



ŽELEZNIČNÁ SPOLOČNOSŤ SLOVENSKO  
NÁRODNÝ DOPRAVCA

ANNUAL REPORT | 2019





# Annual Report of Železničná spoločnosť Slovensko, a.s. for 2019

Bratislava, 31 March 2020

For and on behalf of the Company: **Mgr. Filip Hlubocký**

Chairman of the Board of Directors  
of Železničná spoločnosť Slovensko, a.s.

**Ing. Karol Martinček**

Vice Chairman of the Board of Directors  
of Železničná spoločnosť Slovensko, a.s.

## Supplement to the Independent Auditor's Report on the Annual Report



# MOORE BDR

### DODATOK SPRÁVY NEZÁVISLÉHO AUDÍTORA

pre akcionárov spoločnosti Železničná spoločnosť Slovensko, a.s. Bratislava

#### k časti II. - SPRÁVA K INFORMÁCIÁM, KTORÉ SA UVÁDZAJÚ VO VÝROČNEJ SPRÁVE

Overili sme účtovnú závierku spoločnosti Železničná spoločnosť Slovensko, a.s. so sídlom v Bratislave, IČO: 35 914 939 (ďalej aj „Spoločnosť“) k 31. decembru 2019, uvedenú od strany 37 výročnej správy Spoločnosti, ku ktorej sme dňa 26. februára 2020 vydali správu nezávislého audítora, ktorá sa nachádza na stranách 32 - 35 výročnej správy Spoločnosti. Tento dodatok sme vypracovali v zmysle § 27 odsek 6 zákona č. 423 / 2015 Z. z. o štatutárnom audite a o zmene a doplnení zákona č. 431 / 2002 Z. z. o účtovníctve v znení neskorších predpisov (ďalej len „zákon o štatutárnom audite“).

Na základe vykonaných prác opísaných v časti II. správy nezávislého audítora - Správa k informáciám, ktoré sa uvádzajú vo výročnej správe, podľa nášho názoru:

- informácie uvedené vo výročnej správe Spoločnosti Železničná spoločnosť Slovensko, a.s. zostavenej za rok 2019 sú v súlade s jej účtovnou závierkou za daný rok,
- výročná správa obsahuje informácie podľa zákona o účtovníctve.

Okrem toho, na základe našich poznatkov o účtovnej jednotke a situácii v nej, ktoré sme získali počas auditu účtovnej závierky, sme povinní uviesť, či sme zistili významné nesprávnosti vo výročnej správe. V tejto súvislosti konštatujeme, že sme nezistili významné nesprávnosti vo výročnej správe.

Banská Bystrica, 31. marca 2020

BDR, spol. s r.o. Banská Bystrica  
M. M. Hodžu 3, 974 01 Banská Bystrica  
Licencia SKAu č. 6  
Obchodný register Okresného súdu Banská Bystrica  
Oddiel: Sro, Vložka číslo: 98/S, IČO: 00614556

Ing. Miroslav Čiampor  
kľúčový auditorský partner  
licencia UDVA č. 1068





## Supplement to the Independent Auditor's Report

To the shareholders of Železničná spoločnosť Slovensko, a.s. Bratislava

**concerning part II – REPORT ON THE INFORMATION STATED IN THE ANNUAL REPORT**

We have audited the Financial Statements of Železničná spoločnosť Slovensko, a.s., with the registered seat in Bratislava, company ID no.: 35 914 939 (hereinafter referred to also as the Company), as on 31 December 2019, stated on page 37 and further in the Annual Report of the Company, to which we issued the Independent Auditor's Report on 26 February 2020 that can be found on page 32 – 35 of the Annual Report of the Company. This Supplement was prepared in terms of Article 27 (6) of Act no. 423/2015 Coll. on the statutory audit and on amendments and supplements to Act no. 431/2002 Coll. on accounting as amended (hereinafter only the Statutory Audit Act).

Based on the findings as described in part II of the Independent Auditor's Report – Report on the information stated in the Annual Report, our opinion is that:

- the information presented in the Annual Report of Železničná spoločnosť Slovensko, a.s. for 2019 is consistent with the Financial Statements for the same year,
- the Annual Report contains the information in compliance with the Accounting Act.

Besides, based on our knowledge of the accounting entity and its situation obtained during the audit of the Financial Statements, we are obliged to state whether we discovered any material misstatements in the Annual Report. In this respect we can state that we did not find any material misstatements in the Annual Report.

Banská Bystrica, 31 March 2020

BDR, spol. s r.o. Banská Bystrica

M. M. Hodžu 3, 974 01 Banská Bystrica

SKAU Licence no. 6

Companies' Register of the District Court of Banská Bystrica

Section: Sro, Entry no.: 98/S, Company ID no.: 00614556

Ing. Miroslav Čiampor

Key Audit Partner

UDVA Licence no. 1068



A handwritten signature in blue ink, appearing to read 'M. Čiampor'.



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## FOREWORD OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

**Dear customers, business partners and colleagues,**

you are opening the Annual Report of ZSSK for 2019. It was a positive year for the Company as it was the second year in sequence that ended in black numbers, with revenues as well as labour productivity increasing year-to-year, and with new and modernised rolling stock added to our rolling stock fleet. Even though its acquisition is rather financially demanding, it is necessary in order to increase the share of public passenger transport in the long-term horizon compared to automobile transport. Speed and comfort are the very characteristics that are crucial for us and our customers.

The fact that the national transport operator was able to achieve positive business results in the second successive year is not to be taken for granted. A glance back into the past shows that such success is not a common phenomenon; therefore, I am very happy that we could prove that also state-owned companies are able to run their business in a responsible manner. The InterCity trains were profitable for the very first time in their history – just in line with the obligation we promised the Ministry of Transport and Construction of the Slovak Republic to fulfil. Passengers developed a liking for our IC trains, and the commercial potential of railway transport in Slovakia – wherever there are good railway lines – seems to be viable.

This year we again persuaded new people that travelling by train is modern and railway transport has an ecological aspect, which is a major success after 30 years of neglecting the railways. The number of paying passengers as well as passengers entitled to free-of-charge transport increased year-to-year, and in 2019 an overall number of more than 77 million passengers were transported by rail (a year-to-year increase by + 4.8 %).

Since June 2019 we have been commissioning the new diesel multiple units (DMU 861) on the lines around Zvolen. The southern part of Central Slovakia was the last region without similar modern rolling stock. ZSSK will gradually have a total of 25 units. At the same time, it was the beginning of the major modernisation of the rolling stock fleet that had been prepared since 2016. Hundreds of new vehicles will join our fleet in the years to come.

However, the new rolling stock also requires adequate maintenance that meets the latest technological development. Besides preparation for establishment of three light maintenance centres, we have so far invested EUR 12 million from our own resources into the locomotive depot in Vrútky. This is the biggest investment into buildings and technical equipment since the beginning of ZSSK.

We were also able to increase our labour productivity. In a company with strong unions, it is not easy to persuade people that this is the only way to ensure increase in wages in the future. I am, therefore, very glad that while preserving the positive business result we were able to react to the wage increase within the whole economy and the wages in our company rose by 10.3 % year-to-year.

I would like to thank all those who supported us. Every single indicator is still the proof of our year-to-year improvement. I would particularly like to thank the employees for their willingness to cope with increasingly demanding activities as well as for their contribution not only to improving the image of the national transport operator but of the railways as such.



**Filip Hlubocký**

Chairman of the Board of Directors and Director General of ZSSK

## COMPANY PROFILE

**Železničná spoločnosť Slovensko, a.s. (ZSSK)**  
**Rožňavská 1**  
**832 72 BRATISLAVA**

**Company ID no.:** 35 914 939  
**Tax registration no.:** 20 219 200 76

**Established on:** 13 December 2004

**Share capital:** EUR 212.441 million

**ZSSK** is a joint-stock company with the seat in the Slovak Republic, founded on 13 December 2004 and entered into the Companies' Register of the District Court of Bratislava I as of 1 January 2005. Its founder and a sole owner (the only shareholder) is the State. The rights of the State as the shareholder are executed by the Ministry of Transport and Construction of the Slovak Republic (MTC) with the seat at Námestie slobody 6, 811 06 Bratislava. ZSSK does not figure as an associate partner with unlimited liability in any other company.

In terms of § 21 (4) of the Act on State Statistics as amended, in April 2016 ZSSK was included into the statistical register of organisations under sector S13 – Public Administration.

The internal organisation of ZSSK is governed by the Establishment Deed, the Statutes of the Joint-Stock Company and the Organisation Order of ZSSK.

The Statutes of the Company stipulate the subject of business activities of ZSSK. The core activity of the Company is to transport passengers on nationwide lines, regional lines and other related activities. The services in passenger transport are delivered in accordance with the state transport policy of the Slovak Republic and are based on the Contract on Passenger Rail Transport Services concluded pursuant to Act of the Slovak National Council no. 514/2009 Coll. on transport by rail as amended, between ZSSK as the transport operator and the State (represented by MTC SR) as the contracting authority.

The bodies of ZSSK:  
The *General Assembly* is the supreme body of ZSSK.

The *Board of Directors* is the statutory body of ZSSK. It is authorised to act for and on behalf of ZSSK in all matters and represents ZSSK in front of third parties, at courts and other bodies. The Board of Directors manages the company activities and decides upon all company matters, unless assigned to other company bodies by legal regulations or company statutes.

The *Supervisory Board* is the supreme control body of ZSSK. It supervises the activities of the Board of Directors and business activities of ZSSK.

The *Director General* is an executive body of ZSSK.

## BOARD OF DIRECTORS OF ZSSK

**Mgr. Filip HLUBOCKÝ**

**Chairman of the Board of Directors**

Director General of ZSSK  
Since 18 June 2016

**Dipl.-Ing. Patrik HORNÝ**

**Vice Chairman of the Board of Directors**

Director of the Division of Economy and Information  
Management of ZSSK  
From 21 June 2016 to 25 March 2019  
Member from 18 June to 20 June 2016

**Ing. Karol MARTINČEK**

**Vice Chairman of the Board of Directors**

Business Division Director of ZSSK  
Since 26 March 2019  
Member from 18 June 2016 to 25 March 2019

**Ing. Radoslav ŠTEFÁNEK**

**Member of the Board of Directors**

Service Division Director  
Since 27 March 2019

## SUPERVISORY BOARD

**Ing. Peter BARTALOS**

**Chairman of the Supervisory Board**

Since 20 September 2017

**Mgr. Ladislava CENGLOVÁ**

**Vice Chairman of the Supervisory Board**

From 9 September 2015 to 11 March 2019

**Peter CIBULA, Mgmt.**

**Member of the Supervisory Board**

Since 18 June 2016

**Ing. Ivan ČERNEGA**

**Member of the Supervisory Board**

Since 23 June 2017

**Jozef HLAVATÝ**

**Member of the Supervisory Board**

Since 20 January 2010

**Peter DUBOVSKÝ**

**Member of the Supervisory Board**

Since 23 January 2015

Based on Act no. 423/2015 Coll. on statutory audit and on amendments and supplements to Act no. 431/2002 Coll. on accounting as amended, ZSSK is an entity subject to oversight and is obliged to establish an audit committee since 17 June 2016. In compliance with Article 34 (5) d) of the above Act, the Supervisory Board of ZSSK acts as the audit committee.

## SCOPE OF BUSINESS

ZSSK performs transport and commercial activities by rail. ZSSK's scope of business is as follows:

- 1) operation of transport on the railway network – nationwide and regional railways,
- 2) operation of transport on the infrastructure – nationwide and regional infrastructure,
- 3) advertising and promotional activities,
- 4) administrative and photographic activities,
- 5) organisation of education in the field of railway transport,
- 6) manufacturing of spare parts for machines and mechanisms,
- 7) purchase of goods for purposes of their sale to other sole traders (wholesale trade),
- 8) purchase of goods for purposes of their sale to the final consumer (retail trade),
- 9) intermediary activity within the scope of free trade,
- 10) lease of real estates including provision of supplementary services,
- 11) lease of real estates including provision of supplementary services-procurement activities,
- 12) national irregular bus transport,
- 13) national freight road transport,
- 14) exchange activities,
- 15) software provision – sale of ready-made programmes under the contract with the author,
- 16) automated data processing,
- 17) advisory and consultancy services in the field of hardware and software,
- 18) accounting consultants' services,
- 19) bookkeeping,
- 20) forwarding,
- 21) repairs of machines,
- 22) repairs of road motor vehicles,
- 23) provision of mailing services,
- 24) lease of transport vehicles and mechanisms,
- 25) lease of consumer and industrial goods,
- 26) publishing activity within the scope of free trade,
- 27) storage of goods, except for administration of a public bonded warehouse,
- 28) activity of the chief clearance agent,
- 29) metal working,
- 30) geodetic and cartographic work,
- 31) running of technical libraries,
- 32) carrying out of assemblies, inspections, maintenance, servicing, revisions and testing of specified technical pressure devices,
- 33) carrying out of inspections, maintenance, repairs, reconstruction, servicing and testing of specified electric devices,
- 34) welding of rolling stock,
- 35) heat production,
- 36) heat production, heat distribution,
- 37) operation of transport on a special line – Detská železnica (Children's Railway) in Košice,
- 38) carrying out of servicing of selected technical gas equipment,
- 39) luggage storage,
- 40) procurement activity in the field of civil engineering,
- 41) accommodation services without board or catering,
- 42) repairs, maintenance, revision and testing of specific technical lifting and transportation devices,

- 43) non-destructive testing of rolling stock,
- 44) carrying out of inspections and non-destructive testing of lifting steel structures,
- 45) carrying out of specific activities: assembly, repairs, maintenance, reconstruction, revision, tests of specified electric technical devices on railway infrastructure,
- 46) carrying out assembly, repairs, revision and testing of specific technical gas devices,
- 47) carrying out assembly, repairs, revision and testing of specific technical pressure devices,
- 48) carrying out technical inspection of rolling stock before their commissioning and during their operation, and testing of technical capability of rolling stock for operation,
- 49) carrying out training and testing of professional capability to work with specified technical lifting and transportation devices - operation of lifting devices and operation of transportation devices,
- 50) carrying out training and testing of professional capability to work with specified technical devices - operation of pressure devices,
- 51) carrying out training and testing of professional capability to work with specified technical electric devices,
- 52) carrying out training and testing of professional capability to work with specified technical devices - operation of gas devices,
- 53) non-destructive testing of steel bridge and bridge-like infrastructure structures,
- 54) research and development in the field of natural, technical, social and humanistic sciences,
- 55) carrying out of assembly, inspections, maintenance, repairs and reconstruction of rolling stock.

**The company may run the business activities in the scope stated above pursuant to the following:**

- Licence no. 0950/2007/L to carry out transport services by rail, based on Decision of the Railway Regulatory Authority no. 5711/2006-ÚRŽD/Sk of 26 January 2007 for an unlimited period of time
- Licence no. 01/2007/ŠD/L to carry out transport on a special line – Detská železnica (Children's Railway) in Košice, issued on 29 May 2007 for an unlimited period of time
- Licence Deed no. OŽP-A/2005/48837-2/CR1 of 12 December 2005, for an unlimited period of time
- Licence Deed no. Žo-2005/12193/2/Z25 of 16 March 2005
- Trade Licence no. OŽP-A/2008/23329-2 of 23 May 2008
- Trade Licence no. Žo-2005/12195/2/Z25 of 16 March 2005
- Decision of the Railway Regulatory Authority no. 2005T 0017 of 31 May 2005 for heat generation, valid for an unlimited period of time.

**Special authorisations:**

- Authorisation of the Transport Authority no. K - 18/2016 to carry out assembly, maintenance, revision and testing of specific technical pressure devices
- Authorisation of the Transport Authority no. P - 11/2015 to carry out assembly, repairs, revision and testing of specific technical gas devices
- Authorisation of the Transport Authority no. E - 63/2015 to carry out specific activities: assembly, repairs, maintenance, reconstruction, revision, tests of specified electric technical devices on railway infrastructure
- Authorisation of the Transport Authority no. Zv - 12/2016 for welding of rolling stock
- Authorisation of the Transport Authority no. Z 28/2015 to carry out inspection and non-destructive testing of lifting steel structures
- Authorisation of the Transport Authority no. Z - 32/2016 to carry out repairs, maintenance, revision and testing of specific technical lifting and transportation devices

- Authorisation of the Transport Authority no. D - 10/2014 for non-destructive testing of rolling stock
- Authorisation of the Transport Authority no. D - 07/2017 for non-destructive testing of rolling stock
- Authorisation of the Transport Authority no. P-Z/17-2016-18 to carry out training and testing of professional capability to work with specified technical lifting and transportation devices - operation of lifting devices and operation of transportation devices
- Authorisation of the Transport Authority no. P-Z/06-2016-18 to carry out training and testing of professional capability to work with specified technical devices - operation of pressure devices
- Authorisation of the Transport Authority no. P-Z/05-2016-18 to carry out training and testing of professional capability to work with specified technical devices - operation of gas devices
- Authorisation of the Transport Authority no. P-E/20-2016-18 to carry out training and testing of professional capability to work with specified technical electric devices
- Authorisation of the MTC SR no. 28058/2016/C350-SŽDD/z.75851 to carry out technical inspection of rolling stock before their commissioning and during their operation, and testing of technical capability of rolling stock for operation
- Authorisation of the Transport Authority no. D - 08/2017 for non-destructive testing of steel bridge and bridge-like infrastructure structures
- Authorisation of the Transport Authority no. K - 13/2019 to carry out assembly, maintenance, revision and testing of specific technical lifting and transportation devices
- Authorisation of the Transport Authority no. K - 21/2019 to carry out assembly, revision and testing of specific pressure devices
- Authorisation of the Transport Authority no. Zv - 09/2019 for welding of rolling stock, welding of steel bridge and bridge-like infrastructure structures
- Authorisation of the Transport Authority no. 18528/2019/OUTZ-006/Dz to carry out training and testing of professional capability to work with specified technical electric devices pursuant to Article 18 ( 2) of Act on railway transport
- Authorisation of the Transport Authority no. 21641/2019/OUTZ—0005/Čm to carry out training and testing of professional capability to work with specified technical pressure devices
- Authorisation of the Transport Authority no. 22883/2019/OUTZ-0005/Mch to carry out training and testing of professional capability to work with specified technical gas devices
- Authorisation of the Transport Authority no. 18323/2019/OUTZ-0007/Pš to carry out training and testing of professional capability to work with specified technical lifting and transportation devices in the scope of: operation of lifting devices and operation of transportation devices.

## PASSENGER TRANSPORT

In 2019, passenger transport services transported a total of **77,357 thousand passengers**, which was more by 3,549 thousand passengers compared to the last year, i.e. a year-to-year increase by 4.81 %, *of which*:

- the national transport services saw a year-to-year increase by 2,998 thousand passengers (4.31 %), of which IC trains saw an increase in transported passengers by 26 thousand,
- the international transport saw a year-to-year increase by 551 thousand passengers (12.80 %).

The year-to-year increase in the number of transported passengers was reflected also in an increase of the transport performance in **passenger-km**, which amounted to **4,003,731 thousand passenger-km** in 2019. Compared to 2018, the transport performance increased by 188,585 thousand passenger-km (4.94 %).

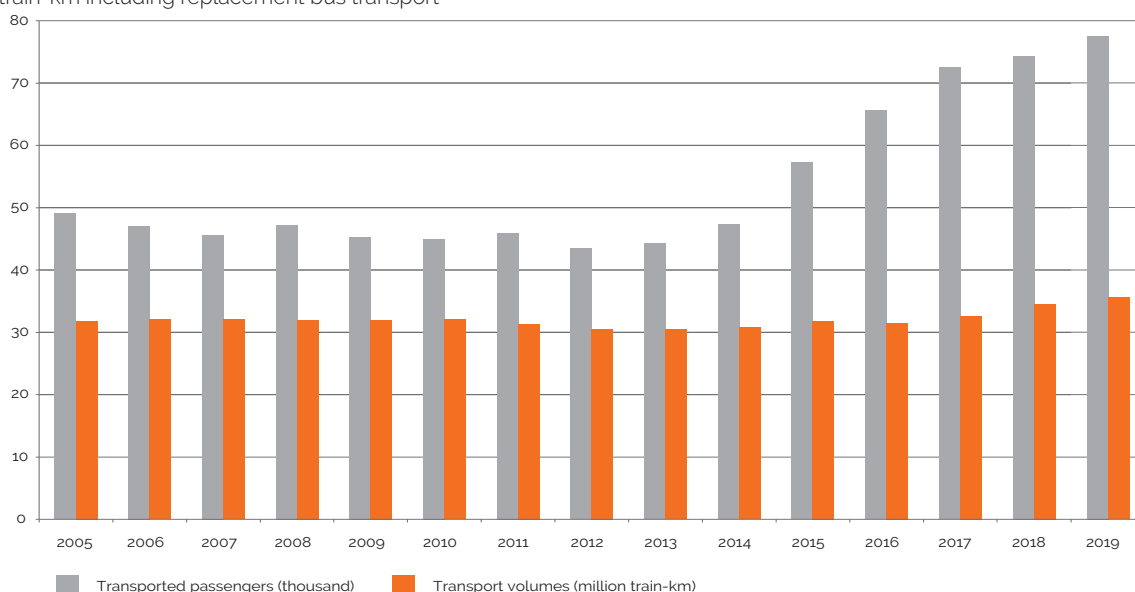
The year-to-year increase in the transported passengers and passenger-km in national services by contracted trains was most significantly affected by an increase of 8.3 % in free-of-charge passengers. The positive results were caused also by an increase of 5.6 % in irregular passengers with common fare, as well as an increase of 9.5 % in the use of closed tariff systems such as ITS in Bratislava Region and Žilina Region, and Tatra Electric Railway together with Cog Railway. The year-to-year increase in transported passengers in international services was affected by broader possibilities of train transport and suitable tariff conditions. Commercial trains transported more passengers year-to-year by 3.3 %.

The transport performance in **train-km**, including replacement bus services, amounted to a total of **34,503 thousand train-km** in 2019. Compared to the last year the transport performance increased by 854 thousand train-km (2.54 %), which was affected in particular by an increased volume of transport services ordered by the State.

### Development of volumes in passenger transport:

Total passenger transport	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2019/ 2018
Transport volume (million passenger-km)	2,166.20	2,194.20	2,147.96	2,278.66	2,249.07	2,291.27	2,431.72	2,413.49	2,421.95	2,503.13	3,081.25	3,193.72	3,759.92	3,815.15	4,003.73	1.049
Passengers (million)	49,054	47,021	45,598	47,184	45,342	45,004	45,959	43,445	44,287	47,286	57,275	65,606	72,473	73,808	77,357	1.048
Transport volume (million train-km) /	31,785	32,068	32,060	32,002	31,980	32,048	31,331	30,559	30,438	30,791	31,856	31,477	32,641	33,649	34,503	1.025

\*/ train-km including replacement bus transport





## QUALITY MANAGEMENT SYSTEM, CERTIFICATES

### Integrated Management System

The introduced integrated management system (IMS) of ZSSK includes several coordinated activities, which direct and manage enhancement of the quality of the services delivered by the Company.

The certified systems focus on the quality management concerning operation of long-distance trains of national significance, employee training, ticket sale, and occupational health and safety, and guarantee that the activities are carried out in compliance with the requirements of the respective standards

**In 2019 the integrated management system included the following certified products of QMS:**

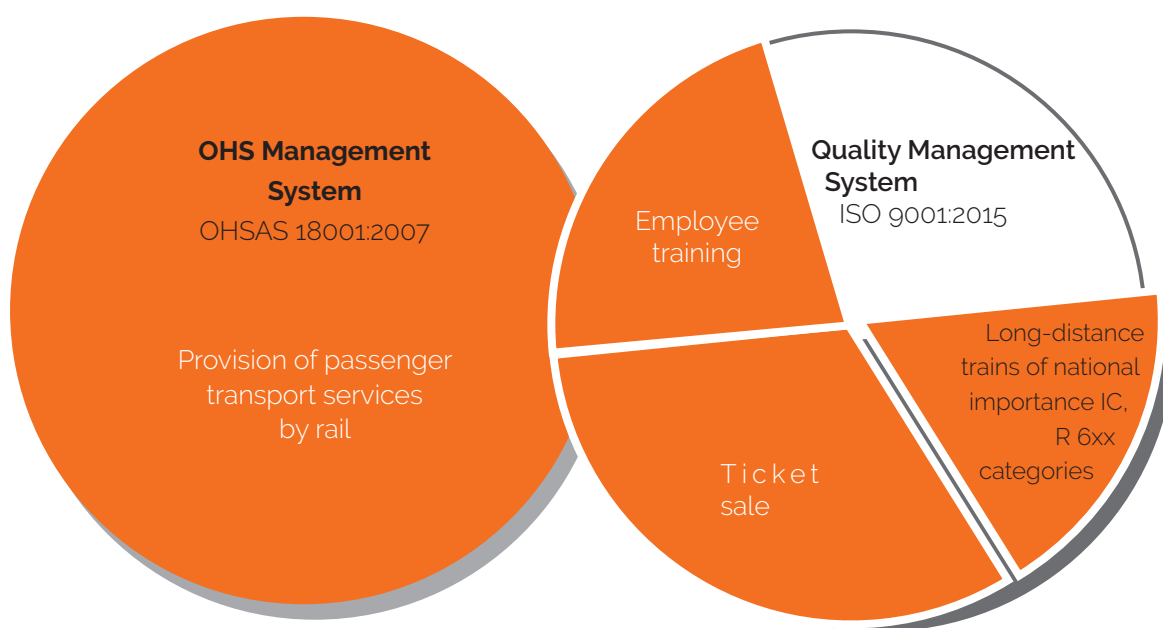


- ✓ Operation of long-distance trains of national importance in the category of IC and fast trains (R 6xx) on the line of Bratislava – Žilina – Košice and back
- ✓ Ticket sale
- ✓ Employee training pursuant to ISO 9001:2015



- ✓ *Provision of passenger transport services by rail pursuant to OHSAS 18001:2007*

**Picture 1 – Integrated Management System Scheme**



● certified products

## STRATEGIC OBJECTIVES

### Who we are

We are an efficient and modern national transport operator offering the most efficient and modern transport solution – the train. We are the major passenger transport operator, having served the customer for almost two centuries. Our long tradition does not prevent us from seeking innovative solutions to the requirements of our customers. We deliver the broadest range of services on-board trains as well as outside trains. When fulfilling the requirements of our customers, we make use of modern technologies, professional knowledge, capabilities and potential of our employees. Last, but not least, we pay attention to the environment protection.

### Our goal

We wish to be the railway transport operator of the first choice for the customers as well as the for the public service contracting authorities. Our goal is also to provide the highest-quality services in commercial trains. On these grounds, we have taken the role of an innovative-mobility and customer-oriented leader in the liberalised market. Our goal is to become a significant and attractive employer, developing the potential of its employees. At the same time, our goal is to be a profitable company, managed by international principles, successful in a competitive environment.

### How to achieve our goal

- We focus on the customer, constantly rendering our services more simple and pleasant. We provide transport also to older persons and passengers with reduced mobility and orientation. We guarantee a high rate of transport safety and reliability.
- We invest into renewal of the rolling stock fleet and introduce modern and new rolling stock into operation. We increase the rate of use of our rolling stock.
- We introduce modern technologies of handling the passengers, sale of tickets, and communication with passengers.
- We develop the key competencies of our employees through targeted trainings and education, increasing, at the same time, the motivation and labour productivity of our employees.
- We enhance the reliability of train operation and the quality of delivered services by establishing a network of workplaces for repairs and technical and hygienic maintenance of rolling stock.
- We introduce modern and innovative elements into the Company; we actively participate in research and development in the field of predictive maintenance.
- We provide services and products on the principle of balanced economic sustainability. We introduce a platform for new business models in an equal partnership with entrepreneurs, sharing the risks as well as the outcomes.
- We prefer solutions that minimise burdening of the environment.

### We care about our passengers

The project of *Modernisation of the rolling stock fleet of ZSSK under OP II – 1<sup>st</sup> part* continued in 2019, focusing on delivery of 21 diesel multiple units (DMU) for the Self-Governing Region of Banská Bystrica. The effective contractual time schedule defines the planned deadline for delivery of the last DMU in December 2020 at the latest.

Crucial milestones of the project on *Modernisation of the rolling stock fleet of ZSSK under OP II – 2<sup>nd</sup> part* were carried out in 2019, focusing on delivery of 25 EMUs to be allocated, in particular, in the Region of Žilina, where the gross structures were completed as on 31 December 2019 (6 EMUs of 220 series), with on-going production to complete the project in June 2022.

In connection to the above project, ZSSK has been carrying out the project on *Delivery and installation of ETCS into 25 electric multiple units* under OPPI in order to enhance safety and speed of trains on the lines equipped with ETCS. The project implementation will start in the first half of 2020.

Renewal and modernisation of the rolling stock fleet of ZSSK is carried out from the EU funds as well as from the resources of ZSSK. In the course of 2020 to 2021, the resources of ZSSK will be used to implement investments into modernisation and procurement of passenger coaches for long-distance transport. ZSSK will implement the project concerning the cog railway in the High Tatras by delivery of 5 cog electric units in the course of 2020 – 2021, co-financed from the EU funds, which originally started as funded from the resources of ZSSK in 2018. Coaches are also modernised every year in order to prolong their lifespan and increase the standard of travelling, reliability and safety (modernisation of the central energy source, renewal of the interior, modernisation of vacuum toilets, etc.).

Preparation for implementation of three projects of establishing centres for technical and hygienic maintenance of rolling stock in Nové Zámky, Zvolen and Humenné continued in 2019. Construction is assumed to begin in the first half of 2020, with the completion period of two years.

In cooperation with the Secondary Vocational School of Transport in Martin-Priekopa, ZSSK started establishing a top-quality company centre to support professionalism of the existing employees and to train potential new labour force. Establishment of an own training centre provides room for obtaining of certificates and authorisations for training of employees by own lecturers. This change will bring along savings of resources spent on trainings outsourced to external contractors and, at the same time, will allow for a more flexible approach to organising and targeting the training activities.

After a successful launch of the mobile application "Ideme vlakom" for Android in 2018, ZSSK introduced a similar application also for devices with iOS operation system (iPhone). ZSSK thus enables almost 100 % of smartphone owners to purchase tickets comfortably and quickly via their mobile phone. At the same time, ZSSK made it possible for their customers to use advantageous credit-card payment through the mobile application.

In 2019 the new internet site **www.zssk.sk** went live. The web site is designed by the manual of the national transport operator, it offers many technological improvements, it is responsive and, last but not least, it started the process of integration with other systems that will continue also in the further phases of the site development. The new site brings along several improvements for the customers; easier orientation, standardised and user-friendlier search.

After re-introduction of IC trains in 2017, the number of customers increased in 2018 by 12.2 %. The growth continued also in 2019, where the number of customers using the services of IC trains increased by almost 16 % compared to 2017.

In order to fulfil its goals of improved public relations, ZSSK successfully completed the project of Customer Experience in 2019, focusing on identification of areas for improvement of travelling and the company image. ZSSK concentrates also on the internal company ambient, where it makes effort to render its activities more efficient and easier through various projects, for instance by implementing new economic information software (SAP) or by automated management of crew and rolling stock turn-rounds.

The plan for 2020 is to continue the on-going projects and to start new ones focusing on cost savings, revenue increase and achieving better efficiency of the activities carried out by ZSSK.

ZSSK is active in facing the challenges posed by infrastructure modernisation, entry of competitors on the transport market, increase in energy and fuel prices, and situation on the labour market. It makes use of the opportunities brought along by transport integration, renewal of the rolling stock fleet co-financed by the EU funds, digitalisation, dual education and the emphasis placed on the environment protection.

## ECOLOGY

In 2019 ZSSK cooperated with contractors on the geological issue of "Renewal of the selected environmental burdens of the Slovak Republic" under the auspices of the Slovak Ministry of Environment in order to remove the environmental burden on the property owned by ZSSK. The project financed from the EU Structural Funds provides for rebuilding of the environmental burden at seven locomotive depots of ZSSK: the locomotive depots in Humenné, Košice, Prievidza, Nové Zámky, Brezno, Kľačany and Vrútky, with the assumed date of completion (including post-rebuilding monitoring) in 2024. In 2019 ZSSK cooperated in preparation of projects analysing the risk, implementation of drills, building of renewal technologies, obtaining a permit to remove old diesel fuelling structures as primary sources of pollution on several sites, in demolition as well as rebuilding itself of polluted soil and underground waters.

In October 2019 the District Court of Banská Bystrica (Department of Environmental Care) issued the decision cancelling the proceedings in the matter of determining the obliged party concerning the environmental burden in the locomotive depot in Filákov, where ZSSK was not determined as the party obliged to remove the burden and, subsequently upon the Ministry proposal, the Slovak Government will decide which ministry is to carry out the obligation.

In the course of 2019, 3 extraordinary cases of worsened or jeopardised water were recorded on the railway lines, dealt with by the Company together with the Slovak Environmental Inspectorate, and 5 extraordinary events caused by leakage of pollutants (oil substances, antifreeze liquids) from motive power units into the environment. To solve these cases, the Company participated in committees inspecting the locomotives, in preparation of reports for the Slovak Environmental Inspectorate (in case of extraordinarily worsened water condition) and in implementing remedies, including pollution elimination.

As regards the waste management within ZSSK, in order to collect waste and to comply with the legislative requirements, several workplaces had large-capacity containers replaced/supplied to collect dangerous and other waste (locomotive depot in Bratislava main station, coach repair centre in Nové Zámky and Zvolen, locomotive depots in Košice, Poprad and Filákov; all containers for collecting dangerous waste and scrap iron were replaced by new ones in the locomotive depot in Prievidza).

In order to ensure the environment protection, ZSSK also dealt with activities related to reconstruction of the locomotive depot in Vrútky, preparation of the coach repair centre in Zvolen for maintenance of DMU of 861 series, cutting of greenery in the locomotive depots of Košice, Nové Zámky and Brezno, cooperation in cleaning of locomotive depots (an initiative under the auspices of the Director General), as well as all notification obligations resulting from the effective legislation (fulfilled within the deadline).

As regards preventive activities, observance of the effective legislative regulations for the environment and related internal regulations of ZSSK was controlled and subsequent remedies were adopted.

In 2019 the Ecology Department underwent an internal audit aiming at finding compliance of the inspected activities with the audit criteria, IMS goals, IMS policy, documented processes and testing of their efficiency. Based on recommendations of the audit and an external operating environmental audit of 2018, ZSSK decided to change the position of the Ecology Department within the organisation structure of the Company by shifting it from the Facility Management to Inspection and Supervision Department as of 1 January 2020.

## OWNERSHIP INTERESTS OF ZSSK as on 31 December 2019

ZSSK holds an ownership interest with insignificant influence in the following companies:

	Number of shares in the equity (pieces) as on 31/12/2019	Share against the equity in %	As on 31 December 2018 in thousand EUR	As on 31 December 2019 in thousand EUR
EUROFIMA	1,300	0.50%	5,408	5,615
Bureau Central de Clearing, s.c.r.l. Brussels (BCC)	1	0.68%	1	1
Total	x	x	5,409	5,616

In 2019 ZSSK did not obtain any new shares.

## BUSINESS RESULTS

The Separate Financial Statements of ZSSK for 2019 are reported pursuant to the International Financial Reporting Standards.

### Business result

In 2019 the business result of ZSSK was profit of EUR 28 thousand. In 2019 ZSSK planned balanced business results.

In thousand EUR	Actual figures 31 December 2018	Actual figures 31 December 2019	Difference	Index 2019/2018
<b>Revenues</b>				
Passenger transport and related revenues	104,345	110,060	5,715	1.05
Compensation for services in public interest	300,058	292,969	-7,089	0.98
Other subsidies	30,364	30,549	185	1.01
Other net operating (costs) revenues	6,493	2,961	-3,532	0.46
	<b>441,260</b>	<b>436,539</b>	<b>-4,721</b>	<b>0.99</b>
<b>Costs</b>				
Consumption and services	-197,784	-197,214	570	1.00
Personnel costs	-114,502	-123,425	-8,923	1.08
Depreciation, amortisation and impairment of tangible assets	-89,548	-101,715	-12,167	1.14
Depreciation pertaining to financial lease – IFRS 16	0	-7,525	-7,525	
	<b>-401,834</b>	<b>-429,879</b>	<b>-28,045</b>	<b>1.07</b>
<b>Financial (costs) revenues</b>				
Financial revenues	49	91	42	1.86
Net financial costs, IAS 7, items 32, 33, 34	-3,606	-3,855	-249	1.07
Interests from lease instalments – IFRS 16	0	-910	-910	
Net financial derivatives	4	16	12	4.00
	<b>-3,553</b>	<b>-4,658</b>	<b>-1,105</b>	<b>1.31</b>
Tax costs	1,503	-1,974	-3,477	-1.31
<b>Profit (loss) in the accounting period</b>	<b>37,376</b>	<b>28</b>	<b>-37,348</b>	<b>0.001</b>
Other comprehensive results:				
<b>Items not to be reclassified into results</b>	534	-1,591	-2,125	-2.98
Revaluation of employee benefits	534	-1,591	-2,125	-2.98
Items that can be reclassified into results	0	0	0	
Other comprehensive results in the accounting period	534	-1,591	-2,125	-2.98
<b>Total comprehensive results in the accounting period</b>	<b>37,910</b>	<b>-1,563</b>	<b>-39,473</b>	<b>-0.04</b>

ZSSK had no costs on research and development in 2019.

## INDICATORS

	Unit	Actual figures 2018	Actual figures 2019	Difference	Index 2019/2018
Costs	thousand EUR	407,517	444,378	36,861	1.09
Revenues	"	444,893	444,406	-487	1.00
<b>Expensive ratio</b>		<b>0.92</b>	<b>1.00</b>	<b>0.08</b>	<b>1.09</b>
Operating revenues without compensation from public service contract and subsidies	thousand EUR	109,274	115,635	6,361	1.06
Operating costs without depreciation	"	310,721	323,238	12,518	1.04
<b>Coverage of costs by revenues</b>	<b>%</b>	<b>35.17</b>	<b>35.77</b>	<b>0.60</b>	<b>1.02</b>
Liabilities without accruals and deferrals*	thousand EUR	482,224	610,729	128,505	1.27
Total assets	"	1,250,495	1,496,564	246,069	1.20
<b>Total indebtedness without accruals and deferrals *</b>	<b>%</b>	<b>38.56</b>	<b>40.81</b>	<b>2.25</b>	<b>1.06</b>
Current assets	thousand EUR	122,347	148,307	25,960	1.21
Short-term liabilities without accruals and deferrals*	"	141,125	232,210	91,085	1.65
<b>Total liquidity</b>		<b>0.87</b>	<b>0.64</b>	<b>-0.23</b>	<b>0.74</b>
Loans + aid	thousand EUR	380,208	434,666	54,458	1.14
Total assets	"	1,250,495	1,496,564	246,069	1.20
Loan encumbrance of assets	%	30.40	29.04	-1.36	0.96

\*) Accrued revenues (subsidy on modernisation of rolling stock and NRFC from EU funds and the State Budget on projects).

## DATA ON REMUNERATION OF THE STATUTORY AND SUPERVISORY BODIES OF ZSSK

In thousand EUR	2018	2019
<b>Current members</b>		
<b>of which: Board of Directors</b>	<b>36</b>	<b>46</b>
Supervisory Board	33	41
<b>Former members</b>		
<b>of which: Board of Directors</b>	<b>0</b>	<b>3</b>
Supervisory Board	0	0
<b>Total remuneration:</b>	<b>69</b>	<b>90</b>

ZSSK provides monetary remuneration to the members of the Supervisory Board and the Board of Directors. These amounts are subject to tax and levy obligations in terms of effective legal regulations.



## SIGNIFICANT EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

Events occurred after the date of the Statement of Financial Position that will have a significant impact on the business results of ZSSK. The events were caused by a pandemic, spreading of a dangerous disease - COVID 19. The coronavirus is dangerous for the health of people and overall, it has an impact on the functioning of the society, which substantially worsens the economy and causes significant losses.

In an effort to protect its customers and employees and to eliminate loss brought along by the coronavirus, ZSSK accepted the measures introduced by the Slovak Government and applied them to the Company everyday functioning.

The spreading of coronavirus and the measures adopted by the Slovak Government and subsequently by ZSSK to slow down its spreading have already – at the beginning – been manifested by worsened economic situation at a national scale, experienced also by ZSSK.

Due to the coronavirus spreading, ZSSK has seen a significant reduction in the number of passengers, which automatically leads to decrease in revenues from transport that, together with the compensation for transport services in public interest from the state budget, are the most important part of the total income of ZSSK, accompanied by unequal reduction of costs.

ZSSK estimates loss of income due to reduced revenues from transport of passengers in the amount of several tens of million euros. Saved costs, anticipated in relation to the cancelled transport services, are significantly lower compared to the lost revenues from transport of passengers.

On these grounds, it has to be expected that ZSSK, as a public administration entity, will not continue its positive business result and keep the limits of the public administration budget as adopted by the Slovak Government for 2020.

## SETTLEMENT OF THE REPORTED BUSINESS RESULTS OF 2019

In 2019 ZSSK achieved accounting profit of EUR 28,427.13. Proposal of settlement of the reported business results:

In its Decision no. 55/RA – 2020, the sole shareholder adopted distribution of the profit in the amount of EUR 28,427.13 for the reporting period of 2019 as follows:

- contribution to the statutory reserve fund in the amount of EUR 2,842.71
- reduction of the loss of past periods on account 429 – unpaid loss of past periods, in the amount of EUR 25,584.42.

after adoption of the Separate Financial Statements of ZSSK prepared in compliance with the International Financial Reporting Standards as on 31 December 2019 by the General Assembly.

## HUMAN RESOURCES

The actual recorded number of employees as on 31 December 2019 amounted to 5,832, which was less by 1.15 % compared to the plan. Compared to 2018, the recorded number of employees reduced by 45 employees, which is less by 0.77 %.

### Recorded number of employees:

Division	2018	2019	Difference
Division of the Director General	189	207	9.52 %
Business Division	1,026	1,008	-1.75 %
Operation Division	3,162	3,130	-1.01 %
Economy Division	141	89	-36.88 %
Services Division	329	370	12.46 %
Maintenance Division	1,030	1,028	-0.19 %
<b>Total number of ZSSK employees</b>	<b>5,877</b>	<b>5,832</b>	<b>-0.77 %</b>

### Break-down by sex:

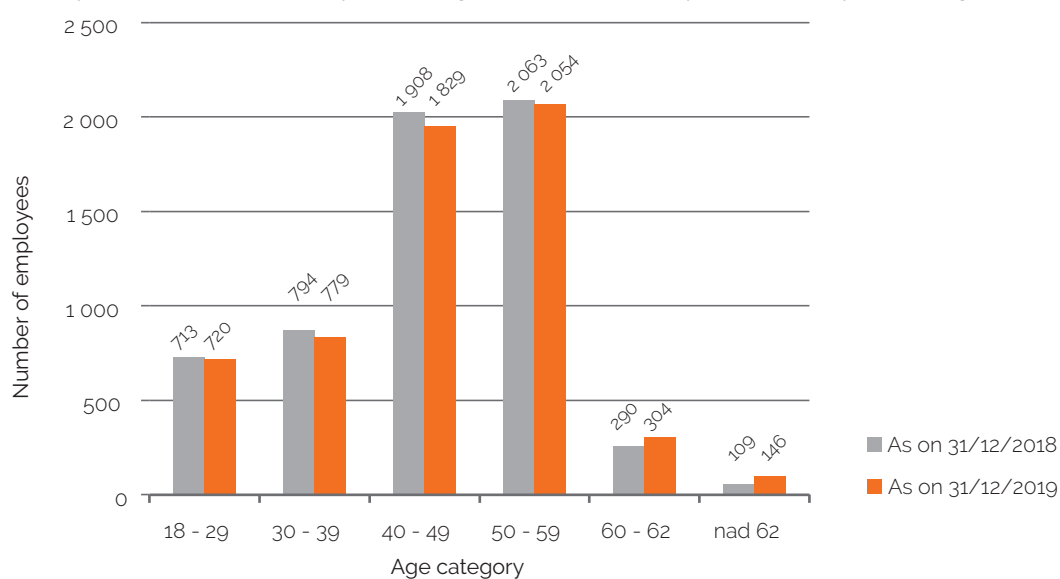
Sex of employees	2018	2019
Men	3,776	3,775
Women	2,101	2,057
<b>Total</b>	<b>5,877</b>	<b>5,832</b>

The average wage in ZSSK in 2019 reached the amount of **EUR 1,232.74**. Compared to 2018 (when the average wage amounted to EUR 1,117.64), the average wage increased by EUR 115.10, which is an increase by 10.30 %.

### Age structure of the employees in 2019

Out of the total number of employees of 5,832 there were

720 employees of less than 29 years of age,	2,054 employees between 50 - 59 years of age,
779 employees between 30 - 39 years of age,	304 employees between 60 - 62 years of age,
1,829 employees between 40 - 49 years of age,	146 employees over 62 years of age.



The above indicates that compared to 2018 ZSSK saw a decrease in the number of employees in 2019 in the age categories of 30 – 39, 40 – 49, and 50–59 years of age. Contrarily, the numbers of employees increased in the age categories of 18 – 29, 60 – 62 and over 62.

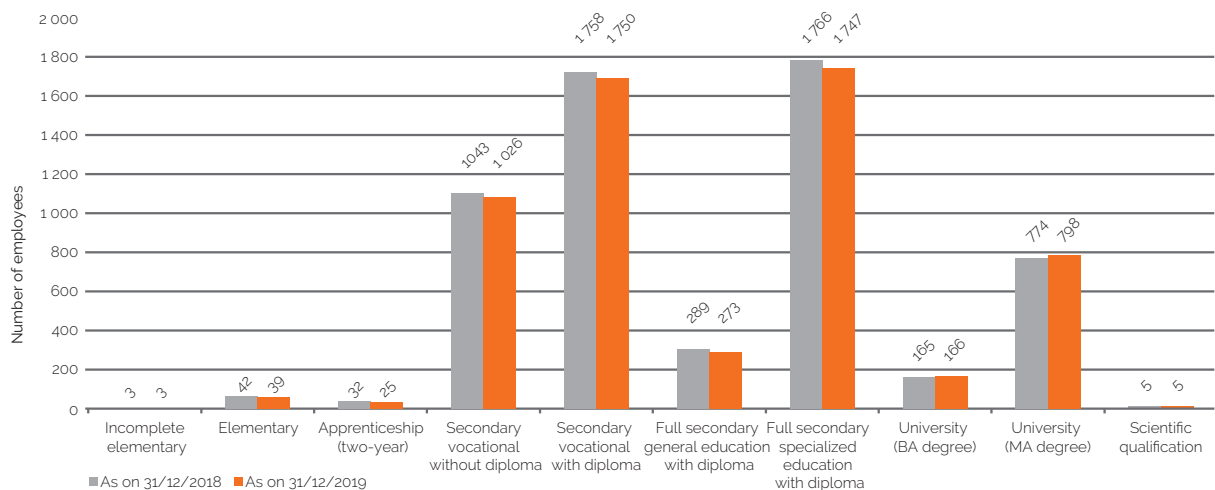
The average age of ZSSK employees as on 31 December 2019 is 46.33 years, which – compared to 2018 (46.10) means an increase by 0.23 years, and it is less than natural aging.

Despite the global trend of the overall aging of the population and dominance of employees in the post-reproduction and production age (45 – 64 years), the intention of ZSSK is a gradual increase of the employees in the lower age categories, in particular in the key operation and repair professions.

The tools to achieve this objective in 2019 included, in particular, locomotive drivers' trainings, Open Door Days in Depot Operation Centres/Operation Centres, a national promotional event "Transport Studies", an internship graduate scheme of ZSSK, as well as an attractive cooperation with secondary schools and universities that signed Mutual Cooperation Agreements with ZSSK. In 2019 ZSSK started also dual education in selected secondary transport vocational schools.

Besides a gradual reduction of the average employee age, the aim is to ensure employment in the key professions of ZSSK in the future through raising qualified and productive resources of labour force.

### Education structure of the employees in 2019



As regards the education structure in 2019, there was an increase of qualified employees compared to 2018:

- University education (bachelor's degree) by 1 employee,
- University education (master's degree) by 24 employees.

There was reduction in employees with:

- elementary education by 3 employees,
- apprenticeship (two-year) by 7 employees,
- full secondary vocational education with diploma by 16 employees,
- secondary education without diploma by 17 employees,
- full secondary general education with diploma by 16 employees,
- full secondary vocational education by 19 employees.

In percentage, out of the total number of ZSSK employees, the major group is of employees with:

- secondary vocational education with diploma – 1,750 employees, i.e. 30.00 %,
- full secondary vocational education with diploma – 1,747 employees, i.e. 29.96 %,
- University education – 969 employees, i.e. 16.62 %.

## NUMBER AND TYPES OF RECEIVED COMPLAINTS

ZSSK receives petitions and claims from the citizen – initial, serious as well as repeated, plus other-than-customer motions, requests, comments and appraisals (last, but not least also passenger injuries) of natural as well as legal entities delivered to ZSSK, and handles them in terms of the Directive on Handling of Claims, while evaluating them also in order to increase the customer contentedness.

Motions are recorded in the established on-line databases and coded in a structure of quality criteria pursuant to EN STN 13 816 "Public passenger transport", in accordance with Regulation (EC) No. 1371/2007 of the European Parliament and of the Council on rail passengers' rights and obligations; respecting the provisions of Act No. 85/1990 Coll. on Petition Right; Act No. 514/2009 Coll. on Railway Transport, Act No. 250/2007 on Consumer Protection, Act No. 552/2003 Coll. on the Performance of Work in Public Interest, Commercial Code and Labour Code.

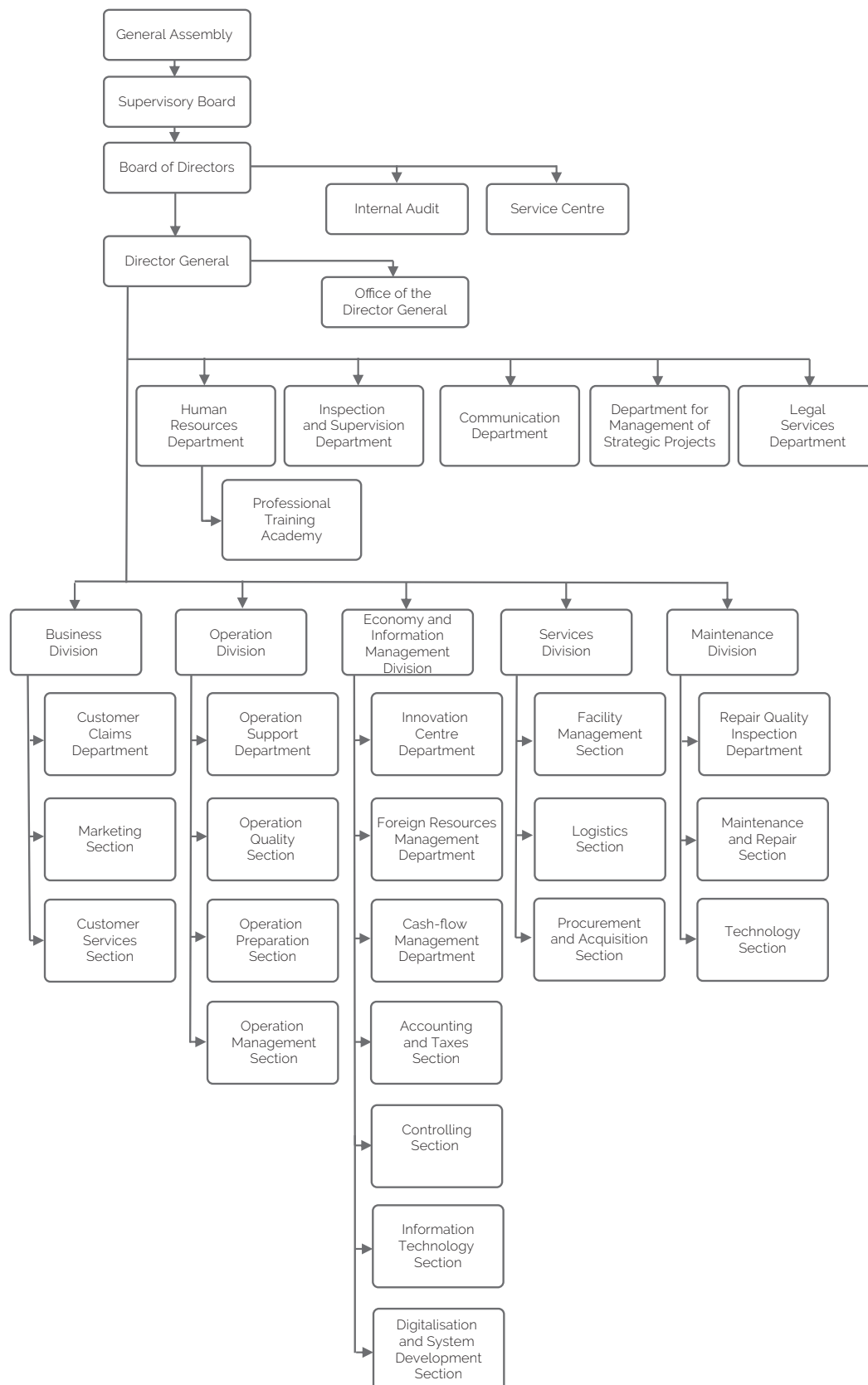
<b>Total number of initial and repeated claims received in 2019:</b>	<b>8,274</b>
• number of justified (customers') claims	3,485
• of which: number of claims with external justification	303
• number of claims with internal justification	3,182
<b>Form of delivery:</b>	
• letters delivered in writing	258
• electronic claims	5,412
• other form (re-routed, mass-media)	2,604
<b>Number of claims by their subject and reasons:</b>	
<b>Time</b> – delays due to exclusion of traffic on rail infrastructure, train delay due to a locomotive fault, delay – missed connecting service	2,188
<b>Comfort</b> – cleanliness on-board train sets, heating, air-conditioning, functioning of toilettes, other technical shortcomings – doors, windows, seats, train formation, services provided by WGS	1,674
<b>Availability of travel documents</b> – at cash desks, higher frequency, other sale channels, internet sale of tickets, passengers with reduced mobility	650
<b>Customer care</b> – behaviour of employees towards customers	877
<b>Appreciation</b> for employees of ZSSK	305
<b>Safety</b> – threats to safety of railway transport, criminal activity and health protection within railway infrastructure (at railway stations, on board of trains)	285
<b>Information</b> – travel information provided in general, during accidents and extraordinary situations	282
<b>Other</b>	<b>1,594</b>

Shortcomings resulting from justified claims were discussed between the responsible employees and their superiors, and the following measures were taken in proven cases of violated work obligations:

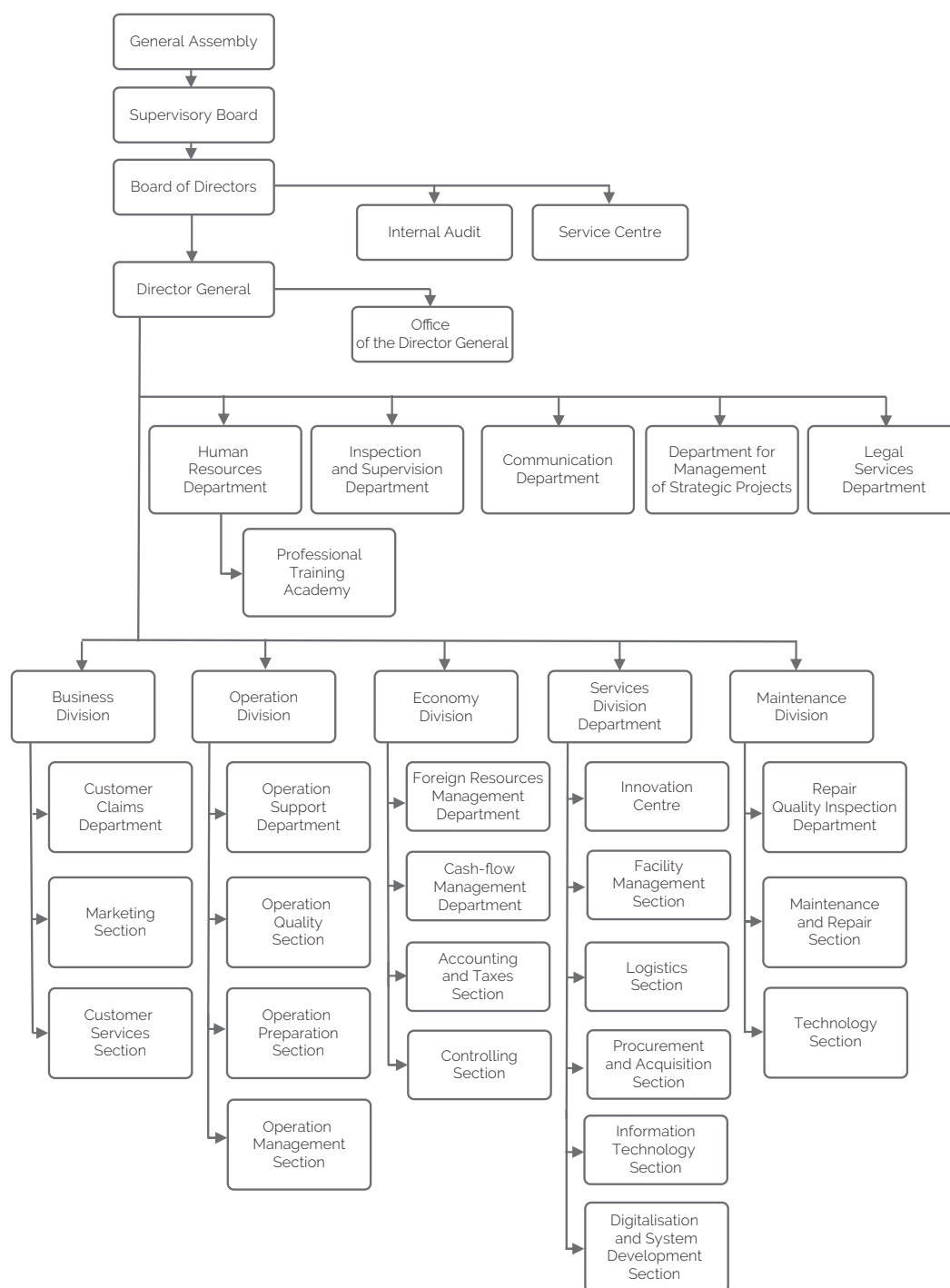
- measures under labour law (lower bonuses, an interview, an interview with possibility of a dismissal notice),
- organisational measures (increased inspections, instructions at regular trainings, extraordinary tests in serious cases).

In case of justified claims that were caused by ZSSK, the Company provided refunding, payment of incurred costs, or the enforcement was cancelled.

## ORGANISATIONAL STRUCTURE OF ZSSK until 31 May 2019



## ORGANISATIONAL STRUCTURE OF ZSSK since 1 June 2019



## ORGANISATIONAL UNITS

ZSSK has no organisational units.

## LIST OF USED ABBREVIATIONS

<b>BCC</b>	Bureau Central de Clearing, s. c. r. l. Brussels
<b>Coll.</b>	Collection of Acts
<b>DMU</b>	Diesel multiple unit
<b>EMU</b>	Electric multiple unit
<b>ETCS</b>	European Train Control System
<b>EU</b>	European Union
<b>ITS</b>	Integrated transport system
<b>IMS</b>	Integrated Management System
<b>IC, R 6xx</b>	InterCity trains, fast trains
<b>ISO norms</b>	Quality norms
<b>NRFC</b>	Non-repayable financial contribution
<b>OHS</b>	Occupational health and safety
<b>OHSAS norms</b>	Norms for occupational health and safety
<b>OPII</b>	Operational Programme Information Infrastructure
<b>SAP</b>	Economic information system
<b>SM</b>	Management System
<b>SR</b>	Slovak Republic
<b>ÚRŽD</b>	Railway Regulatory Authority
<b>WGS</b>	Wagon Slovakia (couchette and berth coaches)
<b>ZSSK</b>	Železničná spoločnosť Slovensko, a. s.


### Delegate of ZSSK at the International Union of Railways (UIC) in Paris:

#### Ing. Jozef FÁZIK

Chargé de Mission

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Internationaler Eisenbahnverband  
International Union of Railways

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**AN INDEPENDENT AUDITOR'S REPORT to the Separate Financial  
Statements as on 31 December 2019**



**MOORE BDR**

**SPRÁVA NEZÁVISLÉHO AUDÍTORA**

**z auditu účtovnej závierky**

**a**

**Správa k ďalším požiadavkám zákonov a iných právnych predpisov**

**pre akciovú spoločnosť**

**Železničná spoločnosť Slovensko, a.s.**

**so sídlom v Bratislave**

**za rok 2019**





MOORE BDR

## SPRÁVA NEZÁVISLÉHO AUDÍTORA

pre akcionárov spoločnosti Železničná spoločnosť Slovensko, a.s. Bratislava

### I. SPRÁVA Z AUDITU ÚČTOVNEJ ZÁVIERKY

#### Názor

Uskutočnili sme audit priloženej účtovnej závierky spoločnosti Železničná spoločnosť Slovensko, a.s. so sídlom v Bratislave, IČO: 35 914 939, ktorá obsahuje výkaz finančnej pozície k 31. decembru 2019, výkaz komplexného výsledku, výkaz zmien vo vlastnom imaní, výkaz peňažných tokov za rok končiaci k uvedenému dátumu, a poznámky k účtovnej závierke, ktoré obsahujú súhrn významných účtovných zásad a účtovných metód a ďalšie vysvetľujúce informácie.

Podľa nášho názoru priložená účtovná závierka poskytuje pravdivý a verný obraz finančnej situácie spoločnosti Železničná spoločnosť Slovensko, a.s. k 31. decembru 2019 a výsledku jej hospodárenia za rok končiaci sa k uvedenému dátumu v súlade s Medzinárodnými štandardami pre finančné výkazníctvo v znení prijatom Európskou úniou.

#### Základ pre názor

Audit sme vykonali podľa medzinárodných auditorských štandardov (International Standards on Auditing - ISA). Naša zodpovednosť podľa týchto štandardov je uvedená v odseku *Zodpovednosť audítora za audit účtovnej závierky*. Od Spoločnosti sme nezávislí podľa ustanovení zákona č. 423 / 2015 Z. z. o štatutárnom audite a o zmene a doplnení zákona č. 431 / 2002 Z. z. o účtovníctve v znení neskorších predpisov (ďalej len „zákon o štatutárnom audite“) týkajúcich sa etiky, vrátane Etického kódexu audítora, relevantných pre náš audit účtovnej závierky a splnili sme aj ostatné požiadavky týchto ustanovení týkajúcich sa etiky. Sme presvedčení, že auditorské dôkazy, ktoré sme získali, poskytujú dostatočný a vhodný základ pre náš názor.

#### Zdôraznenie niektorých skutočností

1. Ako je uvedené v Poznámke č.2.3. a č.16 priloženej účtovnej závierky, Spoločnosť má dlhodobý hmotný majetok, ku ktorému boli v súlade s IAS 37 vytvorené v minulých účtovných obdobiach rezervy na environmentálne záťaž. K 31.12.2019 bola výška rezervy posúdená a je vo výške 570 tis. EUR na základe zostávajúcich povinností ekologického charakteru, ktoré vyplývajú Spoločnosti v zmysle platnej legislatívy SR. Spoločnosť uskutočňuje odhady budúcich peňažných tokov, súvisiacich s environmentálnymi záväzkami pomocou porovnávania cien, použitím analógií s podobnými aktivitami v minulosti a inými odhadmi. Výška rezervy a predpoklady, na základe ktorých bola daná rezerva vypočítaná, sa prehodnocujú na ročnej báze vždy k súvahovému dňu. Hoci tieto odhady sú založené na najlepšom poznaní aktuálnych udalostí a postupov, skutočné výsledky sa môžu od týchto odhadov líšiť.
2. Ako je uvedené v Poznámke č.2.3 a č.16 priloženej účtovnej závierky, Spoločnosť vykazuje rezervy na súdne spory týkajúce sa viacerých právnych nárokov. Najvýznamnejšia rezerva k 31.12. 2019 vo výške 16,7 mil. EUR je vzhľadom na neistý výsledok na pasívny obchodno-právny spor s navrhovateľom so spoločnosťou LANCILLON LIMITED vo veci náhrady ušlého zisku z dôvodu zmarenia rekonštrukcie ŽKV. Rozdiel v celkovej výške požadovanej náhrady Spoločnosť naďalej vykazuje ako podmienený záväzok. Ako je uvedené v Poznámke č.17 b) priloženej účtovnej závierky (Podmienené záväzky), voči Spoločnosti je v tejto veci vedený súdny spor o náhradu škody vo výške 51 752 tis. EUR s príslušenstvom. Okresný súd Bratislava III žalobu v celom rozsahu zamietol a rozsudok bol potvrdený Krajským súdom v Bratislave. Žalobca podal odvolanie.

Manažment Spoločnosti na základe vypracovanej právnej analýzy predpokladá, že žaloba je neodôvodnená, pretože dodávateľ (navrhovateľ) nedodržiava zmluvné povinnosti z jednotlivých zmlúv. Hoci tieto odhady sú založené na najlepšom poznaní aktuálnych udalostí a postupov, skutočné výsledky sa môžu od týchto odhadov líšiť. Spoločnosť využíva služby aj externých právnych poradcov a skúsenosti z podobných predchádzajúcich súdnych konaní na určenie pravdepodobných výsledkov sporov a potreby tvorby rezervy.

### **Zodpovednosť štatutárneho orgánu a osôb poverených spravovaním za účtovnú závierku**

Štatutárny orgán je zodpovedný za zostavenie tejto účtovnej závierky tak, aby poskytovala pravdivý a verný obraz podľa medzinárodných štandardov pre finančné výkazníctvo v znení prijatom Európskou úniou a za tie interné kontroly, ktoré považuje za potrebné na zostavenie účtovnej závierky, ktorá neobsahuje významné nesprávosti, či už v dôsledku podvodu alebo chyby.

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

Osoby poverené spravovaním sú zodpovedné za dohľad nad procesom finančného výkazníctva Spoločnosti.

### **Zodpovednosť audítora za audit účtovnej závierky**

Našou zodpovednosťou je získať primerané uistenie, či účtovná závierka ako celok neobsahuje významné nesprávosti, či už v dôsledku podvodu alebo chyby, a vydať správu audítora, vrátane názoru. Primerané uistenie je uistenie vysokého stupňa, ale nie je zárukou toho, že audit vykonaný podľa medzinárodných audítorských štandardov vždy odhalí významné nesprávosti, ak také existujú. Nesprávosti môžu vzniknúť v dôsledku podvodu alebo chyby a za významné sa považujú vtedy, ak by sa dalo odôvodnene očakávať, že jednotlivito alebo v súhrne by mohli ovplyvniť ekonomické rozhodnutia používateľov, uskutočnené na základe tejto účtovnej závierky.

V rámci auditu uskutočneného podľa medzinárodných audítorských štandardov, počas celého auditu uplatňujeme odborný úsudok a zachovávame profesionálny skepticizmus. Okrem toho:

- Identifikujeme a posudzujeme riziká významnej nesprávosti účtovnej závierky, či už v dôsledku podvodu alebo chyby, navrhujeme a uskutočňujeme auditorské postupy reagujúce na tieto riziká a získavame auditorské dôkazy, ktoré sú dostatočné a vhodné na poskytnutie základu pre náš názor. Riziko neodhalenia významnej nesprávosti v dôsledku podvodu je vyššie ako toto riziko v dôsledku chyby, pretože podvod môže zahŕňať tajnú dohodu, falšovanie, úmyselné vynechanie, nepravdivé vyhlásenie alebo obídenie internej kontroly.
- Oboznamujeme sa s internými kontrolami relevantnými pre audit, aby sme mohli navrhnúť auditorské postupy vhodné za daných okolností, ale nie za účelom vyjadrenia názoru na efektívnosť interných kontrol Spoločnosti.
- Hodnotíme vhodnosť použitých účtovných zásad a účtovných metód a primeranosť účtovných odhadov a uvedenie s nimi súvisiacich informácií, uskutočnené štatutárnym orgánom.
- Robíme záver o tom, či štatutárny orgán vhodne v účtovníctve používa predpoklad nepretržitého pokračovania v činnosti a na základe získaných auditorských dôkazov záver o tom, či existuje významná neistota v súvislosti s udalosťami alebo okolnosťami, ktoré by mohli významne spochybniť schopnosť Spoločnosti nepretržite pokračovať v činnosti. Ak dospejeme k záveru, že významná neistota existuje, sme povinní upozorniť v našej správe audítora na súvisiace informácie uvedené v účtovnej závierke alebo, ak sú tieto informácie nedostatočné, modifikovať náš názor. Naše závery vychádzajú z auditorských dôkazov získaných do dátumu vydania našej správy audítora. Budúce udalosti alebo okolnosti však môžu spôsobiť, že spoločnosť prestane pokračovať v nepretržitej činnosti.
- Hodnotíme celkovú prezentáciu, štruktúru a obsah účtovnej závierky vrátane informácií v nej uvedených, ako aj to, či účtovná závierka zachytáva uskutočnené transakcie a udalosti spôsobom, ktorý vedie k ich vernému zobrazeniu.

S osobami poverenými spravovaním komunikujeme okrem iného o plánovanom rozsahu a harmonograme auditu a o významných zisteniach auditu, vrátane všetkých významných nedostatkov internej kontroly, ktoré počas nášho auditu zistíme.



## **II. SPRÁVA K ĎALŠÍM POŽIADAVKÁM ZÁKONOV A INÝCH PRÁVNÝCH PREDPISOV**

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

Štatutárny orgán je zodpovedný za informácie uvedené vo výročnej správe, zostavenej podľa požiadaviek zákona o účtovníctve. Naš vyššie uvedený názor na účtovnú závierku sa nevzťahuje na iné informácie vo výročnej správe.

V súvislosti s auditom účtovnej závierky je našou zodpovednosťou oboznámenie sa s informáciami uvedenými vo výročnej správe a posúdenie, či tieto informácie nie sú vo významnom nesúlade s auditovanou účtovnou závierkou alebo našimi poznatkami, ktoré sme získali počas auditu účtovnej závierky, alebo sa inak zdajú byť významne nesprávne.

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

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

- informácie uvedené vo výročnej správe zostavenej za rok 2019 sú v súlade s účtovnou závierkou za daný rok,
- výročná správa obsahuje informácie podľa zákona o účtovníctve.

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

Banská Bystrica, 26. februára 2020

BDR, spol. s r.o. Banská Bystrica  
M. M. Hodžu 3, 974 01 Banská Bystrica  
Licencia SKAu č. 6  
Obchodný register Okresného súdu Banská Bystrica  
Oddiel: Sro, Vložka číslo: 98/S, IČO: 00614556

Ing. Miroslav Čiampor  
kľúčový auditorský partner  
licencia UDVA č. 1068





# MOORE BDR

## **Independent Auditor's Report**

**concerning the audit of the Financial Statements  
and  
Report on further requirements of the law and other legal regulations  
for the joint-stock company  
Železničná spoločnosť Slovensko, a.s.  
with the registered office in Bratislava  
for 2019**

### **INDEPENDENT AUDITOR'S REPORT to the shareholders of Železničná spoločnosť Slovensko, a.s. Bratislava**

#### **I. REPORT ON AUDIT OF THE FINANCIAL STATEMENTS**

##### **Opinion**

We have audited the annexed Separate Financial Statements of Železničná spoločnosť Slovensko, a.s. with the registered seat in Bratislava, company ID no.: 35 914 939, containing the Statement of Financial Position as on 31 December 2019, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow for the year ended on the same date, and Notes to the Financial Statements expressing the summation of significant accounting principles and accounting methods, and further explanations.

In our opinion, the annexed Financial Statements present a faithful and objective overview of the financial situation of Železničná spoločnosť Slovensko, a.s. as on 31 December 2019, as well as the economic results for the year then ended, in accordance with the International Financial Reporting Standards as adopted by the European Union.

##### **Background to the Opinion**

We conducted the audit pursuant to the International Standards on Auditing (ISA). Our responsibility according to these Standards is stipulated under the paragraph on the Auditor's responsibility concerning the audit of the financial statements. We are independent of the Company in terms of the provisions of Act no. 423/2015 on statutory audit and on amendments and supplements to Act No. 431/2002 Coll. on accounting, as amended (hereinafter only the "Statutory Audit Act") concerning the ethics, including the Auditor's Code of Ethics, relevant to our audit of the financial statements. We also met other ethical requirements of these provisions. We believe that the obtained auditing evidence provides sufficient and suitable basis for our opinion.

**Emphasis on certain facts**

1. As stated in Notes no. 2.3 and no. 16 to the annexed Financial Statements, the Company owns long-term tangible assets, for which reserves on environmental burden were created in the past reporting periods in compliance with IAS 37. As on 31 December 2019 the reserve was assessed in the amount of EUR 570 thousand based on the remaining obligations of ecological nature imposed on the Company in terms of the effective Slovak legislation. The Company estimates future cash flows related to environmental liabilities via price comparisons, analogies with similar past activities and other estimates. The reserve amount and the basis for the reserve calculation are revaluated on an annual basis, always on the date of the balance. Even if these estimates are based on the best knowledge of current events and procedures, the actual results may differ from these estimates.
2. As stated in Notes no. 2.3 and no. 16 to the annexed Financial Statements, the Company reports reserves on lawsuits concerning several legal claims. As on 31 December 2019, the most significant reserve in the amount of EUR 16.7 million concerned an uncertain result of a passive commercial and legal lawsuit with the complainant, the company LANCILLON LIMITED, as regards compensation of lost profit due to failed reconstruction of the rolling stock. The Company continues to report the difference in the total claimed compensation as a contingent liability. As stated in Note no. 17 b) of the annexed Financial Statements (Contingent Liabilities), the Company is a defendant in a law-suit in this matter concerning compensations in the amount of EUR 51,752 thousand with interests. The District Court of Bratislava III refused the complaint in its full scope, and the decision was confirmed by the Regional Court of Bratislava. The complainant appealed. Based on a legal analysis, the Company management assumes that the complaint is unjustified as the contractor (the complainant) failed to meet the contractual obligations resulting from individual contracts. Even if these estimates are based on the best knowledge of current events and procedures, the actual results may differ from these estimates. The Company makes use also of services of external legal advisors and experience from similar previous lawsuits to determine the probable results of lawsuits and the need to create a reserve.

**Responsibility of the Statutory Body and persons entrusted with management of the Financial Statements**

The Statutory Body is responsible for elaboration of these Financial Statements so as to provide an objective and truthful presentation in compliance with the International Financial Reporting Standards as adopted by the European Union, as well as for the internal control it considers necessary to elaborate the Financial Statements without any material inconsistencies whether due to fraud or mistake.

When preparing the Financial Statements, the Statutory Body is responsible for assessment of the Company's ability to continue as a going concern, for description of the facts relevant to continue as a going concern if necessary, and for applying the going concern assumption to the accounting, unless it intends to dissolve the Company or to end its activities, or there would be no other realistic option other than doing so.

The persons entrusted with management are responsible for supervision over the process of financial reporting of the Company.

**Responsibility of the Auditor for the audit of the Financial Statements**

It is our responsibility to acquire reasonable assurance that the Financial Statements as such do not contain material inconsistencies, whether due to fraud or mistake, and to issue the Auditor's Report, including our opinion. A reasonable assurance is assurance of a high degree; however, it is not a guarantee that the audit conducted pursuant to the International Standards on Auditing must always disclose material inconsistencies, if any. Inconsistencies might occur due to fraud or

mistake and are considered significant if there is a reasoned assumption that, individually or in total, they could affect the economic decisions of the users based on these Financial Statements.

Professional judgement is applied and professional scepticism is maintained within the audit carried out pursuant to the International Standards on Auditing and throughout the whole audit. Besides:

- We identify and assess the risks of material misstatements in the financial statements, whether due to fraud or mistake, propose and apply auditing procedures reacting to these risks, and acquire auditing evidence that is sufficient and adequate to provide a basis for our opinion. The risk of not discovering a material misstatement due to fraud is higher than such a risk due to mistake as fraud might include a secret agreement, falsification, deliberate omission, false statement or evasion of an internal control.
- We learn about the internal controls relevant for the audit so as to be able to propose auditing procedures suitable for the respective circumstances, however, not with the purpose of expressing an opinion on efficiency of the Company's internal controls.
- We assess appropriateness of the used accounting principles and accounting methods and adequacy of the accounting estimates and presentation of the related information as carried out by the Statutory Body.
- We conclude whether the Statutory Body makes an appropriate use of the going concern assumption in its accounting and, based on the obtained auditing evidence, we conclude whether there is a material uncertainty related to events or circumstances that could significantly affect the ability of the Company to continue as a going concern. If we conclude that there is such material uncertainty, we are obliged to draw the attention within the Auditor's Report to the relevant information presented in the Financial Statements or, if the information is insufficient, to modify our opinion. Our conclusions are based on auditing evidence obtained by the date of issuance of our Auditor's Report. Any future events or circumstances, however, can cause the Company to cease its continuation as a going concern.
- We assess the overall presentation, structure and content of the Financial Statements, including the presented information, as well as the fact whether the Financial Statements present the carried-out transactions and events in a way leading to their truthful presentation.

We communicate with the persons entrusted with management, besides other, about the planned scope and schedule of the audit, and on significant findings of the audit, including all material shortcomings of the internal control discovered during our audit.

## **II. REPORT ON FURTHER REQUIREMENTS IMPOSED BY LAW AND OTHER LEGAL REGULATIONS**

### **Report on the information presented in the Annual Report**

The Statutory Body is responsible for the information presented in the Annual Report prepared pursuant to the requirements of the Accounting Act. Our opinion above on the Financial Statement does not apply to other information in the Annual Report.

In respect of the financial statements audit, it is our responsibility to get familiar with the information presented in the Annual Report and to assess whether the information is not in material inconsistency with the audited Financial Statements or our knowledge as obtained during the audit of the Financial Statements, or seem otherwise incorrect.

The Annual Report was not available at the date of issuing our Auditor's Report on the Financial Statements audit.

When we obtain the Annual Report, we will assess whether the Company's Annual Report contains information as required by the Accounting Act and, based on the findings obtained during the audit of the Financial Statements, we will express our opinion on whether:

- the information presented in the Annual Report for 2019 is consistent with the Financial Statements for the same year,
- the Annual Report contains the information in compliance with the Accounting Act.

Besides, based on our knowledge of the accounting entity and its situation obtained during the audit of the Financial Statements, we will state whether we discovered any material misstatements in the Annual Report.

Banská Bystrica, 26 February 2020

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SKAu Licence no. 6  
Companies' Register of the District Court of Banská Bystrica  
Section: Sro, Entry no.: 98/S, Company ID no.: 00614556

**Ing. Miroslav Čiampor**

Key Audit Partner  
UDVA Licence no. 1068

[signature in hand]

## **ANNEX – Separate Financial Statements of ZSSK for 2019**

The Annual Report is annexed with the Separate Financial Statements of ZSSK reported in compliance with the International Financial Reporting Standards as on 31 December 2019.







ŽELEZNIČNÁ SPOLOČNOSŤ SLOVENSKO  
NÁRODNÝ DOPRAVCA

**Železničná spoločnosť Slovensko, a. s.**  
Rožňavská 1, 832 72 Bratislava 3, Slovenská republika