations to the water supplier in time and thus reduce the cost of the entire reminder process. After the first problems with customers, the result is a reduction in the number of late invoices. However, this effect did not occur with chronic defaulters. We have been using mobile

telephone contacts since 2019 to send a reminder of an unpaid invoice in the form of an SMS before the water supply is interrupted. This form of communication can be used in the future as well, however, in order to extend the process to a wider circle of defaulters, a mass verification of telephone numbers which are registered in the customer system will be carried out in 2020.

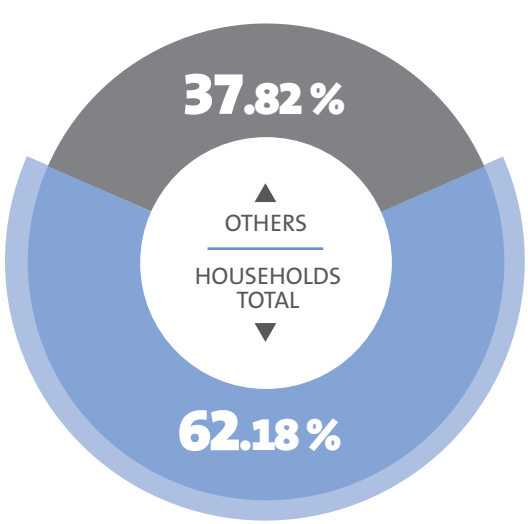
In the area of other services, a process of reminding customers about invoices not paid on time was introduced, and interest on arrears also began to be invoiced to customers who paid the invoice after its due date.

# customer structure and share of invoicing

	NO. OF CUSTOMERS		SHARE OF VOLUME OF SALES	
	as of 31. 12. 2019	%	Invoiced (€)	%
<b>TOTAL HOUSEHOLDS</b>	<b>109,009</b>	<b>93.00 %</b>	<b>35,130,171</b>	<b>62.18 %</b>
of which <b>INDIVIDUAL CUSTOMERS</b>	106,798	91.12 %		
of which <b>HOUSING ASSOCIATIONS</b>	2,211	1.89 %		
<b>OTHERS</b>	<b>8,199</b>	<b>7.00 %</b>	<b>21,366,116</b>	<b>37.82 %</b>
<b>TOTAL NO. OF CUSTOMERS</b>	<b>117,208</b>	<b>100 %</b>	<b>56,496,287</b>	<b>100.00 %</b>



structure by number of customers



structure by volume of sales



# 12 largest customers in 2019




## Invoicing for Water and Sewerage (EUR incl. VAT) > 12 largest customers of StVPS, a. s., in 2019

Názov	Identifica- tion No.	Period												Total	
		1/2019	2/2019	3/2019	4/2019	5/2019	6/2019	7/2019	8/2019	9/2019	10/2019	11/2019	12/2019	1 – 6	1 – 12
1 Housing Association, Banská Bystrica	00170071	0.00	0.00	605,984.77	7,266.97	5,464.59	537,257.18	4,445.47	0.00	551,032.30	11,096.37	582.08	522,938.35	1,155,973.51	2,246,068.08
2 Housing owners according to the delivery point rep. by HA in Zvolen	00222054	11,851.06	7,943.90	417,474.26	8,707.89	8,592.06	401,423.65	8,900.74	7,404.98	394,917.50	9,568.34	7,477.92	376,949.22	855,992.82	1,661,211.52
3 District Housing Association, Prievidza	00173801	3,322.91	2,617.13	374,792.92	0.00	56.70	351,460.07	731.73	639.09	349,738.98	5,982.09	1,571.40	328,827.93	732,249.73	1,419,740.95
4 District Housing Association, Rimavská Sobota	00173916	0.00	0.00	282,177.82	2,758.22	0.00	257,525.27	4,742.95	0.00	272,463.60	0.00	0.00	238,356.76	542,461.31	1,058,024.62
5 Housing Association, Lučenec	00171816	9,054.98	2,991.81	226,292.60	2,406.82	3,315.67	213,491.65	2,950.14	2,973.82	205,837.04	2,940.05	3,385.27	198,467.53	457,553.53	874,107.38
6 Housing Association, Brezno	00170143	0.00	0.00	203,187.31	581.18	0.00	190,524.61	0.00	0.00	187,512.93	0.00	0.00	184,168.70	394,293.10	765,974.73
7 Housing Association, Žiar nad Hronom	00176192	21,573.88	19,034.82	154,925.39	18,607.55	19,847.64	153,256.10	21,487.27	22,131.57	154,146.60	16,721.45	18,903.22	141,001.08	387,245.38	761,636.57
8 BYTOS - Housing Authority Prievidza, s. r. o.	36313009	6,562.71	4,083.92	169,986.62	4,018.74	4,096.06	163,015.63	3,593.32	3,810.70	166,111.87	3,778.66	5,036.93	153,030.78	351,763.68	687,125.94
9 F. D. Roosevelt University Hospital, Banská Bystrica	00165549	58,225.06	52,130.90	56,441.92	53,106.43	59,818.42	59,541.60	53,661.16	55,400.21	54,569.46	55,839.57	48,134.15	45,948.41	339,264.33	652,817.29
10 SPOOL, a.s.	31586392	65,605.97	50,131.01	52,419.94	48,227.58	55,974.45	52,456.20	53,540.56	48,458.29	53,490.81	63,686.74	50,904.58	43,066.64	324,815.15	637,962.77
11 Municipal Housing Company Handlová s. r. o.	36851442	0.00	0.00	142,700.45	6,089.16	0.00	130,767.93	0.00	0.00	141,045.85	0.00	0.00	126,435.20	279,557.54	547,038.59
12 Town of Banská Bystrica	00313271	9,826.22	8,040.96	101,053.12	9,988.07	11,333.92	93,146.77	7,308.61	13,004.48	100,424.98	9,477.16	10,744.50	92,882.97	233,389.06	467,231.76



8

# responsibility

In addition to compliance with internal standards and the requirements arising from certification and legislation, Stredoslovenská vodárenská prevádzková spoločnosť, a.s. also applies a code of ethics and anti-corruption in its corporate strategy. We comply with our obligations to employees, customers and business partners. Responsible behaviour with respect to the environment is part of all processes.

## development of the number of employees since 2015

1,088	2015
1,092	2016
1,092	2017
1,087	2018
1,083	2019

The illustrated development of the number of employees is the result of rationalization and streamlining of business processes.

From the point of view of human resources of Stredoslovenská vodárenská prevádzková spoločnosť, a.s., 2019 was a year of maintaining stable employment

## employees

and modernising and increasing employee care. During 2019, there was a slight decrease in the number of employees; as of December 31, 2019, we employed 1,083 employees.



## structure of employees (by category)

WORKERS	681
ADMINISTRATION	321
MANAGEMENT	81

Actual number of employees on 31. 12. 2019:

**1,083**



## age structure of employees:



## internal communication

In internal communication, the company uses, in addition to regular meetings, other communication tools such as intranet, e-mails, employee magazines, posters and internal training programs, thanks to which employees obtain a sufficient amount of information necessary for their work. Various informal meetings, such as social or sports events, are an opportunity to get feedback and also strengthen teamwork. A popular communication tool is the employee magazine *Voda je život*, which is published twice a year

and brings news about projects, as well as interesting facts from the life of the company. The magazines *Naše Veolia* and *Planéta* provide information about current events in the Veolia Group.

The regularly updated intranet provides employees with all operational, technical, economic and other data. Employees of StVPS, a.s. participate in voluntary projects for schools, civic associations or municipalities through the *Employee Grants* program

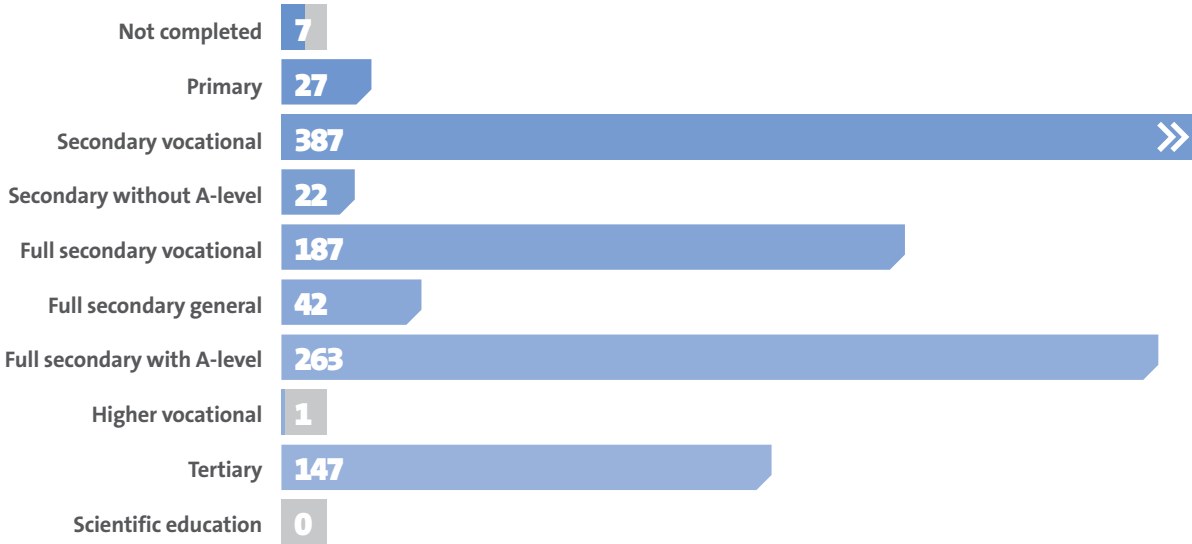
## social dialogue

As part of our cooperation with our social partner, as in previous years, social reconciliation was found in collective bargaining, resulting in the conclusion of a collective agreement for 2018-2019. The main issues discussed in the social dialogue were:

- wage valorisation,
- incorporation of minimum wage tariffs in the sense of Collective Agreement of a higher degree,
- incorporation of surcharges in accordance with the amendment to the Labour Code with effect from 1. 5. 2019,
- increasing employee benefit accounts.

Part of the collective agreement is also Annex no. 1 - Rules for drawing from the social fund. The Social Fund is one of the basic sources of social policy applied in the company. The creation of a social fund is set at a maximum legal value of 1.5 % of gross wages, and it is precisely because of this set up of the social fund that the company has social responsibility towards its employees. In 2019, the creation of the social fund amounted to € 163 thousand.

## educational structure of employees:



## staff training

In terms of human resources development, we pay great attention to the professional and personal growth of our employees, which we provide through company training. Each job position requires a special approach in selecting educational activities to improve and deepen the knowledge of our employees. We realise that, if we want to achieve our goals, we need to invest in increasing the skills of our

employees and their potential, because only a highly skilled and motivated worker can bring the company success in the future. In addition to training focused on specific job positions, we also try to develop the language skills of our employees, which is why we provide them with English language courses, either in group form or in individual courses.

## social fund for 2019

a detailed overview of the creation and methods of drawing on the Social Fund

Budget of the StVPS a.s. Social Fund	Plan for 2019	Drawdown in € as of 31.12.2019
Initial state as of 1. 1. 2019	157,567.35	157,567.35
Social fund creation (1.5 %)	164,790.30	163,516.49
Allocation from the Company's Profit	0.00	15,970.85
<b>Creation in total</b>	<b>322,357.65</b>	<b>337,054.69</b>
One-off non-refundable aid	1,660.00	664.00
Contribution for catering	82,000.00	77,261.85
Contribution for blood donors	1,000.00	282.00
Contribution for plasma donors	1,000.00	0.00
Programme Benefit Plus	90,000.00	100,814.45
Sport events	0.00	1,500.00
<b>Total expenses</b>	<b>175,660.00</b>	<b>180,522.30</b>
Reserve/presumed balance as of 31. 12. 2019	146,697.65	156,532.39



# health & safety at work



**The application of the principles of occupational safety of employees is one of the main indicators of the maturity of a modern company.**



Occupational health and safety at StVPS, a. s. is not only the fulfilment of standardised safety standards, it is a comprehensive solution and improvement of the employer's care in ensuring safe work and creating favourable conditions in this important area. Behind the fulfilment of the mentioned tasks it is necessary to see the work of the work safety employees, managers, employees and trade unions.

In 2019, seven registered occupational accidents occurred in our company, however, they were all of a simple nature. It was mainly the carelessness of employees (slipping, falling, ...), which leads to a constant appeal to prudence and safety foresight in the performance of work activities, as well as to the education and training of employees in the field of occupational health and safety in the workplaces.

The area of training and education is at a qualitatively higher level from year to year, where a substantial part was transferred to training carried out within workplaces thereby achieving a more targeted focus of employee education on specific activities. An important role in ensuring occupational health and safety is provided by equipping employees with suitable work and protective means, for which considerable financial resources are spent in our company.

We evaluate positively the elimination of risks and dangers in the work process, in the use of technical means, in the safety of buildings within the design activities, but also by strict compliance with the rules of occupational safety in the implementation of buildings.

Fire protection, as part of the health and safety of employees, is already provided at an excellent level as standard, and no adverse event was recorded in this area in 2019.



# 9 ISO



**An integrated management system is an advantageous way to create such a system that takes into account not only the quality of services, but also the approach to the environment, health and safety at work and energy management. In addition, a systemic approach guarantees orientation in legislative requirements and their fulfilment, reduces administrative complexity and saves financial resources.**

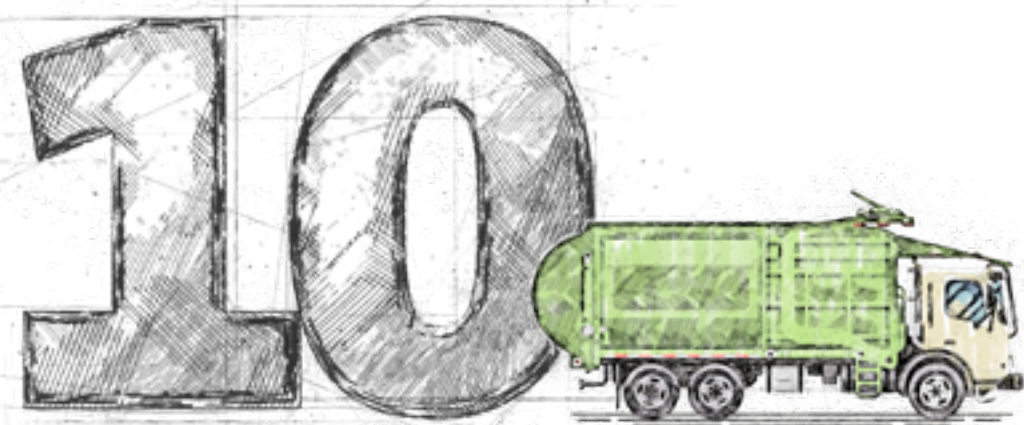
In 2019, our company successfully passed the supervisory audits of STN EN ISO 9001: 2016 quality management system, STN EN ISO 14001: 2016 environmental management system, STN EN ISO 45001: 2019 occupational health and safety management system and STN EN ISO 50001: 2012 energy management system. The audit examined selected articles of ISO standards and again found that our system complied with their requirements. The audit was performed at the operations and facilities of the Zvolen, Žiar nad Hronom and Lučenec, Veľký Krtíš plants.

Management systems are currently an integral part of the management of our company and we use them in all production processes and activities. These systems have become a basic progressive element in relation to customers and also a basis for continuous improvement.

By purchasing and using PEFC-certified paper, the company demonstrates its commitment to supporting socially responsible business. Our company has made this commitment by signing the „Memorandum on the Promotion of Sustainable Forest Management“ and declares it through its environmental policy. We use the logo of the PEFC Slovakia Association to mark our printed materials.







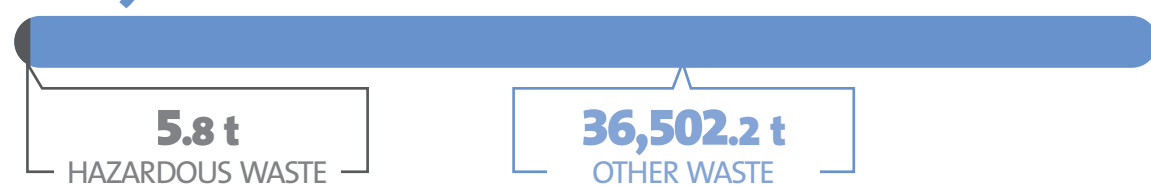
# waste management

In 2019, as part of the reduction of waste production, Stredoslovenská vodárenská prevádzková spoločnosť, a.s. produced 9,701 tons of sludge, which is considered a by-product and not waste according to the valid decision of the District Office in Banská Bystrica.

**943,796 €**  
**TOTAL COSTS OF DISPOSAL OF WASTE AND SLUDGE**  
 including transport costs incurred in 2019

**TOTAL PRODUCTION OF WASTE IN 2019**

**36,508 t** OF WHICH:



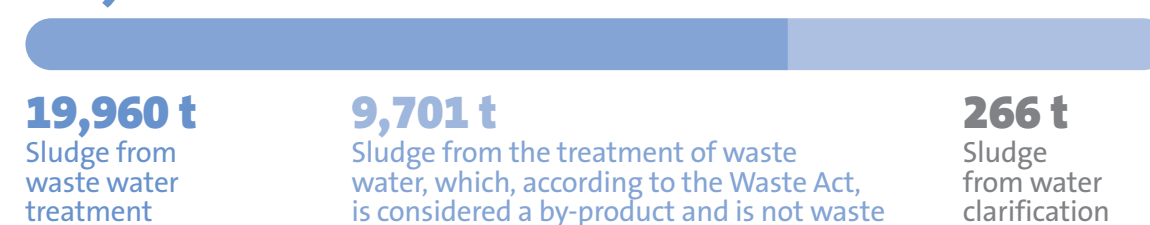
In connection with the environmental policy of our company, we ensured the recovery of waste, which in the previous period was disposed of by landfill, the saved funds were reused to improve the environment in the field of waste management.

Other activities in the area of waste management were focused mainly on the thorough separation of waste and the improvement of the possibilities of its collection in our operations.

The company's priority is the energy recovery of sludge, which arises in connection with wastewater treatment. The aim of this activity was, in addition to the economic effect, also to reduce the burden on the environment caused by the extraction of fossil fuels and natural gas and to reduce the production of waste - sludge from the treatment of municipal wastewater.

**TOTAL SLUDGE DISPOSAL**

**20,226 t** OF WHICH:



WITHIN THE FRAMEWORK OF THE TECHNOLOGICAL PROCESSING OF BIODEGRADABLE WASTE IN THE WASTE MANAGEMENT SYSTEM, WE SUCCEEDED IN GAINING THE FOLLOWING:



**ANOTHER 10 TYPES OF WASTE FROM PRODUCTION:**

<b>2,862 t</b> SOIL AND AGGREGATES	<b>2,754 t</b> EXCAVATED SOIL	<b>1,281 t</b> WASTE FROM SAND TRAPS	<b>804 t</b> BITUMINOUS MIXTURES	<b>635 t</b> WASTE FROM SEWER CLEANING
<b>402 t</b> RAKINGS FROM BAR SCREENS	<b>146 t</b> MIXED WASTE FROM CONSTRUCTION WORKS	<b>31 t</b> BIODEGRADABLE WASTE	<b>25 t</b> CONCRETE	<b>17 t</b> MIXED COMMUNAL WASTE



# 11 environmental responsibility

## and the promotion of biodiversity

**Maintaining the position of a leading supplier of water management services in the Slovak Republic requires much more than just doing your job well. An integral part of our work is to keep up with and anticipate the constant development of the social and natural environment.**

We lead the general public to protect the environment through our own training-educational and community projects. We want to use natural resources not only today, but also to preserve them for future generations. That is why we strive to treat nature as kindly as possible and make the environment one of our priorities in our sustainability strategy.

Our main activity, wastewater treatment, is a major contribution to environmental protection, but other activities are also focused on ecology.

### Legislation

In accordance with legal regulations in the field of environmental protection, we have fulfilled the reporting obligation to ensure financial coverage of liability for environmental damage, including the expected costs of corrective action and corrective measures to eliminate environmental damage that may be caused by the operator's work.

In accordance with legal regulations in the field of air protection, our company fulfils the reporting and fee obligation. We operate 36 medium stationary sources of air pollution and 49 small stationary sources of air pollution, of which:

- 28 small and 16 medium sources of energy air pollution (combustion equipment-boiler rooms)
- 21 small and 20 medium sources of technological / fugitive air pollution (WWTP sludge fields)



## Protection and promotion of biodiversity in technical areas

Thanks to the cooperation with the Ekopolis Foundation and the academic sphere, a pond for rainwater was added to the area of the wastewater treatment plant in Rakytovce near Banská Bystrica. In addition to saving water, the pond represents a new space for organisms that would not otherwise have a chance to survive in an industrial environment.

Throughout more than two years of cooperation with the foundation, more than 200 woody plants were planted here, of which up to 30 are native species, bird and bat boxes, 50 nests for house martins, insect hotels, as well as various other elements supporting the life of local species of plants and animals.

During the renovation of the façade on the administrative building in the Rakytovce WWTP complex, the original nests of house martins had to be removed. In order to avoid the need for the house martins to rebuild their nests after arrival, and also to reduce the pollution of the building, 44 artificial nests made for this bird species were installed in the corners of the windows on the side of the building where they nested the most; in some towns the numbers of house martins have fallen by up to 30-40 %.

## School project Biodiversity in Schools

The school project Biodiversity in Schools supports the change of school premises towards increasing diversity leading to a better microclimate in the school premises and the creation of an interesting educational space for pupils.

The project involved 14 primary and secondary schools which completed thematic interactive educational workshops, cooperation with experts in landscaping and planting, methodological and professional support and assistance in implementing the proposed measures. Each school received a grant to implement a proposal, in which a school action group made up of pupils, students and teachers from the school will take part.

We are implementing the Biodiversity in Schools project with the Ekopolis Foundation from September 2018 during two school years to June 2020. In the school year 2018/2019, we educated action groups and jointly proposed planned measures to increase biodiversity in school premises. In the school year 2019/2020, the proposals will be prepared with the help of pupils, students and teachers.

## Activities of our company to support environmental protection in 2019:

- **IMPLEMENTATION OF EVENTS ON WORLD WATER DAY**
  - discussions for schools, information event for the public, free analysis of water from individual sources for nitrates
- **AN EVENT FOR SCHOOLS ON THE INTERNATIONAL BIODIVERSITY DAY IN THE RAKYTOVCE WWTP PREMISES** (excursions, competitions, lectures),
- **SCHOOL PROJECT BIODIVERSITY IN SCHOOLS** organised in cooperation with OZ Ekopolis,
- **SUPPORT FOR BEEKEEPING ON A NATURAL BASIS** in the premises of StVPS, a.s. reservoirs,
- **PROJECT „REVITALISATION OF ORIGINAL FISH SPECIES IN THE AREA OF WWTP BREZNO“**
- **PROJECT PROTECTION AND SUPPORT OF BIODIVERSITY IN TECHNICAL AREAS**
  - post-planting care, replenishment of trees and trusses, installation of nests for house martins and boards beneath the nests on the administrative building,
  - addition of an educational element - 2 wooden gutters showing water retention in 2 different natural environments,
  - information activities - school excursions (a total of 6 excursions to 4 schools, 192 pupils and 12 teachers),
  - presentation of the project at events (conference Environment of Cities and Environmental Regionalisation of the Slovak Republic, 7th International Scientific Conference: Selected Aspects of Integrated Environmental Management „Culture and Environment“)





# 12

# innovation

## water preparation

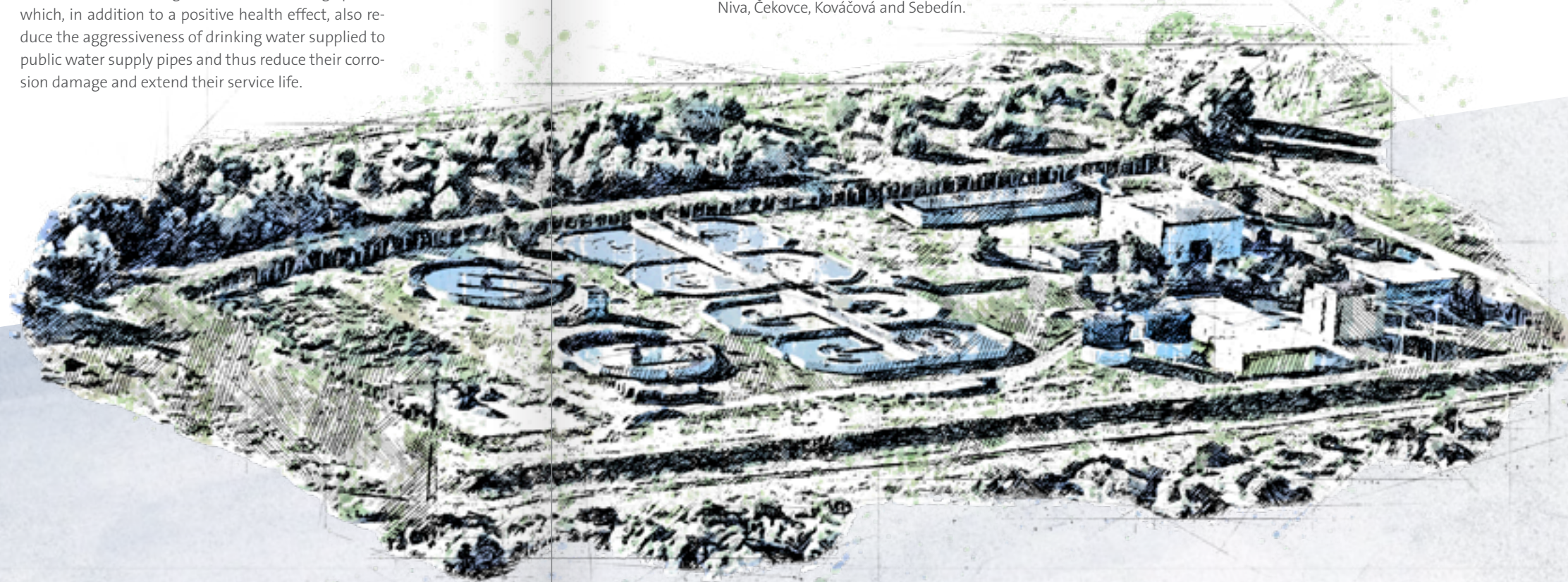
In 2019, the following measures and innovations were implemented in drinking water technologies and water treatment plants (WTP):

- At the Turček WTP in 2019, a new technology of direct water hardening went into permanent operation with the aim of minimising corrosion of water supply pipes and the formation of secondary iron in the supplied drinking water.
- Implementation of construction works started in previous years continued or were completed: „Slaská WTP, sludge terminal“ and „Jasenie WTP, addition of technology“.
- The construction „Budiná, reservoir - addition of water treatment technology“ was implemented and put into trial operation to reduce the content of secondary iron in the supplied drinking water.
- Implementation of construction works has begun:
  - „Čierny Balog, WTP - addition of technology“ - the construction solves the addition of an ultrafiltration stage to the technology of the WTP.
  - „Turček, WTP - water disinfection“ - the construction solves water disinfection and increases the efficiency of removing living organisms using UV radiation.
  - „Turček, WTP - addition of technology“ - the construction addresses the dosing of powdered activated carbon for cases of deterioration of raw water quality in taste and odour indicators.
- As part of the planned reconstruction of large water treatment plants, the implementation of the construction „Innovation and modernisation of the Klecnovec water treatment plant“ and the preparation of the construction „Turček, WTP - modernisation“ began in 2019.
- Cooperation continued on the solution of a research project which addresses the possibilities of hardening (enrichment) of drinking water with magnesium using a fluidised bed reactor. The project, solved in cooperation with Comenius University, STÚ Bratislava and RÚVZ, is examining new water hardening options which, in addition to a positive health effect, also reduce the aggressiveness of drinking water supplied to public water supply pipes and thus reduce their corrosion damage and extend their service life.

## pumping stations and reservoirs

The following measures and innovations were implemented in 2019 in the pumping stations (PS) and reservoirs (VDJ):

- Modernisation of pumping equipment in an interchangeable manner at the Heľpa, Lom Rimavica, Dúbravica and Dolná Mičiná pumping stations.
- Completion of the construction of „Brezno, connection to VDJ Podkoreňová“, which also includes the construction of a new AT station.
- Repair of building parts of VDJ Lovinobaňa, Vidiná, Budiná, Malé Zlievce, Veľké Zlievce, Malá Čausa, Prievdza (III. Pressure zone), Kľačno, Morovno, Kamenec pod Vtáčnikom, Polom, Teplý Vrch, Rimavská Sobota (Bokorová), Vyšná Pokoradz, Tomášovce, Pliešovce, Dobrá Niva, Čekovce, Kováčová and Sebedín.
- Construction of a new reservoir 2 x 75 m<sup>3</sup> for the village of Janova Lehota.
- Completion of a comprehensive reconstruction of the building and technological part of the Badín (Horný) 100 m<sup>3</sup> reservoir.
- Completion of the construction of a new reservoir 2 x 250 m<sup>3</sup> Banská Bystrica, suburb of Rakytovce.





## sewage treatment plants

In 2019, the following measures and innovations were implemented in the waste water treatment technology and wastewater treatment plants (WWTP):

- Sewerage system, rain sewerage and WWTP for the Víglaš industrial park were put into permanent operation. The owner of this infrastructure is the village of Víglaš.
- Delivery of a new compressor for the Banská Bystrica WWTP. The new compressor will ensure savings in electricity consumption for aeration at the biological stage.
- Completion of the implementation and trial operation of the construction „WWTP Veľký Krtíš, gas tank and covering of the digestion tank“. The construction fundamentally changed the method of sludge stabilisation from anaerobic to aerobic stabilisation. The results of the test operation confirmed the functionality of the new technology.
- Completion of the construction of the „Veľký Krtíš WWTP - entrance to the pumping station and mechanical pre-treatment II. stage“- reconstruction of the mechanical pre-treatment facility.
- Completion of the construction of the “Rimavská Sobota WWTP - handling of harmful substances” - construction of a double-walled coagulant storage tank and dosing assembly.
- Construction works were carried out in agglomerations where the investor is Stredoslovenská vodárenská spoločnosť, a.s.:
  - „Hriňová – sewer system and WWTP“;
  - „Valaská – Valaská, Hronec – sewage disposal“;
  - „Podbrezová – sewer system and WWTP“;
  - „Oslany, Čereňany – sewer system and WWTP“;
  - „Nitrianske Pravno – sewer system and WWTP“;
  - „Tornala – sewer system and WWTP“;
  - „Očová, Zvolenská Slatina - drainage and cleaning of waste water“.
- The construction of the “Handlová WWTP - sludge terminal solution” has started - the construction addresses the change of the sludge stabilisation concept from anaerobic to aerobic stabilisation.
- The construction of the “Rimavská Sobota WWTP - modernisation of the control system III. stage” and “WWTP Rimavská Sobota - storage of dewatered sludge” - construction of a new covered landfill for dewatered sludge.

## sewer network

In 2019, the reconstruction of relief chambers on sewer networks continued to be carried out in order to harmonise the condition of the buildings with the applicable legislation. The refurbishment consists of equipping buildings with a facility for capturing floating substances from lightweight wastewater and with measuring devices to monitor the operation of the relief chambers.

These adjustments will lead to a reduction in the burden on the recipients through wastewater pollution. The reconstruction of the relief chambers in Banská Bystrica was completed and in 2019, the reconstruction of the relief chambers in Banská Štiavnica began. The reconstruction in Zvolen, Sliač, Žiar nad Hronom, Donovaly and Nováky is being prepared.

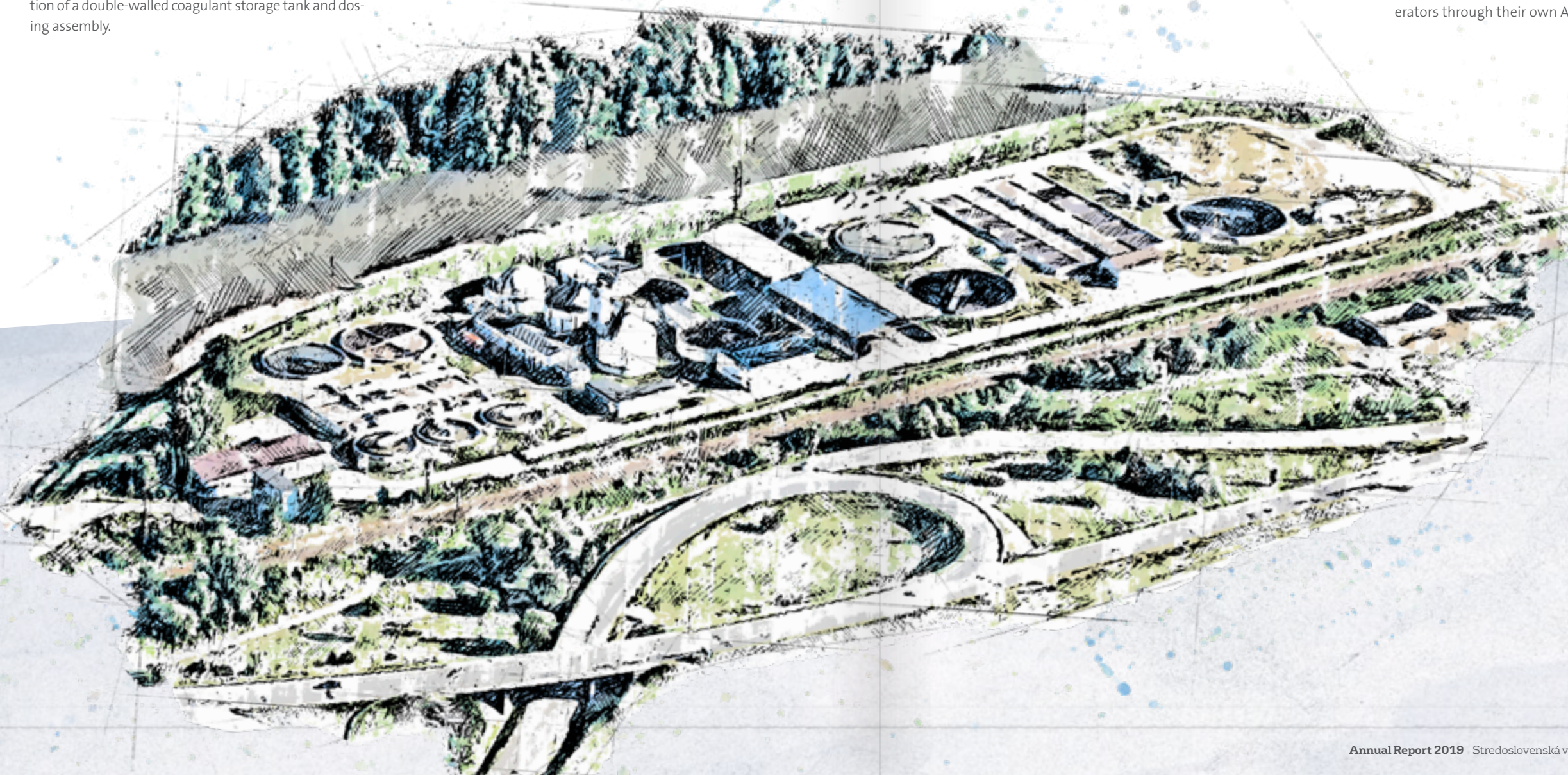
## information system and APCS

Due to the large area in which our company provides distribution of drinking water, as well as due to the length of the water supply network, dispatching supervision is provided by 4 dispatch centres with continuous operation according to territorial scope.

At present, a total of 336 water supply network objects, 134 sewerage network objects are connected to the dispatch control and 18 direct accesses to the control computers of wastewater treatment plants are established in order to monitor the operation of the WWTP technology.

320 water supply facilities are connected to one central server, the connection of the remaining ones is planned for in the coming years.

Of the 134 sewerage objects, 93 are connected to one central server whereas the other objects are connected to the visualisation of the respective WWTP. Supervision of the sewerage facilities is ensured by the relevant sewerage operations, which have established access to the central server with sewerage facilities according to the territorial scope and affiliation to individual WWTPs. All transmissions are realised by the network of mobile operators through their own APNs.

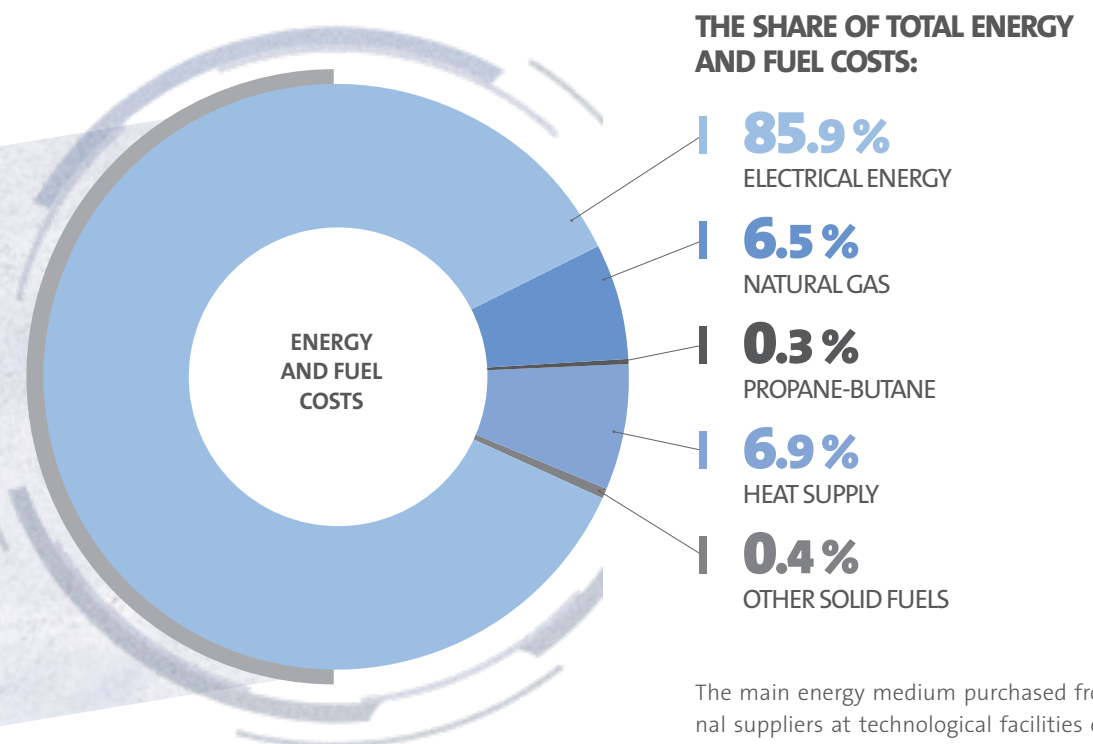




# power engineering

For the efficient handling and management of energy media, an internal and external energy audit was provided in 2019, the aim of which was a technical and economic assessment of the potential for energy savings and the proposal of measures for energy-conscious modernisation of buildings and equipment. Based on the results of these energy audits, cost-saving projects subject to several evaluation criteria were included in investment and repair plans in terms of economic, environmental, technical, operational and legislative.

In order to reduce energy consumption in meeting technological requirements, measures were taken of an organisational nature, consisting of consistent communication between employees of technical departments, staff performing service, repairs and maintenance of individual technological equipment with energy. For the operation of technological, control and security equipment in individual plants, the supply of energy media such as electricity, natural gas, heat, propane-butane and solid fuels was ensured.



The main energy medium purchased from external suppliers at technological facilities continues to be the purchase of electricity with a share of about 74.1%, a significantly smaller share of about 17.1% of natural gas and heat supply of 8.8% of the total consumption of purchased energy.

## IMPLEMENTATION OF ENERGY SAVING MEASURES:

- Measures of a legislative nature - elaboration of the missing technical and construction documentation for reserved technical equipment in accordance with Decree No. 508/2009 Coll. and related regulations.
- Addition of frequency converters for electric motors at the Banská Štiavnica WWTP.
- Reduction of flat rate fees for the amount of reserved MW capacity and current value of circuit breakers before billing metering.
- Use of biogas for the production of electricity and heat to 86% of the total share of biogas production at the WWTPs, cost savings on electricity consumption in the amount of € 170,669.
- Elaboration of a list of objects with a recommendation for the renewal of obsolete electric drives in order to optimise the operation and subsequently achieve a reduction in maintenance costs and electricity consumption.
- Secure no-load transformer compensation measurements in full by power plants, reports sent to SSE-Distribution for the purpose of not charging surcharges for a period of one year.
- Optimisation of exterior lighting - replacement of uneconomical light sources after the service life at the Málinec WWTP, Rimavská Sobota WWTP, Banská Bystrica WWTP and in the premises of the Rimavská Sobota and Prievidza plants.

Increased electricity consumption has been recorded in recent years at the WWTP where intensification and expansion of technologies within the framework of fund investment actions were implemented by the Stredoslovenská vodárenská prevádzková spoločnosť, a.s. Electricity consumption depends on several factors that cause uneven electricity consumption in the monitored

periods. They are e.g. adverse meteorological and hydrological conditions, including the amount of own electricity produced in cogeneration units installed at the Banská Bystrica, Zvolen and Lučenec WWTPs. The decrease in the consumption of natural gas as well as heat was mainly influenced by the warmer weather in November and December 2019.





In 2018,  
the company  
achieved a positive  
profit after tax of  
€ 585 thousand.

# financial statement

## comments on the financial results in 2019

The company achieved a net turnover of € 58.8 mil. which is a decrease of 0.7 % compared to 2018. The decrease in sales was mainly influenced by a decrease in water consumption on the part of customers and a decrease in the coefficient of total rainwater for the calculation of invoicing. Of the total turnover, sales of drinking water amounted to € 30.9 mil., sewage and rainwater € 25.6 mil. and other sales and revenues totalled € 2.3 mil.

The total cost of the company's economic activities in 2019 amounted to € 58.5 mil. Compared to the previous period, they decreased slightly by 0.5 %, which in financial terms represents € 0.3 mil. This decrease was mainly due to a decrease in the cost of services and repairs. The increase in costs was mainly in personnel costs due to the year-on-year wage increase.

The most significant cost item in 2019 was services in the total amount of € 26.2 mil., the largest part of which is the lease of water and sewerage infrastructure in the amount of € 15.0 mil. Other significant cost items included personnel costs in the amount of € 19.4 mil., material costs in the amount of € 4.1 mil., energy consumption € 3.8 mil. and costs for repairs and maintenance in the amount of € 2.1 mil. The value of the company's total assets as at 31 December 2019 was € 20.4 mil., of which non-current assets in the residual value represented € 5.7 mil. Investments in the amount of € 1.3 mil. were directed to the modernisation and renewal of tangible and intangible assets in order to increase the efficiency of operations and management processes. Current assets in the amount of € 14.1 mil. accounts for 69.1 % of the value of assets, with the largest share in this item being short-term receivables in the amount of € 11.5 mil. The cash balance at the end of the year amounted to € 1.8 mil.

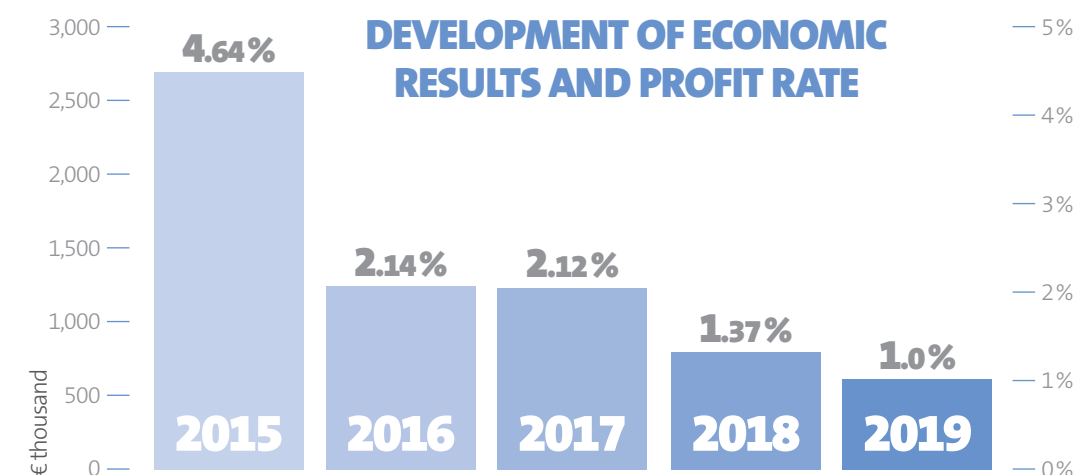
On the liabilities side, the most significant item is short-term liabilities in the amount of € 10.0 mil. of which trade payables represent € 3.8 mil. The company draws a medium-term loan in the amount of € 5 mil. and a short-term loan of € 3.25 mil. from Veolia Environnement Finance, Paris. The company did not draw any loans from banking entities. The company's equity reached the value of € 3.9 mil. and in comparison with 2018 decreased by € 0.2 mil., mainly due to the lower economic result achieved in the current accounting period.

The overall financial situation of the company was stable during the year and the company fulfilled its obligations within the set time limits, primarily towards employees, state institutions, business partners and other suppliers.

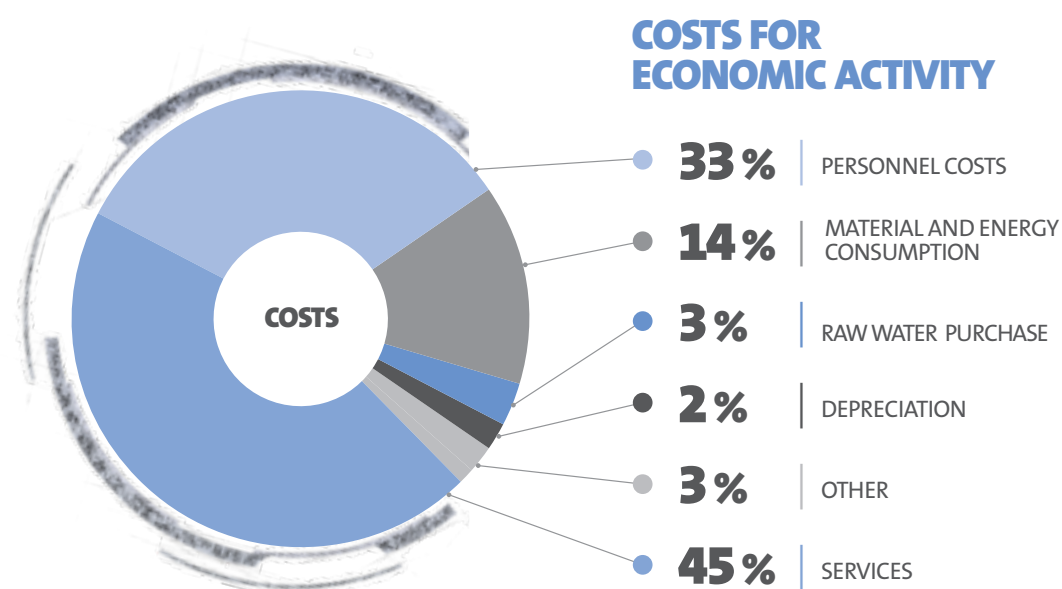
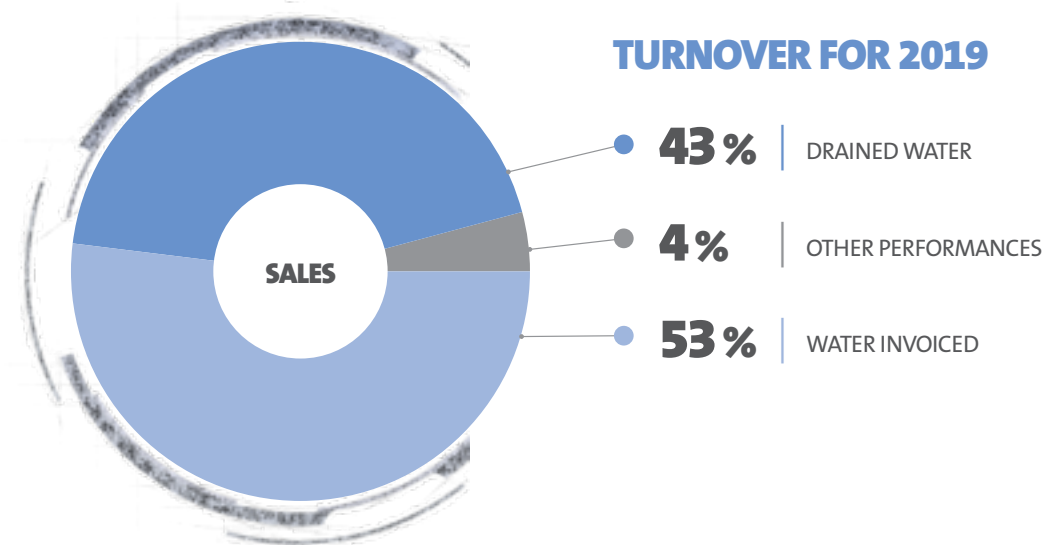
In 2019, the company achieved a positive profit after tax of € 585 thousand. The company achieved this result with total revenues of € 59.45 mil. and total costs of € 58.86 mil. Current income tax was in the amount of € 12 thousand, deferred tax was in the amount of € 235 thousand.

The profit after tax decreased by 26.7 % compared to 2018 due to the fact that the increase in operating costs was not covered by the growth of revenues from main activities due to the regulation of prices for drinking water supply and sewerage.

The General Meeting will decide on the distribution of the economic result for the accounting period 2019. The statutory body proposes to the General Meeting to redistribute the economic result to the allocation to the company's social fund in the amount of € 11.7 thousand and transfer the rest to retained earnings of previous years.







#### Events after 31 December 2019:

The company, belonging to the VEOLIA Group, assessed the possible impact of the SARS-CoV-2 virus and the COVID-19 disease caused by it on the company's operations for 2020 and the company's liquidity among the important events that occurred after the financial statement date.

The company, within the meaning of Art. § 4 letter d) Act. no. 179/2011 Coll. on economic mobilisation and on the amendment of Act no. 387/2002 Coll. on state management in crisis situations outside the time of war and state of war, as amended, is an entity of economic mobilisation, which implements measures of economic mobilisation (water supply and wastewater disposal) based on the decision of the Ministry of Environment of the Slovak Republic no. 27946/2011 of 5 May 2011 and Decision amending the scope of implementation of the economic mobilisation measures no. 3410/2013 of 21 January 2013.

To date, no major customer has communicated the cessation of water consumption, treatment and disposal of wastewater and rainwater, and the provision of services that are necessary for these activities. Nevertheless, the company assessed the impact of the maximum expected loss of income and its impact on planned management and liquidity. Based on this, it concluded that it had sufficient liquidity to be able to cover this outage as well as to ensure the continuity of the company. There were no other events after 31 December 2019 that would have a material effect on the fair presentation of the facts that are the subject of accounting. In 2019, the company did not carry out any research and development activities. During 2019, the company did not acquire its own shares, temporary certificates or business shares of the parent entity.

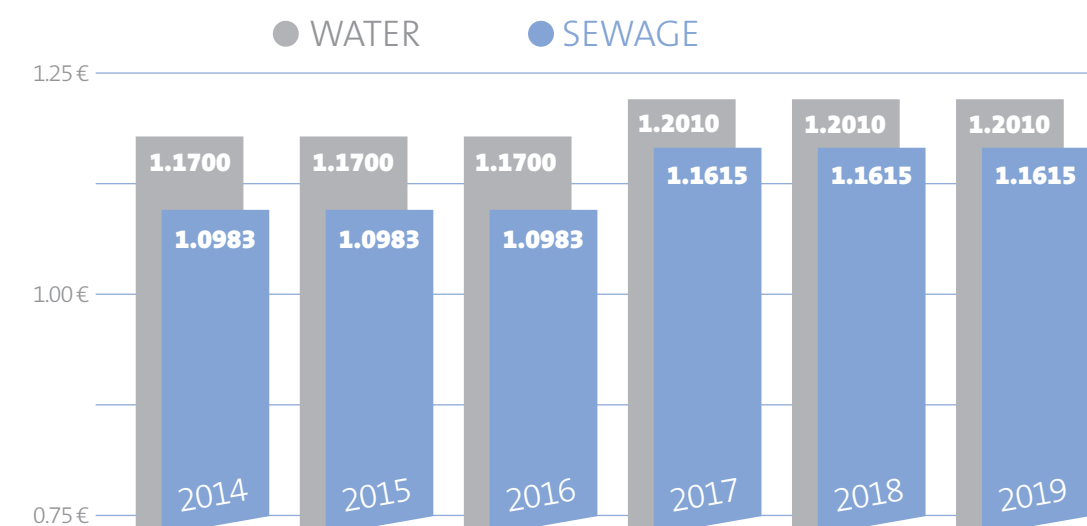
## price for drinking water and sewerage for 2019

Throughout 2019, the maximum prices for the production and supply of drinking water by the public water supply system were valid and the waste water was discharged and treated by public sewerage in the following amount excluding VAT:



The prices shown are approved in accordance with Act no. 250/2012 Coll. on Regulation in Network Industries and on Amendments and Supplements to Certain Acts, as amended, and pursuant to Decree of the Regulatory Office for Network Industries No. 21/2017 Coll. of 13 February 2017 by the decision no.0259/2017/V dated June 20, 2017. The company applied them after the first deduction from 1 July 2017. The decision of the Regulatory Office for Network Industries is available for inspection at the company's registered office or at [www.stvps.sk](http://www.stvps.sk).

## DEVELOPMENT OF WATER AND SEWAGE PRICES EXCLUDING VAT





BALANCE SHEET on 31. 12. 2019 (in €)

Code	ASSETS	Line Number	Current Accounting Period		Previous Accounting Period
			Gross- section 1	Net 2	Net 3
a	b	c	1		
	TOTAL ASSETS l. 02 + l. 33 + l. 74	01	36,779,216 16,417,326 20,122,135	20,361,890	22,204,232
A.	Long-term assets l. 03 + l. 11 + l. 21	02	14,375,188	5,746,947	5,920,472
A.I.	Long-term intangible fixed assets total (l. 04 to l. 10)	03	3,203,779 2,335,301	868,478	1,141,381
2.	Software	05	3,203,779 2,335,301	868,478	1,058,401
6.	Procured long-term intangible fixed assets	09			82,980
A.II.	Long-term tangible fixed assets total (l. 12 to l. 20)	11	16,880,976 12,039,887	4,841,089	4,744,407
2.	Buildings	13	7,050 5,047	2,003	2,591
3.	Individual movable assets and sets of movable assets	14	16,281,896 12,034,840	4,247,056	4,468,844
6.	Other long-term tangible assets	17	5,740	5,740	3,700
7.	Procured long-term tangible fixed assets	18	586,290	586,290	269,272
A.III.	Non-current financial assets total (l. 22 to l. 29)	21	37,380	37,380	34,684
A.III.1.	Equity securities and interests in affiliated entities	22	3,715	3,715	
2.	Securities and shares with the exception of affiliated accounting units	23	31,523	31,523	29,644
4.	Loans to affiliated entities	25	2,142	2,142	
B.	Short-term assets l. 34 + l. 41 + l. 53 + l. 66 + l. 71	33	16,136,482 2,042,138	14,094,344	15,755,609
B.I.	Stocks total (l. 35 + l. 40)	34	385,623 24,807	360,816	435,507
B.I.1.	Material	35	384,315 24,807	359,508	434,891
6.	Inventory prepayments provided	40	1,308	1,308	616
B.II.	Long-term receivables total (l. 42 + l. 46 + l. 52)	41	389,399	389,399	625,061
B.II.1.	Trade receivables (l. 43 + l. 45)	42	472	472	671
1.c.	Other trade receivables	45	472	472	671
8.	Deferred tax receivables	52	388,927	388,927	624,390
B.III.	Short-term receivables total (l. 54 + l. 58 + l. 65)	53	13,541,023 2,017,331	11,523,692	11,840,237
B.III.1.	Trade receivables total (l. 55 to l.57)	54	13,067,209 2,007,266	11,059,943	11,596,843
1.a.	Trade receivables from affiliated accounting units	55	109,832	109,832	113,011
1.b.	Trade receivables within equity, except receivables from related entities	56	23	23	
1.c.	Other trade receivables	57	12,957,354 2,007,266	10,950,088	11,483,832
2.	Net contract value	58			515
3.	Other receivables from affiliated accounting units	59			2,000
7.	Tax receivables and subsidies	63	414,736	414,736	199,308
9.	Other receivables	65	59,078 10,065	49,013	41,571
B.V.	Total financial accounts (l. 72 to l. 73)	71	1,820,437	1,820,437	2,854,804
B.V.1.	Cash	72	17,435	17,435	19,577
2.	Bank accounts	73	1,803,002	1,803,002	2,835,227
C.	Total accruals and deferrals (l. 75 to l. 78)	74	520,599	520,599	528,151
C.1.	Expenses for future periods, long-term	75	376,193	376,193	394,967
2.	Expenses for future periods, short-term	76	144,406	144,406	133,150
4.	Short-term accrued income	78			34

Code	PASSIVES	Line Number	Current Accounting Period	Previous Accounting Period
			4	5
a	b	c		
	TOTAL EQUITY AND LIABILITIES l. 80 + l. 101 + l. 141	79	20,361,890	22,204,232
A.	Equity l.81+l.85+l.86+l.87+l.90+l.93+l.97+l.100	80	3,901,166	4,120,733
A.I.	Basic capital total (l.82 to l.84)	81	34,000	34,000
A.I.1.	Registred basic capital	82	34,000	34,000
A.III.	Other capital funds	86	4,444,123	4,444,123
A.IV.	Legal reserve funds (l.88+l.89)	87	10,120	10,120
A.IV.1.	Legal reserve fund and indivisible fund	88	10,120	10,120
A.VI.	Valuation differences from the revaluation sum (l.94 to 96)	93	-1,172,146	-1,166,060
A.VI.1.	Valuation differences from revaluation of assets and liabilities	94	-1,172,146	-1,166,060
A.VIII.	Profit / loss for the period after tax (+/-) l.01 – (l.81+l.85+l.86+l.87+l.90+l.93+97+101+141)	100	585,069	798,550
B.	Liabilities l. 102+118+121+122+136+139+140	101	16,459,930	18,076,728
B.I.	Long-term liabilities total (l. 103+107 to 117)	102	5,168,222	169,256
B.I.1.	Long-term trade liabilities (l. 104 to l. 106)	103	11,689	11,689
1.c.	Other trade liabilities	106	11,689	11,689
3.	Other liabilities to affiliated accounting units	108	5,000,000	
9.	Liabilities from the Social Fund	114	156,533	157,567
B.II.	Long-term reserves (l. 119 + l. 120)	118	418,443	335,944
2.	Other reserves	120	418,443	335,944
B.IV.	Short-term liabilities total (l.123+127 to 135)	122	9,967,357	16,567,367
B.IV.1	Trade liabilities total (l. 124 to 126)	123	3,827,079	5,942,510
1.a.	Trade liabilities to affiliated accounting units	124	135,418	234,639
1.c.	Other trade liabilities	126	3,691,661	5,707,871
2.	Net value of contract	127	3,282	
3.	Other liabilities to affiliated accounting units	128	3,253,642	7,601,680
6.	Liabilities to employees	131	914,323	956,089
7.	Social insurance liabilities	132	647,937	645,351
8.	Tax liabilities and subsidies	133	1,295,671	1,391,390
10.	Other liabilities	135	25,423	30,347
B.V.	Short-term reserves (l.137+138)	136	905,908	1,004,161
B.V.1.	Legal reserves	137	74,922	79,899
2.	Other reserves	138	830,986	924,262
C.	Total accruals and deferrals (l. 142 to l. 145)	141	794	6,771
2.	Short-term deferred expenditures	143	725	6,702
4.	Short-term deferred revenues	145	69	69



# Profit and Loss Statement as of 31. 12. 2019 (in €)

Code	Item	Line Number	Real status	
			Current Accounting Period	Previous Accounting Period
a	b	c	1	2
*	Net turnover (part of acct. 6 in accordance with the law)	01	58,836,144	59,227,991
**	Total revenue from economic activities (I. 03-09)	02	59,445,569	60,043,306
III.	Revenue from sales of services	05	58,836,144	59,227,991
V.	Activation	07	13,052	11,610
VI.	Sales of fixed intangible assets tangible fixed assets and materials	08	107,886	22,848
VII.	Other revenues from economic activity	09	488,487	780,857
**	Operating costs in total (I. 11+12+13+14+15+20+21+24+25+26)	10	58,489,778	58,761,667
B.	Consumed material, energy and other non-inventory items	12	9,500,735	9,395,003
C.	Adjustments to inventories	13	-23,973	-1,685
D.	Services	14	26,293,665	27,032,706
E.	Personal costs	15	19,426,423	19,260,738
E.1.	Wages and salaries	16	13,332,969	13,165,199
2.	Remuneration to members of corporate bodies and cooperatives	17	107,549	106,553
3.	Social insurance costs	18	4,868,532	4,660,887
4.	Social costs	19	1,117,373	1,328,099
F.	Taxes and charges	20	1,250,966	1,259,558
G.	Write-offs and provisions for intangible fixed assets and tangible fixed assets (I.22+23)	21	1,392,623	1,379,201
G.1.	Depreciation of intangible and non-current tangible fixed assets	22	1,392,623	1,379,201
H.	Net book value of fixed assets and inventory sold	24	61,739	2,241
I.	Adjustments to receivables	25	186,456	222,928
J.	Other operating costs	26	401,144	210,977
***	Economic outturn (I. 02 to I. 10)	27	955,791	1,281,639
*	Added value (I.03+04+05+06+07) – (I.11+12+13+14)	28	23,078,769	22,813,577
**	Revenues from financial activity in total (I.30+31+35+39+42+43+44)	29	251	457
IX.	Income from long - term financial assets, total	31	108	
IX.1.	Income from securities and shares from affiliated entities	32	108	
XI.	Interest on income (I. 40 + I. 41)	39		34
XI.1.	Interest on income from affiliated entities	40		34
XII.	Exchange rate gains	42	143	423
**	Financial activity costs in total (I.46+47+48+49+52+53+54)	45	123,379	150,372
N.	Interest on costs (I.50+51)	49	77,775	80,719
N.1.	Interest on costs for affiliated accounting entities	50	77,775	80,719
O.	Exchange rate losses	52	5,466	7,571
Q.	Other costs of financial activity	54	40,138	62,082
***	Profit / loss from financial activity (I. 29 to I. 45)	55	-123,128	-149,915
****	Profit / loss for the accounting period before tax (+/-) (I. 27 + I. 55)	56	832,663	1,131,724
R.	Income tax (I. 58 + I. 55)	57	247,594	333,174
R.1.	Income tax payable	58	12,131	429,398
2.	Income tax deferred	59	235,463	-96,224
****	Profit / loss for the accounting period after tax (+/-) (I. 56 - I. 57 - I. 60)	61	585,069	798,550

# Cashflow Statement as of 31. 12. 2019 (in €)

	2019 (EUR)	2018 (EUR)
CASH FLOW FROM OPERATING ACTIVITIES		
Cash flow from operating activities	4,353,231	4,353,231
Interest paid	-80,719	-80,719
Interest received	34	34
Income tax paid	-1,206,590	-1,206,590
Cash flows before items of exceptional extent or occurrence	-435,897	3,065,956
Income from items of exceptional extent or occurrence	0	0
Net cash flow from operating activities	-435,897	3,065,956
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of fixed assets	-561,155	-1,798,164
Revenue from sale of fixed assets	107,886	20,158
Expenses for long - term loans of the subsidiary	-2,000	
Net cash flow from investment activities	-455,269	-1,778,006
CASH FLOW FROM FINANCIAL ACTIVITIES		
Revenue from loans - group	646,018	0
Long-term commitments	0	-11,688
Deposits in subsidiaries	-6,640	0
Dividends paid	-782,579	-1,207,912
Net cash flow from financial activities	-143,201	-1,219,600
(Decrease) increase of cash and cash equivalents	-1,034,367	68,350
Cash and cash equivalents at the beginning of the accounting year	2,854,805	2,786,457
Cash and cash equivalents at the close of the accounting year	1,820,438	2,854,807
NET PROFIT (before deduction of interest, tax items and items of exceptional extent or occurrence)	910,438	1,212,409
Adjustments of non-cash operations:		
Depreciation of long-term tangible and intangible assets	1,392,623	1,379,202
Rectified item to receivables	186,456	222,928
Rectified item to inventories	-23,974	-1,685
Reserves	-15,754	365,842
Profit from sale of fixed assets	-46,147	-20,607
Other non-cash operations	66,925	0
Operating profit before change in working capital	2,470,567	3,158,089
Change in working capital:		
Decrease (increase) in trade receivables and other receivables (including accruals and deferrals of assets)	348,393	276,354
Decrease (increase) of inventories	98,103	167,986
(Decrease) increase of liabilities (including accruals and deferrals of passives)	-3,046,001	750,802
Cash flow from current operations	-128,938	4,353,231

## Cash

Cash is understood as cash, cash equivalents, current account funds in banks or branches of foreign banks, an overdraft account, and part of the balance of the money which is used to bridge the time gap between transfers between the current account and petty cash or between two bank accounts.

## Cash equivalents

Cash equivalents means short-term financial assets that are exchangeable for a pre-determined amount of cash that is not subject to a significant change in value over the next three months from the date on which the financial statements are prepared, for example, term deposits in bank accounts that are deposited on a three-month notice period, liquid securities for trading, preference shares purchased by an entity that are due within three months of the date of preparation of the financial statements.



# independent auditor's report



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Internet www.kpmg.sk

Translation of the Auditors' Report originally prepared in Slovak language

## Independent Auditors' Report

To the Shareholder, Supervisory Board and Board of Directors of Stredoslovenská vodárenská prevádzková spoločnosť, a.s.

### Report on the Audit of the Financial Statements

#### Qualified Opinion

We have audited the financial statements of Stredoslovenská vodárenská prevádzková spoločnosť, a.s. ("the Company"), which comprise the balance sheet as at 31 December 2019, the income statement for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance for the year then ended in accordance with the Act No. 431/2002 Coll. on Accounting as amended ("the Act on Accounting").

#### Basis for Qualified Opinion

As stated in Section E.1 of the notes to the financial statements, the Company wrote off goodwill in the amount of EUR 24,661 thousand. In our opinion, this is not in accordance with the Slovak Accounting Act, which requires that goodwill is amortized over its expected useful life corresponding to the consumption of future economic benefits from the asset. The estimated useful life is twenty-six years based on the duration of the lease and operating contract for the water and sewerage infrastructure. If this useful life had been applied, the annual depreciation would amount to EUR 948.5 thousand, as at 1 January 2019, the value of intangible fixed assets and equity of the Company would be increased by EUR 16,124.5 thousand. Further, as at 31 December 2019, the value of intangible fixed assets and equity would increase by EUR 15,176 thousand and profit would be reduced by an annual depreciation of EUR 948.5 thousand.

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section. We are independent of the Company in accordance with the ethical requirements of the Act No. 423/2015 Coll. on statutory audit and on amendments to Act No. 431/2002 Coll. on accounting as amended ("the Act on Statutory Audit") including the Code of Ethics for an Auditor that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

KPMG Slovensko spol. s r.o., a Slovak limited liability company, is a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

IČO/Registration number:  
31 348 238

Evidenčné číslo licencie audítora:  
96  
Licence number of statutory  
auditor: 96

Obchodný register  
Okresného súdu Bratislava I,  
oddiel Sro, vložka č. 4864/B

Commercial register of  
District court Bratislava I,  
section Sro, file No. 4864/B





#### *Responsibilities of the Statutory Body and Those Charged with Governance for the Financial Statements*

The statutory body is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Act on Accounting, and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the statutory body is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.



However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

##### *Reporting on Information in the Annual Report*

The statutory body is responsible for the information in the Annual Report prepared in accordance with the Act on Accounting. Our opinion on the financial statements, mentioned above, does not cover other information in the Annual Report.

In connection with our audit of the financial statements, our responsibility is to read the Annual Report and, in doing so, consider whether the other information is materially inconsistent with the audited financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The Annual Report of the Company was not available to us as of the date of this auditors' report.

When we obtain the Annual Report, we will consider whether it includes the disclosures required by the Act on Accounting, and, based on the work undertaken in the course of the audit of the financial statements, we will express an opinion as to whether:

- the information given in the Annual Report for the year 2019 is consistent with the financial statements prepared for the same financial year; and
- the Annual Report contains information according to the Act on Accounting.

In addition, we will report whether we have identified any material misstatement in the Annual Report in light of the knowledge and understanding of the Company and its environment that we have acquired during the course of the audit of the financial statements.

12 March 2020  
Bratislava, Slovak Republic

Auditing company:  
KPMG Slovensko spol. s r.o.  
License SKAU No. 96

Responsible auditor:  
Ing. Lukáš Hlavatý  
License UDVA No. 1219



# report of the supervisory board 2019



Stredoslovenská vodárenská  
prevádzková spoločnosť, a.s.

## Report of the Supervisory Board of StVPS, a.s. to the annual financial statement for 2019

At its meeting, the Supervisory Board reviewed in accordance with § 198 of the Commercial Code and in accordance with Art. XII. para. 4 of the Company's Articles of Association to the regular individual financial statement and evaluated the draft annual report of the company for 2019.

The report of the Supervisory Board on the financial year 2019 is prepared on the basis of the minutes of the meetings of the Supervisory Board and the statement of the company's auditor regarding the regular individual financial statement for 2019.

After reviewing the financial statement for 2019 and the report of the independent auditor, KPMG Slovensko spol. s r. o., the Supervisory Board states that the performed activities related to the subject of activity are carried out in accordance with the relevant legal provisions and the company keeps accounting in accordance with the Accounting Act and internal regulations. The Supervisory Board also notes the auditor's conditional opinion regarding the one-off amortisation of goodwill based on the decision of the sole shareholder and declares that no deficiencies have been identified that would prevent the approval of the company's financial statement and annual report for 2019.

The Supervisory Board states that the regular individual financial statement of StVPS, a.s. in all significant contexts expresses the financial situation of the company, the result of its management and cash flows as of 31.12.2019.

The Supervisory Board also became acquainted with the proposal of the Board of Directors for profit distribution and the draft annual report for 2019.

The Supervisory Board recommendation for the Ordinary General Meeting for the financial statement together with the proposal for the distribution of the economic result for the year 2019 and the annual report for the year 2019 is **approval**.

Banská Bystrica, May 2020

Tomáš Paclík  
Chairman of the Supervisory Board





Stredoslovenská vodárenská  
prevádzková spoločnosť, a.s.

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## CUSTOMER CENTRES

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**Lučenec**

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**Rimavská Sobota**

Duklianskych hrdinov 42, 979 01 RS

**Veľký Krtíš**

Banícka 39, 990 01 VK

**Brezno**

Sekurisova 4, 977 01 BR

**Žiar nad Hronom**

SNP 125, 965 01 ZH

**Zvolen**

Ľ. Štúra 2208/15, 960 01 ZV

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