



Stredoslovenská vodárenská
prevádzková spoločnosť, a.s.

ANNUAL REPORT



Stredoslovenská vodárenská
prevádzková spoločnosť, a. s.



Annual
Report
2023
StVPS, a. s.

contents

01 Basic Data	4
02 Bodies of the Joint Stock Company	6
03 Key Data	8
04 Editorial	10
05 Organizational Structure	12
06 Our Services	14
Water Management	15
Water Production	16
Breakdowns in the Water Supply Network	16
Water Losses	17
Water Meters	17
Investment Implementation	17
Drainage and Sewage Treatment	19
Survey and Measurement of Sewer Network	19
Breakdowns in the Sewer Network	19
Quality of Drinking and Waste Water	21
07 Customers	22
Structure of the Customers	24
New in Client Services	24
Client Communication	26
10 Largest Customers in 2023	29
08 Responsibility	30
Employees	32
Social Dialogue	32
Age and Educational Structure of Employees	33
Staff Training	34
Health & Safety at Work	35
NEXT IMPULSE 2027	36
09 Quality Policy	38
10 Environmental Responsibility	40
11 Waste Management	42
12 Innovation	44
Water Preparation	45
Pumping Stations and Reservoirs	45
Waste Water Treatment Plants	46
Sewer Network	46
Power Engineering	47
Information Technologies	48
13 Financial Statement	50
Comments on the Financial Results in 2023	51
Pricing for Drinking Water and Sewerage for 2023	53
Balance Sheet	54
Profit and Loss Statement	56
Cashflow Statement	57
Independent Auditor's Report	58
Report of the Supervisory Board	62
Contacts	64

01 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

the company's business

1. operation of category I to III public water supply systems
2. operation of public sewerage systems of categories I to III
3. consultancy, technical and professional assistance in the field of production, treatment, supply of drinking and utility water, operation of water supply systems, sewerage systems and wastewater treatment plants
4. cleaning of water supply and sewerage pipes
5. carrying out inspections of sewerage systems by instrumentation
6. searching for hidden water leaks using correlation and electroacoustic techniques
7. delineation of water and sewerage networks and fittings and determination of contact points for connection of instrumentation technology
8. measurement of wastewater quantity at metering objects and sewers with the determination of instantaneous or cumulative flow by instrumentation
9. physico-chemical, radiological, microbiological and hydrobiological analyses of drinking, utility and wastewater, including technological analyses of water
10. carrying out water tightness tests of water management objects and equipment
11. business in the field of management of non-hazardous waste
12. carrying out technical inspections of pipelines
13. purchase of goods for sale to other traders / wholesale/ in the range of free trades
14. purchase of goods for sale to the final consumer / retail/ in the scope of free trades
15. brokerage activity in the field of trade and services in the scope of free trade
16. rental of machinery, apparatus and equipment
17. designing, solving and evaluating geological tasks of hydrogeological, engineering-geological and geological surveys of the environment
18. public procurement
19. repair and installation of water meters
20. execution of constructions and their changes
21. the implementation of simple buildings, small buildings and their changes
22. the performance of the activities of the construction supervision
23. performance of the activities of the construction supervision
24. repair of electrical equipment
25. performance of professional inspections and professional tests of reserved electrical equipment
26. installation, maintenance and servicing of electrical equipment
27. road motor transport - national road freight transport
28. rental property
29. production of electricity in small hydroelectric power plants up to 5 MW
30. engineering activities in the construction industry,
31. organising courses, training and seminars
32. the implementation of courses, training and seminars
33. rental of machinery, apparatus and equipment
34. fire protection technician
35. repair and servicing of all types of pumps (mechanical parts)
36. the implementation of water management and civil engineering works
37. repair, service and maintenance and carrying out inspections and tests of chlorination and dosing equipment for chemicals
38. elaboration of documentation and project of simple constructions, small constructions and modifications of these constructions
39. installation of chlorination and dosing equipment for chemicals
40. accommodation services in accommodation facilities with the operation of hospitality activities in these facilities
41. advertising and marketing services
42. bookkeeping services

THE COMPANY HAS NO ORGANIZATIONAL
UNIT ABROAD.

02 bodies of the joint stock company

as of 31. 12. 2023

board of directors

Philippe Guitard

chairman
Betlémská 262/10
Praha 110 00
Czechia

Ing. Peter Martinka

member
Kynceľová 124
Banská Bystrica 974 11

Ing. Robert Tencer

member
Nevádzová 17211/6F
Bratislava - Ružinov 821 01

Ing. Martin Bernard, MBA

member
Josefa Obadala 3387/44
Kroměříž 767 01
Czechia

Ing. Peter Dobrý

member
Jilemnického 1955/32
Zvolen 960 01

supervisory board

Ing. Denisa Beníčková

chairman
Riznerova 8
Trenčín 911 01

JUDr. Adrián Spevák, LL.M., MBA

Vieska 31
Vieska 991 02

Marián Detvan

Hlavná 115/61
Málinec 985 26

Ing. Lucia Harachová

Komenského 14483/10E
Banská Bystrica 974 01

Róbert Tonhajzer

Podhradská 114/117
Lehota pod Vtáčnikom 972 42

Vladimíra Richterová

Laučekova 7
Bratislava - Staré Mesto 811 04

shareholder

VEOLIA CENTRAL & EASTERN EUROPE S.A.

rue La Boétie 21
Paris 750 08
France

03 key data

as of 31.12.2023

71.79 mil. €
Turnover of the Company

364.5-thous. €
Profit after Taxation

630,952
Supplied Residents

1,036
Employees

38,797,837 m³
Total Production of Own Water

62,219-thous. m³
Treated Waste Water

334
Pumping stations

49
Wastewater Treatment Plants

5,324.3 km
Length of the Water
Distribution Network

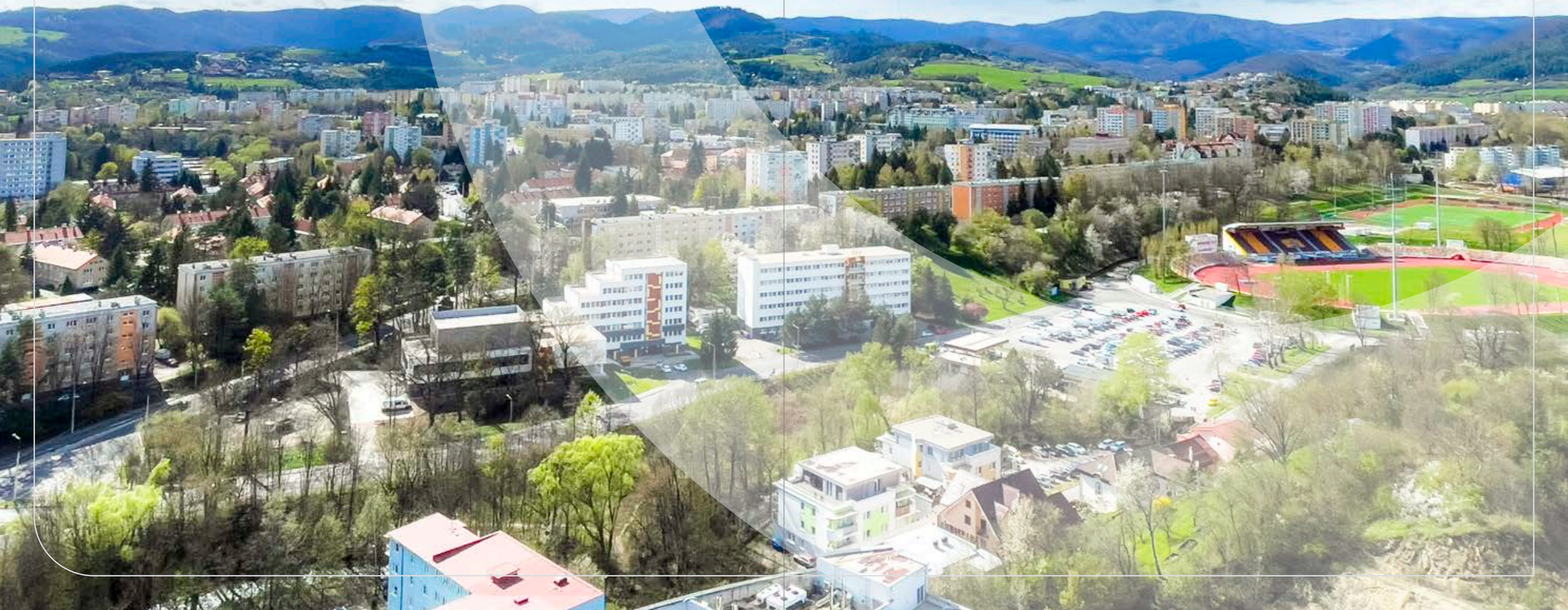
1,526.6 km
Sewerage Network in Operation,
including Connections

120,602
Contracted Customers

126,847
Water Meters

3,373
Calls Made on Customer Line
(on average monthly)

3,708
Visits to our Customer
Service Centres
(on average monthly)



04 editorial



Dear shareholders, business partners, clients and colleagues,

I am pleased to be able to inform you on the following pages about the results of our work through the annual report of Stredoslovenská vodárenská prevádzková spoločnosť, a. s. for the year 2023.

At the outset, I would like to express my sincere gratitude to all employees and stakeholders for their work and dedication over the past year. It has not been an easy year. Although the situation has stabilised, especially in the economic area, we have nevertheless faced many challenges.

In 2023, our company achieved a net turnover of € 71.79 million, and the total cost of economic activity amounted to € 73.35 million. Compared to the previous period, they increased by 15.46 %. The increase was mainly influenced by the rise in

materials and energy prices compared to last year. However, for 2023, we achieved a positive result after tax of € 364 thousand. This result is a credit to all of you.

Our priority is to provide reliable services related to the supply of quality drinking water and wastewater disposal and treatment to clients at the level required by our own and European general binding regulations. In 2023, 38,798 thousand m³ of water was produced in the company's water management facilities, and 383,353 inhabitants are connected to the sewerage network, which has a total length of 1,214.2 km.

The client remains at the centre of our focus, so we constantly work to develop our customer service. I will mention the interactive SMS for water meter reading and remote water meter reading, which have made the most progress in the past year.

The year 2023 was also a challenging year for us in terms of human resources. The new early retirement conditions were met by more of our employees who took up this option, and we were forced to provide adequate replacements for many staff.

Despite this, the number of employees at the end of the year was 1,036, which still makes us one of the largest employers in the region.

Stredoslovenská vodárenská prevádzková spoločnosť, a. s. is actively involved in building a company that promotes the principles of sustainable development. We act responsibly in the field of environmental protection by implementing several activities. The company's priority is the energy recovery of sludge generated in

connection with wastewater treatment. In addition to the economic effect, this activity aims to reduce the environmental burden caused by the extraction of fossil fuels and natural gas and reduce waste production.

A key project aimed at protecting and promoting biodiversity is the „Biodiversity Protection in Technical Areas“ programme at the Rakytovce wastewater treatment plant. In the past year, we have implemented several new elements to promote biodiversity. We built a bee zone and planted additional seedlings of local plant and shrub species. We are constantly monitoring the measures, and more than 30 schools, the public, and experts have visited the site as part of field trips.

Let me conclude by thanking the employees, shareholders, members of the Management Board and the Supervisory Board for supporting our efforts in all these areas.

I look forward to our continued cooperation and am confident in its future. I believe that together, we will be able to move forward and strengthen our position as a responsible supplier of water services in the Central Slovakia region.

Thank you all.

Sincerely

A handwritten signature in blue ink, appearing to read 'Peter Martinka'. The signature is fluid and cursive, written over a light blue circular stamp or watermark.

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

05 organizational structure

- General Assembly
- Board of Supervisors
- Board of Directors
- Managing Director
- CEO

Division of the Managing Director

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

Division of the Economic Director

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

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 n. 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 TECHNICAL OPERATING ACTIVITIES
- DEPARTMENT OF PROPERTY CARE
- DEPARTMENT OF ASRTP
- DEPARTMENT OF GIS
- TRANSPORT DEPARTMENT
- PLANTS:
 - 01 Banská Bystrica
 - 03 Prievidza
 - 04 Rimavská Sobota, Lučenec, Veľký Krtíš
 - 06 Zvolen, Žiar n. Hronom



06 our services

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

**630,952
residents.**

water management

There was a slight decrease in the quantity of drinking water supplied to consumers compared to last year. In 2023, the amount of water delivered or billed to customers amounted to 24 534 thousand m³, a decrease of 854 thousand m³ compared to 2022 (25 388 thousand m³). A decrease in water consumption was recorded for both the general population and other consumers. In 2023, the specific water consumption was 73.28 l/person/day, a slight decrease compared to 2022 (75.47).



water production

In terms of water production, 38 798 thousand m³ of drinking water was produced at the company's water facilities, of which 12 596 thousand m³ was produced from surface water and 26 202 thousand m³ from groundwater. The total volume of water produced was 1 104 thousand m³ lower than in the previous year, 2022, corresponding to lower water consumption (water billed). Per the legislation in force, the quality of the drinking water supplied was ensured, as required, in 22 surface and groundwater treatment plants. The main water used to produce drinking water from surface water sources was abstracted from water supply reservoirs, and for the subsequent water treatment, large water treatment plants in Hriňová, Málinec, Klenovec, Turček and, if necessary, smaller water treatment plants for water taken from streams were used. In the event of unsatisfactory groundwater quality, groundwater treatment plants were also used where necessary. In 2023, raw water was treated in the water treatment plants operated by our company with a total volume of 15 615 thousand m³.

breakdowns in the water supply network

In 2023, 1 908 breaks in the water supply network were repaired, 393 on feeders, 1 308 on the distribution network and 207 on connections. Of this number, 1 783 were creeping (1 224 on the network, 201 on the connections and 358 on the feeders), and 1 811 were digging (830 in the green belt, 842 in roads, 139 in pavements).

Of the total number of repaired accidents, 1 317 were on pipes and 591 on fittings. Similar to previous years, corrosion of pipe materials and fittings was the most common cause of failure in 2023, which is related to the high age of public water mains. As part of accident prevention, regular monitoring and evaluation of minimum nighttime withdrawals, coupled with field searches for hidden leaks, were conducted. A total of 464 hidden leaks were detected.

MAIN INDICATORS OF PRODUCTION AND SUPPLY OF DRINKING WATER

630,952

number of supplied residents

128,054

number of water connections

4,560 km

length of water distribution network

229

number of pumping stations

764 km

length of water connections

22

number of water preparation plants

38,584

water to realization in thousand m³/year

24,534

water invoiced, in thousand m³/year

12,502

water losses in the pipeline network, in thousand m³/year

32.4 %

share of water losses from water for realization

14,051

water not invoiced, in thousand m³/year

water losses

Water losses on water supply networks have long been the most significant part of unbilled water by volume, so reducing them is one of the main priorities. Quarterly water management assessments in supply zones and follow-up measures at each plant are essential in reducing water losses.

The centralised management of the search for hidden water leaks and the purchase of high-tech instrumentation for this activity since 2007 in our company has significantly impacted locating hidden water leaks. This activity is carried out within the fault-finding department by four working groups, namely the Banská Bystrica, Brezno group, the Lučenec, Rimavská Sobota, Veľký Krtíš group, the Prievidza group and the Zvolen, Žiar nad Hronom group. After localisation by the fault-finding department, the workers of the individual plants eliminated the water leaks according to their importance, which prevented further increases in water losses. In 2023, the staff of the independent fault-finding department inspected 1 321 km of water supply networks and located 430 hidden water leaks. They carried out metering work worth € 12 648 for external customers.

water meters

As of 31.12.2023, 128 776 water meters were installed in the network, of which 126 847 were billing water meters and 1 929 were district (control) water meters at water supply points.

In 2023, 21 884 water meters were replaced, of which 21 226 were replaced as part of the periodic replacement, and 658 were replaced for other reasons, such as damaged water meters, standing water meters, replacement at customer request, etc.

Forty-five water meters were removed and sent for official testing at the client's request, of which 39 were compliant and six were non-compliant.

In 2023, 20 310 water meters were repaired by the external contractor Menert s.r.o. Šaľa.

implementation of investments for other investors in 2023

In 2023, our company implemented construction works for other investors. Three constructions were completed and handed over in the total amount of € 61.07 thousand. In two cases, the identified undesirable conditions on the operated infrastructure for the owner company, StVS, a.s. were removed. These were the constructions „Poniky, námestie Š. Žáryho - replacement of the water main“ and „Nemce - renewal of the public sewerage system“. In one case, we carried out the induced investment „Uľanka - replacement of the public water pipeline on the bridge“ for a foreign investor, which arose in connection with the reconstruction of roads in Banská Bystrica.

During the year, intensive negotiations with private investors took place, which led to the signing of two contracts worth € 1 551 thousand. Preparatory work on one of the constructions, „Zvolen, doliečovacie centrum—external water supply and sewerage,“ started at the end of 2023. The implementation and completion of the second construction, „IS Sliač Hájniky—south, public water supply and sewerage,“ is scheduled for 2024.

Based on a special contract, water and sewerage connections to the public water supply and sewerage systems were also carried out for StVS, a.s. throughout the year, with revenues from this activity amounting to € 143.2 thousand for 2023.



MAIN INDICATORS OF THE DRAINAGE AND TREATMENT OF WASTE WATER

1,214.2 km
length of sewer system

40,376
number of sewer connections

312.4 km
length of sewer connections

105
pumping stations

49
waste water treatment plants

395,337
residents connected to the sewer network

383,353
residents connected to WWTP

22,191 thous. m³/year
invoiced waste water

62,219 thous. m³/year
treated waste water

drainage and sewage treatment

395 337 inhabitants are connected to the sewerage network, totalling 1 214.2 km. The amount of water treated differed, with a 36.8 % increase compared to 2022, with a year-on-year increase of 16 749 thousand m³.

survey and measurement of sewer network

The already established technology of smoke testing of sewer networks continued to be used successfully in sewer network surveys and the detection of connected producers. This technology can detect faults in sewer pipes and sewerage facilities, unauthorised property connections, and unauthorised stormwater connections to the separated sewerage system.

In 2023, flow measurements were made at untreated outfalls of public sewers, as well as control measurements and TV surveys of the technical condition of public sewers. In 2023, the IPEK TV camera system was used to survey the technical state of sewer pipes at operational sites. It has also proved its worth on new sewers, where it measures the deformation of flexible pipes. At the same time, the QuickView® airHD preview camera with laser distance measurement is also used to assess the condition of the sewers to plan repairs quickly.

A TV camera survey of sewers was carried out over a length of 17 019 km on sewers operated by our company. For external customers, the TV camera survey of sewers was carried out over a length of 4 269 km.

breakdowns in the sewer network

The most frequent cause of breakdowns in the sewerage network in 2023 continued to be blockages in sewers and pumping stations, especially in the winter and spring months, as a result of the low gradients of the pipe network in flat areas, as well as due to the poor technical condition of some sections of the sewerage network. Other causes of accidents are damage to the piping system and sewer manholes due to traffic loads, due to the indiscipline of some producers throwing materials and objects into the public sewerage system that do not belong there, as well as due to the poor quality of the construction of sewers in the previous period.

In 2023, 488 faults were rectified on gravity sewer networks, of which 364 were blockages, and 124 were construction faults. Of the construction faults, 29 were directly on sewers, six were on sewer connections, and 89 were on sewer structures. There were a total of 37 faults on pressure sewers, of which 34 were on structures and three were on pressure pipes. Compared to the previous year, the total number of failures decreased by 3.56%.





quality of drinking and wastewater

drinking water

The management system in ORK's Testing Laboratories (Quality Management Department) is based on implementing STN EN ISO/IEC 17025:2018 in all laboratory activities involving staff at all levels. Accredited laboratories check our company's quality of drinking water, Certificate number S-198. The water produced and supplied by our company is thoroughly monitored at all stages of production according to the Decree of the Ministry of Health 91/20023 Coll., which establishes the indicators and limit values for the quality of drinking water. In addition to the fundamental physicochemical, microbiological and biological indicators, the presence of metals, pesticides and organic substances in drinking water is monitored according to Slovak technical standards. The health and safety of the drinking water supplied are ensured by quality control and a system of water source control, waterworks protection, and regular disinfection. In 2023, 9 552 samples were taken in the ORK (Department of Quality Management) laboratories to monitor microbiological and physico-chemical indicators. 212 640 analyses were carried out at the consumer's premises, the water reservoirs' outlets, and the various water treatment stages. At the same time, 2 418 sources were sampled, where 72 493 analyses were carried out. The satisfactory quality of the network and the outlets of the water treatment plants in microbiological, biological and physico-chemical parameters was confirmed at 99.7% in the number of analyses carried out.

wastewater

The implementation of the programme for monitoring the quality of wastewater discharge and treatment in sewers and treatment plants managed by Stredoslovenská vodárenská prevádzková spoločnosť, a. s. is ensured by accredited wastewater laboratories in Zvolen, Banská Bystrica and Lučenec according to the ISO/IEC 17025:2017 standard; Certificate number S-198.

In 2023, 9 439 samples were taken at the individual stages of the WWTP, the WTP and the untreated outflows. In addition, 58 191 analyses were performed. At the same time, 1 115 samples from plants connected to the sewer system managed by StVPS a. s. were examined in our laboratories, representing 4 426 analyses.

07 customers

We promote transparency and ethical rules as a condition for building long-term quality relationships with customers, based on trust and integrity. We are constantly developing and improving customer service and providing modern and convenient forms of communication.

structure of the customers

	THE NUMBER OF CUSTOMERS	OF WHICH ARE HOUSEHOLDS:		
		individual customers	high-rise flats and housing association flats	Others:
AVERAGE	120,126	109,670	2,204	8,253
SUM OF AVERAGES	120,126	91.30 %	1.83 %	6.87 %

interactive SMS for water meter readout

In developing customer services, based on cooperation with an external company, we implemented the possibility of sending interactive SMS for water meter readings in 2021. We improved it in 2022 to make it more versatile.

The ability to send water meter status via interactive SMS was used in 2023 for monthly meter readings due to staff shortages and for price changes implemented three times this year. In 2023, as part of the emergency readings, we sent ISMS for single-family homes and other customers who had phone numbers in the ZIS. We also looked for a way for apartment companies to have apartment owner representatives cooperate in sending ISMS. In the information system, we added the telephone numbers of apartment owners' representatives for selected apartment communities in Prievidza. For the first time, we surveyed this way in the last quarter of the year. The total return of the states after sending the ISMS for 2023 is 35 %.



remote water meter readings

Implementing remote readings ensures the development of computerisation in meter reading. In 2023, 350 IoT units were installed to capture and send the status of water meters. The devices were preferably installed in apartment buildings due to the inaccessibility of the water meters for reading and the need to dispose of the status as of 31.12.2023 for budgeting per apartment building. The first implementations were in Hnúšť, then in Banská Bystrica, where the devices were installed in the apartment buildings of the largest customer in the company.

In 2024, we will improve the registration of IoT devices in the customer information system to ensure that information on IoT installation is accessible to every employee with access to this system.

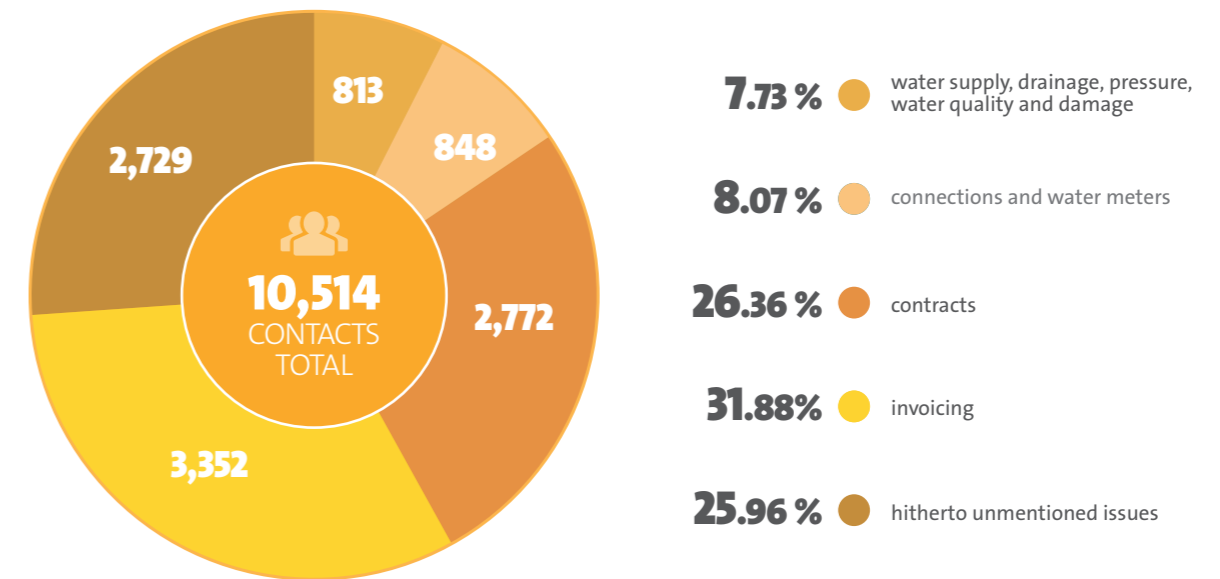
reminder process

We have improved the process for sending reminders for unpaid invoices and have introduced a free SMS reminder for customers who have a phone number registered in the customer system before a written chargeable reminder is sent. The reminder is sent electronically 2 days after the invoice is due.



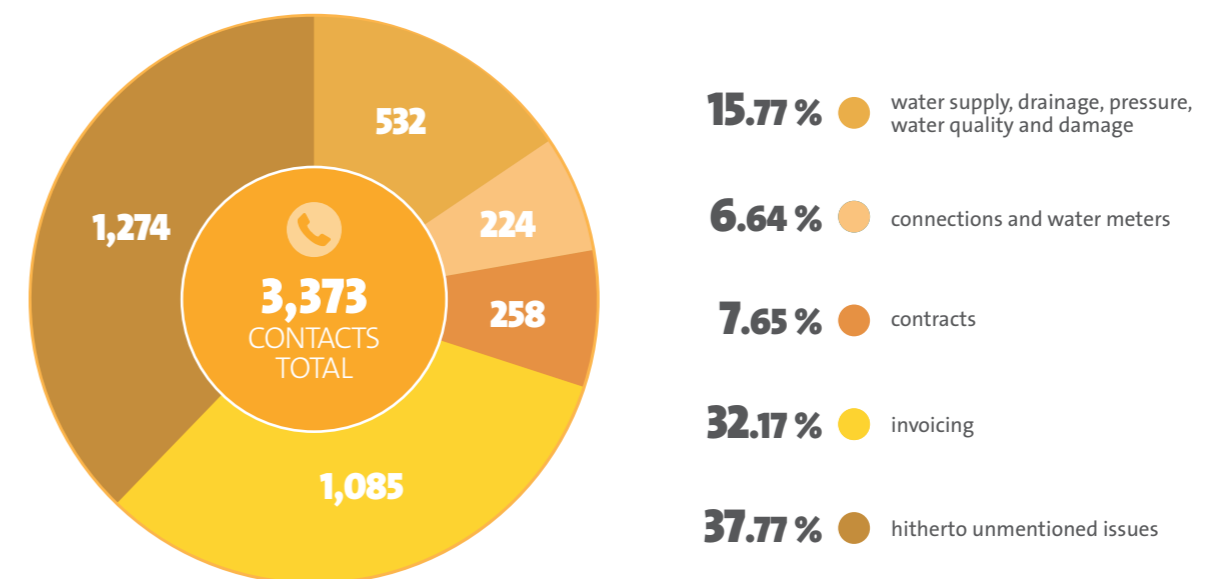
STRUCTURE OF THE CONTENT OF NEGOTIATIONS

data about average monthly contacts in the matter of:



STRUCTURE OF CALL CONTENT CALL CENTRE

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



client communication

public events

The general public is also invited to attend presentation events on World Water Day, where not only our customers but also the general public can find out about water quality and prices, the services provided and new projects. As part of the World Water Day events, we carry out free nitrate analyses of drinking water for those who take drinking water from wells. For schools and the public, we organise excursions to wastewater treatment plants.

customer magazine Voda pre vás

We regularly communicate with our customers through the customer magazine Voda pre vás (Water for You), which is published twice a year in electronic and printed versions and on the company's website.



website www.stvps.sk

The website www.stvps.sk is one of the company's main information channels. The website is optimised for different devices (mobile phones, laptops, tablets, etc.) so customers can find the information they need anytime and anywhere.

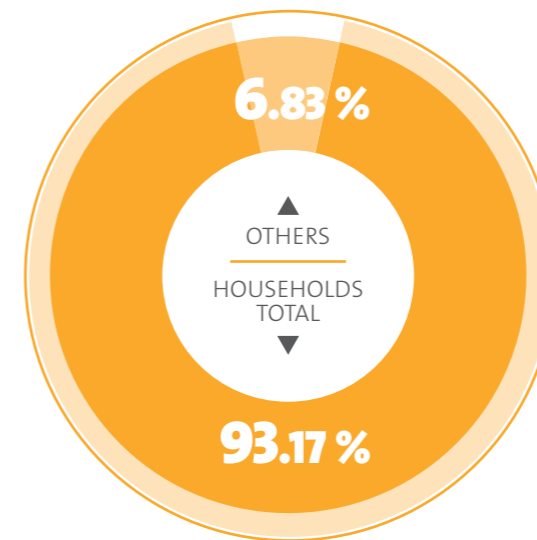
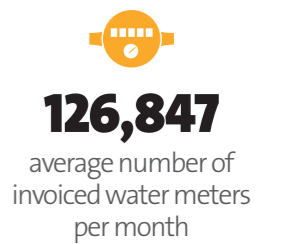
Frequently searched information includes news about water supply breakdowns and shutdowns. In online mode, customers can find all the important data on water supply interruptions here. In the section „Accidents and restrictions“, they will find information on the location of the accident, the impact on the supply, the arrival of a replacement water source and the expected date of completion of the repair.

Another frequently searched topic is the quality of the water supply. The main quality indicators for drinking water are listed on the website in the „To the customer“ section by district.

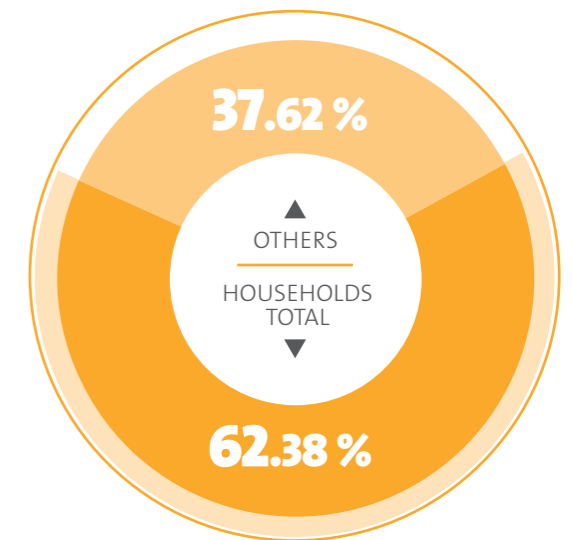
The chatbot is a new feature on the website that we are still improving. This communication robot allows clients to handle many requests from the comfort of their own homes. Chatbots are currently the most accessible and most user-friendly way to communicate. For our customers, this form provides information on water quality, water meters, the procedure for filing a complaint, payment terms, payment plans and more.

CUSTOMER STRUCTURE AND SHARE OF INVOICING

	NUMBER OF CUSTOMERS		SHARE OF VOLUME OF SALES	
	as of 31. 12. 2023	%	Invoiced (€)	%
TOTAL HOUSEHOLDS	112,361	93.17 %	42,582,857	62.38 %
of which INDIVIDUAL CUSTOMERS	110,154	91.34 %		
of which HOUSING ASSOCIATIONS	2,207	1.83 %		
OTHERS	8,241	6.83 %	25,684,407	37.62 %
TOTAL NO. OF CUSTOMERS	120,602	100 %	68,267,264	100.00 %



STRUCTURE BY NUMBER OF CUSTOMERS



STRUCTURE BY VOLUME OF SALES



10 largest customers in 2023



Invoicing for Water and Sewerage (EUR incl. VAT)

> 10 largest customers of StVPS, a. s., in 2023

Name	ID No.	Water and Sewerage
1 Housing Association, Banská Bystrica	00170071	2,544,526.14
2 Housing owners according to the delivery point rep. by HA in Zvolen	00222054	1,958,631.92
3 District Housing Association, Prievidza	00173801	1,548,072.26
4 District Housing Association, Rimavská Sobota	00173916	1,247,872.43
5 Housing Association, Lučenec	00171816	1,004,258.82
6 Housing Association, Brezno	00170143	876,989.39
7 Housing Association, Žiar nad Hronom	00176192	870,614.24
8 Town of Banská Bystrica	00313271	811,825.35
9 BYTOS - Housing Authority Prievidza, s. r. o.	36313009	784,440.67
10 SPOOL a.s.	31586392	709,009.49

08 responsibility

ACTUAL NUMBER
OF EMPLOYEES
ON 31. 12. 2023

1,036

employees

From the point of view of the human resources of Stredoslovenská vodárenská prevádzková spoločnosť, a.s., 2023 was a year that was more challenging compared to the previous period, especially in the area of employee turnover. This turnover was significantly affected by the change in the conditions for applying for an early retirement pension. Unexpectedly, the new conditions were met by many of our employees who decided to take advantage of this option. Therefore, a large percentage of the terminations of employment in our company were mainly due to early retirement. These were mainly workers in the blue-collar category. We faced a high turnover in a relatively short time, making it much more difficult to find adequate replacements for so many workers. This fact also influenced a more significant decrease in the number of employees of Stredoslovenská vodárenská prevádzková spoločnosť, a.s. compared to the previous year, and as of 31. 12. 2023, we employed 1 036 employees.

social dialogue

In cooperation with our social partner, as in previous years, we found a social settlement in collective bargaining, which resulted in the conclusion of a collective agreement for 2023. Due to high inflation, which was felt by many households, the main points of discussion in the social dialogue were mainly wage indexation and an increase in the benefit accounts of employees.

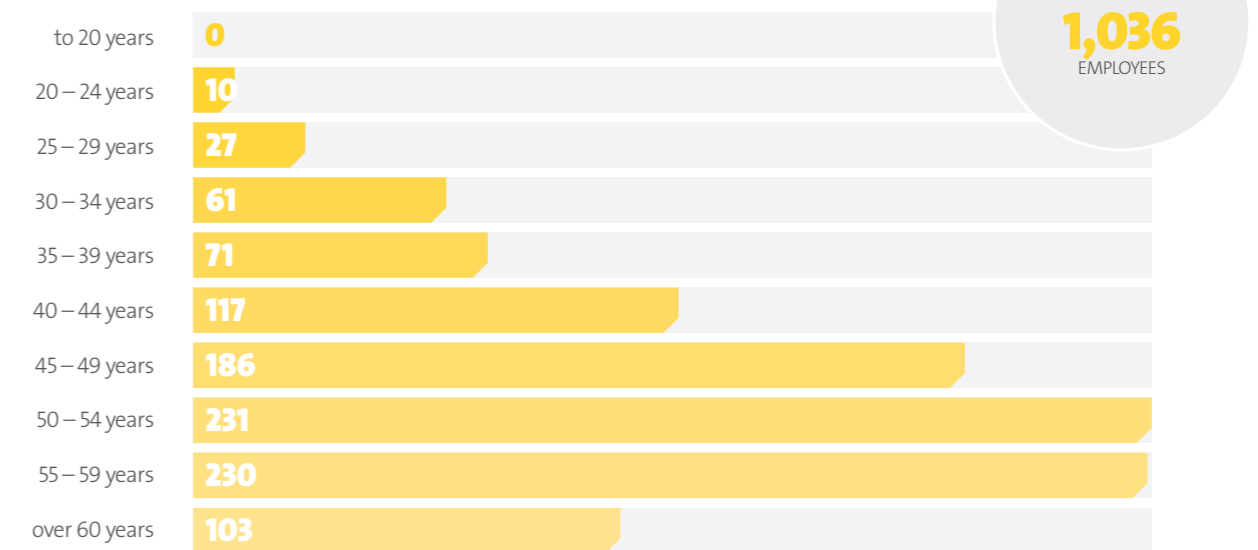
Appendix 1 - Social fund rules - is also part of the collective agreement. The social fund is one of the primary sources of the social policy applied in the company. The formation of the social fund is set at the maximum statutory value of 1.5% of gross wages and it is thanks to this social fund formation that the company demonstrates social responsibility towards its employees. In 2023, the social fund amounted to almost € 225 thousand.

SOCIAL FUND FOR 2023

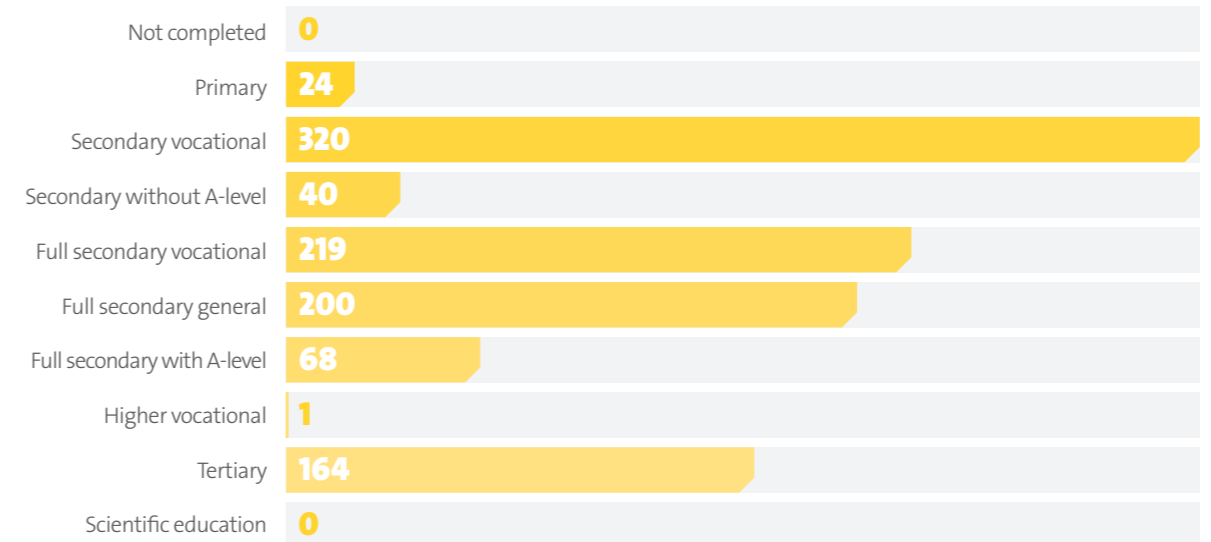
a detailed overview of the creation and methods of drawing on the Social Fund

Budget of the StVPS a.s. Social Fund	Plan for 2023	Drawdown in € as of 31. 12. 2023
Initial state as of 1. 1. 2023	156,428.27	112,723.09
Social fund creation (1,5 %)	188,009.19	224,833.38
Allocation from the Company's Profit	0.00	2,195.00
Creation in total	344,437.46	339,751.47
One-off non-refundable aid	1,660.00	1,566.00
Contribution for catering	80,398.50	74,809.72
Contribution for blood donors	1,002.00	915.00
Programme Benefit Plus	130,000.00	117,986.92
Sports events	0.00	8,734.20
Total expenses	213,060.50	204,011.84
Reserve/presumed balance as of 31. 12. 2023	131,376.96	135,739.63

AGE STRUCTURE OF EMPLOYEES



EDUCATIONAL STRUCTURE OF EMPLOYEES



staff training



Employee training is one of the fundamental pillars of any company's success, which is why we pay great attention to our employees' professional and personal growth as part of our human resources development. Each job position requires a specific approach to selecting training activities to improve and deepen our employees' knowledge. We know that if we want to achieve our goals, we must invest in improving our employees' qualifications and potential because only a

highly professional and motivated workforce can bring the company success. Employee training takes various forms, such as on-the-job training, online courses, conference participation, and various workshops. In addition to job-specific training, we strive to develop our employees' language skills, which is why we provide them with English language training in group form or through individual courses.

STRUCTURE OF EMPLOYEES (by category)

645 WORKERS **315** ADMINISTRATION **76** MANAGEMENT

DEVELOPMENT OF THE NUMBER OF EMPLOYEES in last 5 years



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

employee occupational health and safety



An essential element of the assessment of the quality of employee safety at work is the occupational accident rate, in which the number of occupational accidents for the whole company was seven registered occupational accidents with 538 days of sick leave. The average age of employees who suffered an occupational injury was 51 years, and all injuries can be assessed as simple. They were caused by ordinary carelessness and with no serious consequences.

The use of the appropriate type of personal protective equipment is also directly related to occupational accidents. In this area, our company regularly adds new types of PPE on the basis of specific requests from managers. In 2023, there was a choice of 131 types of PPE for all work activities, which are divided into nine categories of employee protection.

Significant improvements in 2023 were noted in the elimination of risks and hazards in the work process, in the use of technical equipment, in construction safety in the design activities, and by strict compliance with the rules of occupational safety in the implementation of construction. Our company places great emphasis on improving the overall occupational safety and health policy, which leads to the review and improvement of safe working practices, the addition of appropriate work equipment and the replacement of technology with more modern, safer machinery and equipment.

Employee education and training play an essential role in occupational safety. We have developed a straightforward, easy-to-implement, effective scheme of the employee training process that ensures the high requirements placed on the employer. The training activities

stipulated by the applicable legislation are regularly supplemented by employee training organised within the Veolia Group, where employees supplement their knowledge with knowledge specific to the workplaces and jobs more closely related to the nature of our employees' work.

The occupational health and safety management system in place is instrumental in clarifying and ensuring accountability for occupational safety tasks. Based on the audit work of the audit groups, we can be proud of the increasing quality of the management system and the implementation of occupational safety in our company.

Fire protection as part of occupational health and safety is already provided to an excellent standard, and no adverse incidents were recorded in this area in 2023.

In 2023, seven inspections were carried out at our company by state authorities focused on occupational safety, fire protection and public health, with excellent results stated in the conclusions of these inspections, which also shows the very decent level of our company's approach to occupational safety and its high standard of compliance with working conditions.

NEXT IMPULSE 2027

The Next Impulse 2027 Programme is a smooth and natural continuation of the successful Veolia Central and Eastern Europe Zone („VCEE“ or „Zone“) Impulse#2023 project, where almost all VCEE countries are fully participating, except for Russia, Ukraine and, in a limited mode, Serbia, Armenia and Uzbekistan. Like Impulse#2023, the Next Impulse 2027 Programme is directly linked to the Veolia Group's strategic programme for 2024-2027.

The main objective of the project, as its name already suggests, is to bring some „impulse“ to the management, functioning and therefore „life“ of the companies / divisions / countries in the scope of the Zone, i.e. to think, design, set up, prepare and in the next phase execute and implement projects that can bring with them significant positive impacts on the functioning and the economy of the companies / divisions / countries. In contrast to the previous programme, the Next Impulse 2027 Programme already refers to current regional and, to a large extent, global developments and, in this context, to the Group's priorities and objectives

materialised in the Strategic Plan mentioned above. In concrete terms, this involves improving the measurable indicators not only in the financial area (EBITDA) compared to the reference year, which for Next Impulse 2027 is 2022, but also in terms of increasing energy self-sufficiency, decarbonisation and also improving the efficiency of HR processes.

These positive impacts should have a permanent positive impact. They should be mainly projects with aspects of transformation, process re-engineering, process streamlining, performance improvement, search for organic growth, digitalisation, etc.

THE TARGETS SET FOR ALL COUNTRIES WITHIN THE ZONE, INCLUDING VEOLIA SLOVAKIA GROUP COMPANIES, MEAN:

- In financial terms, achieving EBITDA growth of +8% in 2025 compared to 2022 and +15% in 2027 compared to 2022;
- through savings and/or new renewable energy solutions, achieving +15% coverage of total electricity consumption in 2025 compared to 2022 and +30% in 2027 compared to 2022;
- make a significant contribution to the ecological transformation of processes by reducing the carbon footprint (by reducing CO₂ emissions within the existing portfolio under the management of the Zone companies), also without exact targets, but with significant improvements replicating the Veolia Group's targets in this area at the end of the reporting period;
- in the HR area, improvements in recruitment indicators, without specific targets, but with an indication of improvement compared to the reference year.

Preparing the draft action plans for Veolia Slovensko Group companies has resulted in a portfolio of interesting projects that are more or less time-consuming and investment-intensive. At the same time, it is true that for these projects, negotiation at the national or municipal level with the relevant authorities is equally crucial, as is the interaction with EU structures. Therefore, each project requires a great deal of effort from all the managers involved.

In conclusion, it is essential to mention, in connection with the end of the reporting period of the Im-

pulse#2023 Programme mentioned above, that in the year 2023, the Veolia Slovakia Group closed the project mentioned above with the achievement of objectives significantly exceeding the goals set by the Zone, which, given the objective circumstances, is fundamentally positive information worthy of consideration. We believe that it will be possible to build on these achievements in achieving the objectives set by Next Impulse 2027 and thus directly and indirectly to the objectives of the Veolia Group materialised in the Strategic Plan for 2024 - 2027.

09 quality policy



integrated management systems

An integrated management system is a very convenient way to establish a management system that considers the quality of service, the approach to the environment, occupational health and safety and energy efficiency. In addition, a systems approach will guarantee orientation in legislative requirements and their fulfilment, reduce administrative complexity and save financial resources. In 2023, our company successfully passed the recertification audit of the quality management system STN EN ISO 9001 and surveillance audits of the environmental management system STN EN ISO 14001, the occupational health and safety management system STN EN ISO 45001, and the energy management system STN EN ISO 50001, the audit examined selected articles of the ISO standards and concluded that our system complies with their requirements. The audits were carried out at the Rimavská Sobota, Lučenec and Veľký Krtíš plants and facilities. By purchasing and using PEFC-certified paper, the company demonstrates its commitment to supporting socially responsible business. Our company has

committed by signing the „Memorandum of Support for Sustainable Forest Management“ and declares it through its environmental policy. We use the PEFC Slovakia logo on our printed materials.

Management systems are now integral to our company's management, and we use them in all production processes and activities. These systems have become an essential progressive element in customer relationships and a basis for continuous improvement.

Our company thoroughly complies with the standards' requirements throughout the year, as verified by regular internal audits held at individual plant sites. The goal remains the continuous improvement of our employees' approach to the environment, the quality of the services provided, and the continued compliance with occupational health and safety regulations. The biggest challenge in 2024 will be implementing the requirements of STN EN ISO 50003 in the integrated ISM manual and the management documentation.

our compliance with legal regulations

Compliance is a vibrant part of our company culture. Compliance means following the rules and acting appropriately in our day-to-day operations. Its primary mission is to protect our company from non-compliance risks and prevent potential damage, especially in areas such as corruption, conflicts of interest, anti-competitive practices, international sanctions and more. Compliance also helps our company to be acknowledged as a trusted partner. Our goal is to create an environment where all employees behave ethically in their daily work and maintain high integrity.

In 2023, we focused on strengthening our culture of compliance throughout the company. We worked with each department to develop and implement effective measures in the areas mentioned above and in many others. We monitored the effectiveness of the measures we set up and responded flexibly to changes in the reg-

ulatory environment. We have implemented measures to identify potential breaches and dealt with them expeditiously. Where necessary, we proposed and implemented corrective measures to prevent the recurrence of similar situations in the future.

One of our company's shareholder priorities in 2023 was to ensure a thorough mapping of corruption risks per the requirements of the „Agence Française Anti-corruption“ (AFA) - the French anti-corruption agency. A robust mapping of corruption risks was carried out throughout the year in several steps through 33 possible scenarios to accomplish this task, taking into account the financial impact, legal risks, third parties, the country's corruption index and, last but not least, the impact on our company's image. As a result of this mapping exercise, six corruption risks were identified, and an Action Plan was developed to eliminate them.

Each year, our company sets new objectives for its anti-corruption management system per the ISO 37001 standard. In 2023, six anti-corruption targets were set for 2023-2025, all of which we successfully met this year. We are proud of our compliance achievements, and in the year ahead, we will continue to strengthen our processes and raise awareness of compliance among our employees and partners. In this way, we will continue improving our results and building confidence in our company.



10 environmental responsibility

environmental legislation

We have complied with our reporting obligation under environmental legislation to provide financial coverage for liability for environmental damage, including the estimated costs of remedial action and corrective measures to address environmental damage that the operator's work activities may cause. Our company fulfils its reporting and payment obligations under air protection legislation. We operate 34

medium stationary sources of air pollution and 53 small stationary sources of air pollution, of which:

- 28 small and 13 medium-sized sources of energy air pollution (combustion plants-boilers)
- 25 small and 21 medium sources of technological/fugitive air pollution (sewage sludge fields)

biodiversity protection and support

In 2023, as part of the project **Biodiversity Protection and Support in the Rakytovce WWTP area**, we implemented the following:

CARE OF VEGETATION:

- continuous mowing on the slope behind the auger house;
- mosaic mowing and mulching around planted trees in the meadow with a pond, maintenance of paths;
- clearing flowering zones of unsuitable plants, replenishing plants by seeding and planting (November);
- removal of some of the vegetation in the pond and vegetation management around the pond;
- planted dozens of flowering herb seedlings around the perimeter of the new bee zone;
- added 25 shrubs of various species to the open spaces on the slope behind the auger house and 50 groundcovers of *Vinca minor*.

WILDLIFE CARE:

- removal of the stork nest from the gas house ventilation shaft, installation of barriers, provision of materials for a new nest, installation of 2 hoopoe boxes; installation of more durable barriers on the gas house ventilation shaft will be implemented as a corrective measure (before the nesting season in 2024);
- monitoring of bird species with an ornithologist on two dates (April and June); the output is the ornithologist's report;
- completion of the bee zone - a sandy loam area with an oak palisade (July 23)- resulted in several plants that are attractive to pollinators and humans being subsequently planted around the oak palisade.

communication and education

Within the framework of biodiversity conservation and promotion projects, we also carried out communication, media and education activities during the year: posts

on Veolia Slovakia FB, reports for national and regional media, participation in professional conferences, excursions for employees, the public, schools and experts.

11 waste management

TOTAL COSTS OF DISPOSAL OF WASTE AND SLUDGE

including transport costs incurred in 2023

1.659 mil. €

total production of waste

In connection with the environmental policy of our company, we ensured the recovery of waste, which was disposed of in landfills in the previous period, 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.

37,270 t OF WHICH: ✓
total production of waste

37 266.6 t | OTHER WASTE

3.4 t | HAZARDOUS WASTE

energy recovery of sludge

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. In 2023, as part of the reduction of waste production, our company produced 14 474 tons of sludge, which is considered a by-product and not waste according to the valid decision of the District Offices in Banská Bystrica and Trenčín.

24,563 t OF WHICH: ✓
total sludge disposal

14,474 t | Sludge from the treatment of waste water, which is considered a by-product and is not waste

9,376 t | Sludge from waste water treatment

713 t | Sludge from water clarification

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

2,500 MWh
ELECTRICAL ENERGY

2,116,822 m³
BIOGAS

17,787 GJ
HEAT ENERGY

ANOTHER 10 TYPES OF WASTE FROM PRODUCTION:

6,056 t
SOIL AND AGGREGATES

1,975 t
EXCAVATED SOIL

1,238 t
WASTE FROM SAND TRAPS

1,043 t
BITUMINOUS MIXTURES

977 t
WASTE FROM SEWER CLEANING

502 t
RAKINGS FROM BAR SCREENS

263 t
MIXED WASTE FROM CONSTRUCTION WORKS

160 t
MIXTURES OF CONCRETE AND TILES

138 t
CONCRETE

7 t
MIXTURES OF FATS AND OILS

12 innovation

We continue to invest in innovation and technology to ensure a safe and reliable drinking water supply for all our customers. At the same time, we must focus on using resources efficiently and minimising our negative environmental impact.

water preparation

Innovations implemented in drinking water technologies and water treatment plants (WTP) in 2023:

- › The „Čierny Balog Water Treatment Plant - Technology Addition“ construction was put into permanent operation, which addressed adding further water treatment stages to the technology.
- › The „Innovation and modernisation of the Klenovec WTP“ construction was put into trial operation.
- › The monitoring of cyanobacteria continued at the Turček, Málinec, Hriňová, and Klenovec water reservoirs and the Turček, Málinec, Hriňová, and Klenovec WTPs per the guidelines and in cooperation with the Public Health Authority (ÚVZ), the Regional Public Health Authority (RÚVZ), and the administrators of the water reservoirs. Regular monitoring by the Turček reservoir manager revealed an increase in the number of *Planktothrix rubescens* in the reservoir waters, so the manager started to review the possibilities for preventing the development of this cyanobacterium in the reservoir and improving its monitoring.
- › In 2023, the contamination rate of drinking water samples taken from the reservoirs and the distribution network was 1.50% for microbiological and biological indicators and 3.1% for physico-chemical indicators. The contamination of drinking water samples in the consumer-free chlorine indicator was 0.5%.
- › The implementation of the construction of the upgrade and modernisation of the Málinec water treatment plant continued. Some parts of this construction, such as the sedimentation tanks and part of the filters, were used early.
- › Cooperation continued on a research project on the possibility of hardening (enriching) drinking water with magnesium using a fluidised bed reactor. The project, carried out in partnership with Comenius University and STU Bratislava, examines new possibilities of water hardening, which allows the reduction of the aggressiveness of the supplied drinking water on the pipes of public water supply systems and thus reduces their corrosion damage and extends their service life. At the same time, a positive impact on the health of the population supplied with enriched drinking water is expected. The fluidised bed reactor technology was installed in the water reservoir serving the municipality of Kokava nad Rimavicou. It was put into operation in July 2021. Together with the water treatment at the Klenovec WTP, this ensures the municipality's drinking water supply meets the recommended minimum levels of magnesium and calcium in drinking water according to current scientific knowledge.

water supply network, pumping stations and reservoirs

Measures and innovations implemented in the pumping stations (PS) and reservoirs (VDJ) in 2023:

- › Regarding AS RTP modernisation, automation and regulation, 2023 was primarily marked by the end of 3G technology for all telephone operators in Slovakia. Along with the end of the operation of this technology, it was necessary to urgently replace the equipment in the facilities that were heavily dependent on this technology and could not switch to the mode of operation in a 4G or 5G network. These were mainly the modernisation of Sarian modems, which were located in the scope of Plant 06 Zvolen, Žiar nad Hronom and Plant 01 Banská Bystrica, and at the same time some key objects providing drinking water to a large number of inhabitants, such as VDJ Bakova Jama, VDJ Sliach mesto, VDJ Lieskovec, VDJ Krupina and others.
- › The modernisation of the Motyčky and Harmanec WTPs was completed, where control systems were replaced, internet connections were put into operation, and control systems were replaced at key water sources such as the Čierna WTP and the Tunnel WTP.
- › Comprehensive reconstruction of the VDJ Trangoška, Bystrá.
- › Reconstruction of public water supply systems Veľká Lúka and Nitrica.
- › New public water supply system Hlinické Pohronie - part of Lovča - taking into use.
- › Completion of the construction of the new public water supply system Hlinické Pohronie – the Dolná Žďaňa part.

waste water treatment plants

Measures and innovations implemented in the waste water treatment technology and wastewater treatment plants (WWTP) in 2023:

- Based on the test operation results, the technology for accumulating and dosing operating chemicals to suppress the growth of filamentous microorganisms was completed within the „Valaská agglomeration—sewerage and wastewater treatment plant“ construction.
- The test operations of the WWTPs constructed within the framework of the „Podbrezová agglomeration - sewerage“ and „Tornaľa agglomeration - sewerage and WWTP“ constructions were continued.
- The reconstruction of the biological stage of the Rimavská Sobota WWTP under the construction „Rimavská Sobota WWTP - modernisation of the biological stage“ was started.
- The construction of WWTPs in the agglomerations co-financed from EU funds „Oslany, Čereňany agglomeration - sewerage and WWTP“ and „Nitrianske Pravno agglomeration - sewerage and WWTP“ were put into permanent operation.
- Implementing the second stage of the „Dudince WWTP - reconstruction“ construction continued.
- The implementation of the constructions „Lehota pod Vtáčnikom agglomeration - sewerage and WWTP“, „Kremnica - sewerage and WWTP Phase I“, „Hnúšťa WWTP, modernisation of the control system“, „Repair of the intake tank at the Donovaly WWTP“ has been completed.



sewer network

The company strives to minimise the impact of its activities on the various components of the environment, whether by using new technologies or by responsible and safe operation of existing facilities.

In 2023, relief chambers on sewer networks were reconstructed to bring their condition in line with current legislation. The renovations include equipping the facilities with technology to capture floating substances from the relieved wastewater and measuring equipment to monitor their operation. These modifications will reduce the pollution load on the receiving waters from the treated

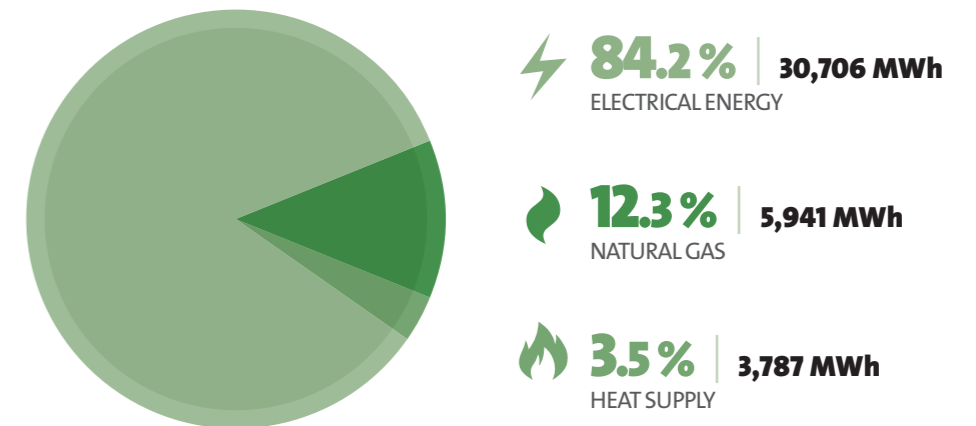
wastewater. The reconstruction of the OK 4A relief chamber in Detva has been completed.

Our company is trying to adapt technologically to changes in the composition of sewage. In selected sewage pumping stations on sewer networks, pumping technology is gradually being replaced, with equipment installed that will allow sewage to be transported without repeatedly clogging the sewers and pumps in the pumping stations. In 2023, the pumping equipment was replaced in the sewage pumping station in the sewerage network of the Balkán district in Zvolen.

power engineering

In Stredoslovenská vodárenská prevádzková spoločnosť, a.s., energy and fuels consumption were managed in 2023 according to the agreed business terms and conditions and business contracts concluded based on price offers. The primary energy medium purchased from external suppliers at the technological facilities remains that of electricity in the amount of 30,706 MWh, a significantly smaller amount of natural gas, 5,941 MWh and heat in the amount of 3,898 MWh.

THE SHARE OF TOTAL ENERGY AND FUEL COSTS



Extremely high and volatile energy market prices due to several unprecedented geopolitical factors have also resulted in significant cost increases for our Company, specifically for electricity purchases by 210 %, natural gas by 263 % and heat by 221 %, more than doubling the total cost of energy purchases compared to 2022.

Given the assumption of continued high market prices for energy in the coming period, StVPS a. s. proceeded to several rationalisation measures by developing long-term energy targets and programmes to analyse energy consumption by individual technological operations. The use of currently operated RES in the production of electricity from biogas by cogeneration units at the Banská Bystrica WWTP, Zvolen WWTP, Lučenec WWTP and Prievidza WWTP in the amount of 2,500.245 MW resulted in savings in electricity purchase costs of € 646 146. To reduce energy consumption and increase the use of renewable resources, StVPS applied for a state subsidy - a non-refundable financial contribution for the installation of a photovoltaic power plant (PVPP) with an output of 614.73 kWp in the Badín WWTP at the end of 2023. The commissioning of the Badín PV plant will

increase energy self-sufficiency from the current 7.5 % to 9.4 %. StVPS operates seven WWTPs above 10 000 equivalent inhabitants, five of them with anaerobic digestion technology, which degrades organic solids and produces biogas, which is preferably used for electricity and heat production in the CHP plants installed at the above WWTPs. By generating electricity in CHPs, we can cover about 40 % of the total electricity consumption that we need to ensure the operation of the currently installed technological equipment at the WWTP. The energy policy of StVPS, a. s. is aimed at solving the energy independence of WWTPs, mainly in thermal self-sufficiency; in the energy sector, this will require the adoption of several measures to reduce the energy intensity of the operations, primarily focused on the use of energy found directly in the incoming wastewater as well as in the process of its treatment. The conversion of this energy into electricity will require the expenditure of considerable financial resources both for the purchase of the necessary energy technologies and for the subsequent installation of these technologies in the WWTPs.



information system and APCS

The central dispatching server is constantly being upgraded, and we plan to take over the central dispatching server from the supplier in 2024 and connect it to our IT infrastructure. On average, we will connect ten new facilities per year to the dispatcher. Still, we plan to upgrade mostly critically outdated facilities in the coming year, which we will prioritise over connecting new ones. We currently have 388 water network objects and 30 sewerage network facilities connected to the central dispatching server from S.A. spol. s r. o. Other facilities at the moment use local connections, which are not

yet connected to the central dispatching server; local transmissions to individual dispatching centres are, however, used - Zvolen, Veľký Krtíš, Brezno and Banská Bystrica. In total, there are 41 facilities. Four dispatching workplaces that operate continuously oversee the water supply network facilities. The respective sewerage and wastewater treatment plants ensure supervision of sewerage network facilities.

The facilities' transmission is via mobile operators using their APNs (Access Point Network).

information systems interconnection project

Technical, customer and geographical information system (TIS + KIS + GIS) interconnection project

Integration of the TIS and GIS systems was completed in 2023. The interconnection of the ZIS and GIS systems was also completed in 2023. It is now possible to consult the same data in these systems. It is possible to obtain information on abstraction points and operational facilities such as water sources, water reservoirs, water treatment plants, drinking water pumping sta-

tions, wastewater treatment plants, wastewater pumping stations, relief chambers, water supply and sewerage systems. Linking the TIS- Emergency Management module with the GIS system allows for comprehensive information in the GIS on the location and the actual solution of accident repairs.

cybersecurity

In 2023 - as in previous years - we continued implementing the corrective measures from the Cybersecurity Audit (CA) and the subsequent re-audit (required two years after the prior audit) to comply with Act No. 69/2018 Coll. Act on Cybersecurity and Amendments to Certain Acts, according to which the compliance of the adopted security measures with the requirements of the Act and related special regulations is assessed.

Their task is to ensure, to the maximum extent possible,

the secure operation of computer and technological networks and information systems that directly control or indirectly support the services delivered, defined by the Act as „Basic Service“, and also to prevent cyber incidents while achieving the required level of cyber security.

Together with the solution suppliers, we have been developing, adding and setting additional rules to improve the already established SIEM—a tool for identifying and addressing all security threats on IT infrastructure.

central contract registration project

During the year, the Central Contract Recording Project was put into operation in a single system for the Veolia Slovensko Group after all StVPS requirements had been completed and implemented. The system allows the registration of a contract, including the attachment of a draft contract and all annexes in an editable format, the commenting on the contract, whereby both the original and the new version are retained for each commenter,

and the approval of the contracts within the commenting process. The process from registration to approval is thus fully electronic, making it much faster. Also, all contracts from the original EOD records have been migrated to this docket. Subsequently, as part of the development of the system, we started working on linking the contract register with the ERP system Helios Nephrite.

Helios Green to Helios Nephrite upgrade

This year saw the migration of the ERP system in use, Helios Green, to a new generation of this system called Helios Nephrite. The above required preparing a completely new environment, operating systems and databases. Subsequently, the existing system was migrated to a new but test environment where the functionality of the individual modules, including communication with third-party systems, was thoroughly tested by our staff, requiring increased effort and work commitment of many of our colleagues involved in the testing. After

the deficiencies were eliminated, we prepared a second migration of the Helios Green production environment to the Helios Nephrite production environment. The entire migration to the new version took place during the whole operation of the Helios Green production system, and thanks to the excellent coordination of the work and timing of the individual stages, we migrated to the new system smoothly and without interruption of activities, especially towards customers - customers (invoicing, cash registers, etc.).

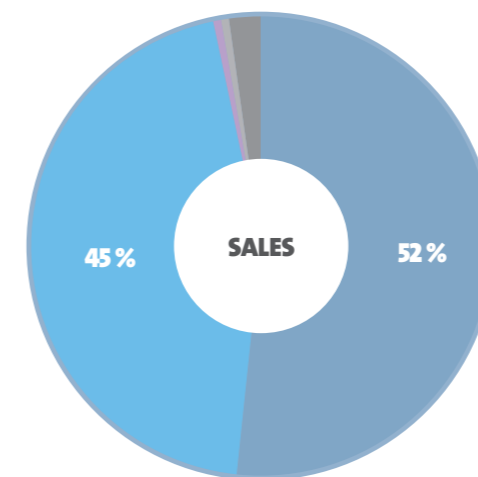
13 financial statement

In 2023, the company achieved a positive profit after tax of € 364 thousand.

comments on the financial results in 2023

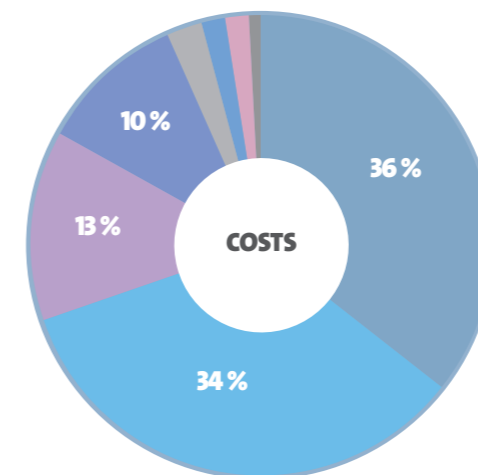
The company achieved a net turnover of € 71.79 million in 2023. Of this, drinking water sales amounted to € 37.11 million, sewerage and rainwater sales to € 32.29 million and other sales totalled € 2.39 million. The total cost of the company's economic activities in 2023 amounted to € 73.35 million. Compared to the previous period, they increased by 15.46%, which in financial terms amounts to € 11.34 million. This increase was mainly influenced by a 33.28% increase in

materials and energy prices compared to the previous year. The most significant cost item in 2023 was services, totalling € 24.91 million, of which the most important part is the rental of water and sewerage infrastructure amounting to € 14.48 million. Other significant cost items included: Personnel costs of € 26.25 million, Material costs of € 7.57 million, Energy consumption of € 9.85 million, and repair and maintenance costs of € 1.75 million.



TURNOVER 2023 TOTAL **71,793,853 €**

- **52 %** WATER INVOICED
- **45 %** DRAINED WATER
- **2 %** OTHER ACTIVITIES
- **0.64 %** CONSTRUCTION AND INSTALLATION
- **0.67 %** OPERATION OF MACHINERY



COSTS 2023 TOTAL **73,351,428 €**

- **36 %** PERSONNEL COSTS
- **34 %** OTHER SERVICES
- **13 %** ENERGY CONSUMPTION
- **10 %** CONSUMPTION OF MATERIALS AND PURCHASE OF WATER
- **2 %** REPAIRS AND MAINTENANCE
- **2 %** DEPRECIATION AND PROVISIONS
- **2 %** TAXES AND CHARGES (excluding GST)
- **1 %** OTHER OPERATING COSTS

The value of the company's total assets as of 31.12.2023 was € 20.81 million, of which non-current assets represented € 4.64 million at residual value. Investments amounting to € 0.733 million were directed towards modernising and renewing tangible and intangible assets to increase the efficiency of operations and management processes. Current assets amounting to € 15.14 million represent 72.75% of the value of assets, the largest share of which is accounted for by short-term receivables amounting to € 13.41 million. The value of financial accounts at the end of the year amounted to € 0.6 million.

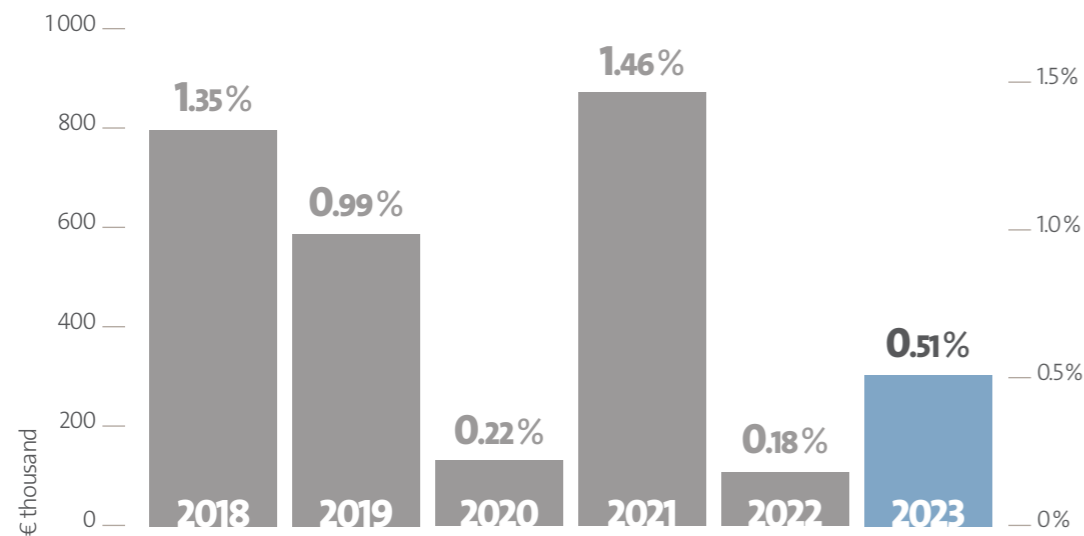
On the liabilities side, the most significant item is current liabilities, amounting to € 12.75 million, of which trade payables represent € 3.64 million. As of 31. 12. 2023, the company had drawn a medium-term loan of € 5 million from Veolia Environnement S.A, Paris. At the end of the year, the company had drawn an overdraft facility of € 1.8 million. The company's equity amounted to € 3.69 million, an increase of € 0.25 million compared to 2022, the main reason for the rise in equity being the higher operating result in the current financial year compared to the previous year.

The overall financial situation of the company was stable during the year, and the company fulfilled its obligations to employees and state institutions, as well as to business partners and other suppliers, within the set deadlines.

For 2023, the company achieved a positive result after tax of € 364 thousand. The company achieved this result with total revenues of € 74.27 million and total costs of € 73.35 million. Income tax payable amounted to € 322 thousand. Deferred tax amounted to € -159 thousand.

The General Meeting will decide on the distribution of the results for the financial year 2023. The statutory body proposes to reallocate the result to retained earnings of previous years to the General Meeting. No events have occurred after 31 December 2023 that would have a material effect on the fair presentation of the facts underlying the accounts. The company did not undertake any research and development activities in 2023. The company did not acquire treasury shares, temporary warrants or business interests of the parent accounting entity during 2023.

development of economic results and profit rate



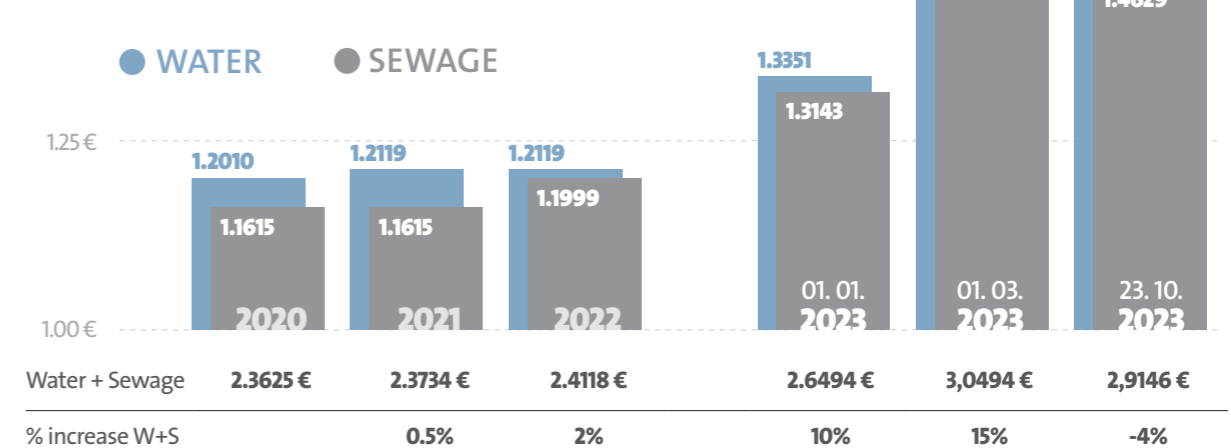
pricing for drinking water and sewerage for 2023

Throughout 2023, the maximum prices for the production and supply of drinking water by public water supply and the collection and treatment of wastewater by public sewerage were as follows, excluding VAT:

	from 01. 01. 2023:	from 01. 03. 2023:	from 23. 10. 2023:
Maximum price for the production and supply of drinking water by means of a public water-supply network	1.3351 €/m ³	1.5590 €/m ³	1.4517 €/m ³
Maximum price for the production and distribution of drinking water by means of a public water-supply network	0.7343 €/m ³	0.8575 €/m ³	0.7984 €/m ³
Maximum cost for drainage and treatment of waste water by means of public sewers	1.3143 €/m ³	1.4904 €/m ³	1.4629 €/m ³
Maximum price for the disposal and treatment of wastewater by public sewerage fed by an operationally connected sewerage system	-	0.9688 €/m ³	0.9509 €/m ³

The above prices are approved as per Act No. 250/2012 Coll. on Regulation in Network Industries and on Amendments and Additions to Certain Acts, as amended, and as per the Decree of the Office for Regulation of Network Industries (ÚRSO) No. 323/2022 Coll. of 06. 06. 2012. 0181/2023/V of 04. 10. 2023, intended for Stredoslovenská vodárenská prevádzková spoločnosť, a. s. Banská Bystrica, valid from 23. 10. 2023. The decision amends Decision No. 0119/2023/V of 21. 02. 2023 and Decision No. 0069 of 21. 02. 2023. /2023/V of 29. 12. 2022. The decisions of ÚRSO are available for consultation at the company's registered office or on the website www.stvps.sk.

development of water and sewage prices excluding VAT



BALANCE SHEET on 31. 12. 2023 (in €)

Code	ASSETS	Line Number	Current Accounting Period		Previous Accounting Period
			Gross- section 1 Correction- section 2	Net 2	Net 3
a	b	c	1		
	TOTAL ASSETS I. 02 + I. 33 + I. 74	01	41,387,216 20,581,210	20,806,006	19,493,290
A.	Long-term assets I. 03 + I. 11 + I. 21	02	23,603,283 18,966,553	4,636,730	5,280,859
A.I.	Long-term intangible fixed assets total (I. 04 to I. 10)	03	3,641,830 3,269,622	372,208	540,110
2.	Software	05	3,605,508 3,269,622	335,886	521,786
6.	Procured long-term intangible fixed assets	09	36,322	36,322	18,324
A.II.	Long-term tangible fixed assets total (I. 12 to I. 20)	11	19,912,999 15,696,931	4,216,068	4,684,228
2.	Buildings	13	7,050 7,050	0	239
3.	Individual movable assets and sets of movable assets	14	19,789,160 15,689,881	4,099,279	4,171,770
6.	Other long-term tangible assets	17	5,740	5,740	5,740
7.	Procured long-term tangible fixed assets	18	111,049	111,049	506,479
8.	Advances made for tangible fixed assets	19			
A.III.	Non-current financial assets total (I. 22 to I. 29)	21	48,454	48,454	56,521
A.III.1.	Equity securities and interests in affiliated entities	22	667	667	1,458
2.	Securities and shares with the exception of affiliated accounting units	23	45,213	45,213	52,597
4.	Loans to affiliated entities	25	2,574	2,574	2,466
B.	Short-term assets I. 34 + I. 41 + I. 53 + I. 66 + I. 71	33	16,751,543 1,614,657	15,136,886	13,130,850
B.I.	Stocks total (I. 35 + I. 40)	34	639,762 26,088	613,674	551,045
B. I.1.	Material	35	639,248 26,088	613,160	550,413
6.	Inventory prepayments provided	40	514	514	632
B.II.	Long-term receivables total (I. 42 + I. 46 + I. 52)	41	553,088	553,088	375,618
B.II.1.	Trade receivables (I. 43 + I. 45)	42	43,483	43,483	25,020
1.c.	Other trade receivables	45	43,483	43,483	25,020
8.	Deferred tax receivables	52	509,605	509,605	350,598
B.III.	Short-term receivables total (I. 54 + I. 58 + I. 65)	53	14,997,472 1,588,569	13,408,903	11,486,525
B.III.1.	Trade receivables total (I. 55 to I.57)	54	14,916,316 1,583,113	13,333,203	11,309,729
1.a.	Trade receivables from affiliated accounting units	55	165,856	165,856	159,052
1.b.	Trade receivables within equity, except receivables from related entities	56	30	30	240
1.c.	Other trade receivables	57	14,750,430 1,583,113	13,167,317	11,150,437
2.	Net contract value	58	10,871	10,871	463
3.	Tax claims and subsidies to units	63	6,148	6,148	
7.	Tax receivables and subsidies	65			135,656
9.	Other receivables	65	64,137 5,456	58,681	40,677
B.V.	Total financial accounts (I. 72 to I. 73)	71	561,221	561,221	717,662
B.V.1.	Cash	72	75,847	75,847	72,725
2.	Bank accounts	73	485,374	485,374	644,937
C.	Total accruals and deferrals (I. 75 to I. 78)	74	1,032,390	1,032,390	1,081,581
C.1.	Expenses for future periods, long-term	75	807,018	807,018	878,862
2.	Expenses for future periods, short-term	76	225,372	225,372	202,719

Code	PASSIVES	Line Number	Current Accounting Period	Previous Accounting Period
			4	5
a	b	c		
	TOTAL EQUITY AND LIABILITIES I. 80 + I. 101 + I. 141	79	20,806,006	19,493,290
A.	Equity I.81+I.85+I.86+I.87+I.90+I.93+I.97+I.100	80	3,691,216	3,444,671
A.I.	Basic capital total (I.82 to I.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 (I.88+I.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 (I.94 to 96)	93	-1,161,504	-1,153,329
A.VI.1.	Valuation differences from revaluation of assets and liabilities	94	-1,161,504	-1,153,329
A.VIII.	Profit / loss for the period after tax (+/-) I.01 – (I.81+I.85+I.86+I.87+I.90+I.93+97+101+141)	100	364,477	109,757
B.	Liabilities I. 102+118+121+122+136+139+140	101	17,112,038	16,045,057
B.I.	Long-term liabilities total (I. 103+107 to 117)	102	176,601	5,137,239
B.I.1.	Long-term trade liabilities (I. 104 to I. 106)	103	40,861	24,516
1.c.	Other trade liabilities	106	40,861	24,516
3.	Other liabilities to affiliated accounting units	108		5,000,000
9.	Liabilities from the Social Fund	114	135,740	112,723
B.II.	Long-term reserves (I. 119 + I. 120)	118	1,001,029	718,813
2.	Other reserves	120	1,001,029	718,813
B.IV.	Short-term liabilities total (I.123+127 to 135)	122	12,752,453	9,188,428
B.IV.1	Trade liabilities total (I. 124 to 126)	123	3,636,575	3,652,994
1.a.	Trade liabilities to affiliated accounting units	124	118,629	186,643
1.b.	Liabilities from business dealings within equity participation, except for liabilities to connected accounting units	125		5,520
1.c.	Other trade liabilities	126	3,517,946	3,460,831
3.	Other liabilities to affiliated accounting units	128	5,017,410	2,511,083
6.	Liabilities to employees	131	1,237,533	982,771
7.	Social insurance liabilities	132	791,317	678,677
8.	Tax liabilities and subsidies	133	2,052,242	1,343,355
10.	Other liabilities	135	17,376	19,548
B.V.	Short-term reserves (I.137+138)	136	1,380,296	1,000,577
B.V.1.	Legal reserves	137	91,603	83,513
2.	Other reserves	138	1,288,693	917,064
B.IV.	Current bank loans	139	1,801,659	
C.	Total accruals and deferrals (I. 142 to I. 145)	141	2,752	3,562
2.	Short-term deferred expenditures	143	2,678	3,364
4.	Short-term deferred revenues	145	74	198

Profit and Loss Statement as of 31. 12. 2023 (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	71,793,854	60,634,576
**	Total revenue from economic activities (I. 03-09)	02	74,267,015	62,351,365
III.	Revenue from sales of services	05	71,793,854	60,634,576
V.	Activation	07	14,856	11,113
VI.	Sales of fixed intangible assets tangible fixed assets and materials	08	30,193	21,473
VII.	Other revenues from economic activity	09	2,428,112	1,684,203
**	Operating costs in total (I. 11+12+13+14+15+20+21+24+25+26)	10	73,351,428	62,009,700
B.	Consumed material, energy and other non-inventory items	12	17,416,292	11,620,817
C.	Adjustments to inventories	13	-15,642	12,201
D.	Services	14	26,658,217	25,039,700
E.	Personal costs	15	26,253,134	22,357,100
E.1.	Wages and salaries	16	18,074,103	15,438,512
2.	Remuneration to members of corporate bodies and cooperatives	17	133,026	124,935
3.	Social insurance costs	18	6,403,870	5,593,290
4.	Social costs	19	1,642,135	1,200,363
F.	Taxes and charges	20	1,187,536	1,273,316
G.	Write-offs and provisions for intangible fixed assets and tangible fixed assets (I.22+23)	21	1,368,720	1,387,992
G.1.	Depreciation of intangible and non-current tangible fixed assets	22	1,368,720	1,387,992
H.	Net book value of fixed assets and inventory sold	24	7,803	2,542
I.	Adjustments to receivables	25	115,678	26,074
J.	Other operating costs	26	359,690	289,958
***	Economic outturn (I. 02 to I. 10)	27	915,587	341,665
*	Added value (I.03+04+05+06+07) – (I.11+12+13+14)	28	27,749,843	23,972,971
**	Revenues from financial activity in total (I.30+31+35+39+42+43+44)	29	6,256	7,592
IX.	Income from long - term financial assets, total	31	108	108
IX.1.	Income from securities and shares from affiliated entities	32	108	108
XI.	Interest on income (I. 40 + I. 41)	39	0	0
XI.1.	Interest on income from affiliated entities	40	0	0
XII.	Exchange rate gains	42	6,148	7,484
**	Financial activity costs in total (I.46+47+48+49+52+53+54)	45	394,165	153,215
N.	Interest on costs (I.50+51)	49	327,872	92,239
N.1.	Interest on costs for affiliated accounting entities	50	307,043	92,239
2.	Other interest costs	51	20,829	
O.	Exchange rate losses	52	1,943	9,230
Q.	Other costs of financial activity	54	64,350	51,746
***	Profit / loss from financial activity (I. 29 to I. 45)	55	-387,909	-145,623
****	Profit / loss for the accounting period before tax (+/-) (I. 27 + I. 55)	56	527,678	196,042
R.	Income tax (I. 58 + I. 55)	57	163,201	86,285
R.1.	Income tax payable	58	322,207	28,612
2.	Income tax deferred	59	-159,006	57,673
****	Profit / loss for the accounting period after tax (+/-) (I. 56 - I. 57 - I. 60)	61	364,477	109,757

Cashflow Statement as of 31. 12. 2023 (in €)

	2023,(EUR)	2022,(EUR)
CASH FLOW FROM OPERATING ACTIVITIES		
Cash flow from operating activities	-1,057,326	2,321,167
Interest paid	-344,675	-92,239
Interest received	6,148	0
Income tax paid	50,238	-312,247
Cash flows before items of exceptional extent or occurrence	-1,345,616	1,916,681
Income from items of exceptional extent or occurrence	0	0
Net cash flow from operating activities	-1,345,616	1,916,681
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of fixed assets	-486,216	-1,214,763
Revenue from sale of fixed assets	22,262	20,661
Expenses for long - term loans of the subsidiary	-108	-108
Net cash flow from investment activities	-464,062	-1,194,210
CASH FLOW FROM FINANCIAL ACTIVITIES		
Revenue from loans - group	0	0
Revenue and expenditure related to loans	1,801,659	0
Long-term commitments	-40,861	-24,516
Deposits in subsidiaries	0	0
Dividends paid	-107,562	-875,097
Net cash flow from financial activities	1,653,236	-899,613
(Decrease) increase of cash and cash equivalents	-156,441	-177,142
Cash and cash equivalents at the beginning of the accounting year	717,662	894,804
Cash and cash equivalents at the close of the accounting year	561,221	717,662
NET PROFIT		
(before deduction of interest, tax items and items of exceptional extent or occurrence)	866,205	288,281
Adjustments of non-cash operations:		
Depreciation of long-term tangible and intangible assets	1,368,720	1,387,992
Rectified item to receivables	115,678	26,074
Rectified item to inventories	-15,642	12,201
Reserves	661,935	-108,440
Profit from sale of fixed assets	-22,391	-18,931
Other non-cash operations	0	0
Operating profit before change in working capital	2,974,505	1,587,177
Change in working capital:		
Decrease (increase) in trade receivables and other receivables (including accruals and deferrals of assets)	-2,091,236	-1,230,188
Decrease (increase) of inventories	-46,988	-158,592
(Decrease) increase of liabilities (including accruals and deferrals of passives)	-1,893,607	2,122,770
Cash flow from current operations	-1,057,326	2,321,167

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.



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 of our report. 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.

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

The statutory body is responsible for the preparation of 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 scepticism 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 other information in the Annual Report

The statutory body is responsible for the other information. The other information comprises the information included in the Annual Report prepared in accordance with the Act on Accounting but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information in the Annual Report.

In connection with our audit of the financial statements, our responsibility is to read the other information in the Annual Report that we have obtained prior to the date of the auditors' report on the audit of the financial statements, and, in doing so, consider whether the other information is materially inconsistent with the audited financial statements or our knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

When we obtain the Annual Report, based on the work undertaken in the course of the audit of the financial statements we will express an opinion as to whether, in all material respects:

- the other information given in the Annual Report for the year ended 31 December 2023 is consistent with the financial statements prepared for the same financial year; and
- the Annual Report contains information required by the Act on Accounting.

In addition, we will report whether we have identified any material misstatement in the other information 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.

Audit firm:
KPMG Slovensko spol. s r.o.
License SKAU No. 96

Responsible auditor:
Ing. Jakub Majernik, ACCA
License UDVA No. 1259

Bratislava, 22 April 2024

This is a translation of the original Slovak Auditors' Report into English language. The financial statements have not been translated. For a full understanding of the information stated in the Auditors' Report, the Report should be read in conjunction with the full set of the financial statements prepared in Slovak.

report of the supervisory board 2023



Stredoslovenská vodárenská
prevádzková spoločnosť, a.s.

Report of the Supervisory Board of StVPS, a.s. to the annual financial statement for 2023

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 for 2023.

The report of the Supervisory Board on the financial year 2023 is prepared on the basis of the minutes from the meetings of the Supervisory Board, control activities and the statement of the company's auditor regarding the regular individual financial statements for 2023.

After reviewing the financial statement for 2023 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 2023.

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 31.12.2023.

The members of the Supervisory Board were further acquainted with the proposal of the Board of Directors for the distribution of profits and the draft annual report for 2023. On the basis of the resolution adopted, the Supervisory Board recommends the Ordinary General Meeting to **approve** the financial statements together with the proposal for the distribution of the profit for 2023 and the annual report for 2023.

The Supervisory Board would like to take the opportunity to express their gratitude to all the employees of the company for their approach, willingness and commitment in ensuring an uninterrupted supply of water and sewage disposal during 2023. Thanks are also due to the members of the Board and our partners, the representatives of the towns and municipalities, for their cooperation and professional approach.

Banská Bystrica, April 2024

A handwritten signature in blue ink, appearing to read 'Denisa Beníčková'.

Denisa Beníčková
Chairwoman of the Supervisory Board



Stredoslovenská vodárenská
prevádzková spoločnosť, a.s.

2023

ANNUAL REPORT

Stredoslovenská vodárenská prevádzková spoločnosť, a. s.
Partizánska cesta 5, 974 01 Banská Bystrica
Tel.: 048/ 4327 111 | e-mail: info@stvps.sk | www.stvps.sk

Call Centre

0850 111 234

e-mail: cc@stvps.sk | fax: +421 48 4327 888

CUSTOMER CENTRES

Banská Bystrica | Partizánska 73, 974 01 BB

Prievidza | V. Clementisa 52, 971 55 PD

Lučenec | Komenského 4, 984 53 LC

Rimavská Sobota | Duklianskych hrdinov 42, 979 01 RS

Veľký Krtíš | Banická 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

PRINTED ON RECYCLED PAPER



Issued by: StVPS, a. s. (Banská Bystrica 2024)