



SEPARATE FINANCIAL STATEMENTS 2021



ŽELEZNIČNÁ SPOLOČNOSŤ SLOVENSKO
NÁRODNÝ DOPRAVCA

ŽELEZNIČNÁ SPOLOČNOSŤ SLOVENSKO, a. s.

**SEPARATE FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH
THE INTERNATIONAL FINANCIAL REPORTING STANDARDS**

As on 31 December 2021



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As on 31 December 2021

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Bratislava, 25 February 2021

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LIST OF USED ABBREVIATIONS

BCC	Bureau Central de Clearing s.c.r.l., Brussels
Bdt	Non-air-conditioned passenger coach of 2 nd class
Bdgteer	Air-conditioned modernised coach of 2 nd class
CF	Cohesion Fund of the EU
Coll.	Collection of Laws
DMU	Diesel multiple unit
EC	European Communities
EDU	Electric double-deck unit
ETCS	European Train Control System
EU	Electric unit
EU	European Union
EUROFIMA	European Company for the Financing of Railroad Rolling Stock, Basel
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IDIS	Intelligent Transport Information System
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
iKVC	Innovated IS for comprehensive handling of passengers
MF	Ministry of Finance of the Slovak Republic
MTC	Ministry of Transport and Construction of the Slovak Republic
NRFC	Non-repayable financial contribution
PSC	Public Service Contract
SAP, SAP HANA	Economic and information software
SB	State Budget
SW	Software
TAP TSI	Telematic application for passenger transport within Trans-European railway system
THÚ	Technical and hygienic maintenance
ZSSK	Železničná spoločnosť Slovensko, a. s.
ZSSK CARGO	Železničná spoločnosť Cargo Slovakia, a. s.
RS	Rolling stock
ŽOS	Railway coach repair workshop
ŽS	Železničná spoločnosť, a. s.
ŽSR	Železnice Slovenskej republiky, a. s.

LIST OF BANK INSTITUTIONS

Československá obchodná banka, a. s. (ČSOB)

Tatra banka, a. s. (TB)

UniCredit Bank Czech Republic and Slovakia, a. s., a foreign bank subsidiary Všeobecná úverová banka, a. s. (UCB)

Slovenská sporiteľňa, a. s. (SLSP)

Komerční banka, a. s.

Všeobecná úverová banka, a. s. (VUB)

365.bank, a. s.

STATEMENT OF FINANCIAL POSITION

For the year ended on 31 December 2021

(in thousand EUR)	Note	31 December 2021	31 December 2020
ASSETS			
Long-term assets			
Long-term tangible assets	4	1,060,096	995,576
Investments into real estates	4	2,161	2,343
Long-term intangible assets	5	21,454	24,438
Financial lease, IFRS 16	6	68,677	67,913
Financial assets	7	5,905	5,648
Other long-term assets	8	349,437	277,102
		1,507,730	1,373,020
Current assets			
Inventories	9	20,322	17,311
Trade receivables and other receivables	10	27,627	22,791
Receivables resulting from the Contract on Transport Services in Public Interest	22	0	128,055
Financial means and financial equivalents	11	66,778	1,983
		114,727	170,140
Held-for-sale assets	4	137	113
TOTAL ASSETS		1,622,594	1,543,273
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	12	212,441	212,441
Statutory reserve fund	12	28,917	27,858
Other funds	12	-33,622	-33,622
Re-valuation of employee benefits	15	-355	-1,346
Unpaid loss	12	-20,675	-30,206
Profit (loss) in the reporting period	12	2,998	10,590
Total shareholders' equity		189,704	185,715
Long-term liabilities			
Long-term financial aid	13	0	0
Interest-bearing loans and borrowings	14	330,413	305,649
Employee benefits	15	12,369	11,152
Reserves	16	6,801	6,374
Financial lease liabilities – long-term IFRS 16	6	62,749	62,799
Deferred tax	20	11,367	9,006
Other long-term liabilities	18	854,519	642,539
		1,278,218	1,037,519
Short-term liabilities			
Short-term financial aid	13	0	0
Interest-bearing loans and borrowings	14	50,340	173,369
Employee benefits	15	1,563	1,329
Reserves	16	1,333	655
Financial lease liabilities – short-term IFRS 16	6	8,129	7,513
Trade liabilities and other liabilities	19	93,307	137,173
		154,672	320,039
Total liabilities		1,432,890	1,357,558
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,622,594	1,543,273

STATEMENT OF COMPREHENSIVE INCOME

For the year ended on 31 December 2021

(in thousand EUR)	Note	31 December 2021	31 December 2020
Income			
Transport of passengers and related revenues	21	65,362	61,082
Compensation for services in the public interest	22	365,268	330,950
Income from subsidies	23	37,531	33,487
Other net operating (costs) revenues	24	8,785	22,521
		476,946	448,040
Costs and expenses			
Consumption and services	25	-198,186	-182,986
Personnel costs	26	-138,345	-129,588
Depreciation, amortisation and impairment of tangible assets	27	-121,720	-111,759
Depreciation and amortisation pertaining to financial lease - IFRS 16	6	-8,749	-7,566
		-467,000	-431,899
Financial (costs) revenues			
Financial income	28	30	92
Financial costs	29	- 3,881	- 3,282
Interests on lease instalments - IFRS 16	29	-780	-849
Net financial derivatives		0	-7
		-4,631	-4,046
Tax costs	20	-2,317	-1,505
Profit (loss) in the reporting period		2,998	10,590
Other comprehensive income:			
Items not to be re-classified as income		991	226
Re-valuation of employee benefits		991	226
Items that might subsequently be re-classified into income		0	0
Other comprehensive income in the reporting period		991	226
Total comprehensive income in the reporting period		3,989	10,816

STATEMENT OF CHANGES IN EQUITY

For the year ended on 31 December 2021

(in thousand EUR)	Share capital	Statutory reserve fund	Other funds	Revaluation of employee benefits	Unpaid loss	Loss (profit) in the reporting period	Total
Balance as on 1 January 2020	212,441	27,856	-33,622	-1,572	-30,232	28	174,899
Recognition of loss of 2019	0	2	0	0	26	-28	0
Other comprehensive income - 2020	0	0	0	226	0	0	226
Income (costs) of past reporting periods	0	0	0	0	0	0	0
Profit (loss) in the reporting period of 2020	0	0	0	0	0	10,590	10,590
Balance as on 31 December 2020	212,441	27,858	-33,622	-1,346	- 30,206	10,590	185,715
Recognition of profit of 2020	0	1,059	0	0	9,531	-10,590	0
Other comprehensive income - 2021	0	0	0	991	0	0	991
Income (costs) of past reporting periods	0	0	0	0	0	0	0
Profit (loss) in the reporting period of 2021	0	0	0	0	0	2,998	2,998
Balance as on 31 December 2021	212,441	28,917	-33,622	-355	-20,675	2,998	189,704

STATEMENT OF CASH FLOW

For the year ended on 31 December 2021

(in thousand EUR)	Note	31 December 2021	31 December 2020
Operating income		528,534	451,536
Income from main activity		100,577	101,263
Compensation for services in the public interest		502,663	306,946
Other income		10,502	13,808
Income from international clearing		2,897	2,301
Income from operating loans		-88,268	27,182
Income of the daughter company		163	36
Operating costs		-380,671	-355,243
Costs on material		-61,483	-54,936
Costs on services		-180,102	-171,608
of which: Track access charges		-61,758	-57,304
Wages and other labour costs		-130,150	-124,144
Expenses on international clearing		-8,936	-4,550
Costs on transferring the share capital to the daughter company		0	-5
Received interests		0	42
Paid interests		-56	-108
Dividends +/-		0	0
Income tax +/-		0	0
CASH FLOW FROM OPERATING ACTIVITY		147,807	96,227
Income from sale of long-term assets		1,249	10
State budget subsidies on investments		0	0
Investment subsidies from EU Structural Funds + State Budget		174,209	55,839
Returned investment subsidies from EU Structural Funds + State Budget		0	0
Purchase of long-term assets		-236,079	-151,716
CASH FLOW FROM INVESTMENT ACTIVITY		-60,621	-95,867
Financial income		75,136	104,183
Income from bank loans		75,106	104,107
Income from borrowings		0	0
Other financial income		30	76
Financial costs		-93,900	-101,889
Costs on bank loans		-85,123	-62,737
Costs on instalments of loans		0	-24,106
Costs on settlement of liabilities from leasing		-7,280	-6,847
Other financial costs		-1,497	-8,199
Paid interests		-3,627	-3,914
Interests on leasing under IFRS 16		-780	-849
Other interests		-2,847	-3,065
CASH FLOW FROM FINANCIAL ACTIVITY		-22,391	-1,620
Net increase (decrease) of financial means and financial equivalents		64,795	-1,260
Financial means and financial equivalents as on 1 January	11	1,983	3,243
Financial means and financial equivalents as on 31 December	11	66,778	1,983

2 GENERAL INFORMATION

Information on the Company

Železničná spoločnosť Slovensko, a. s. („ZSSK“ or the „Company“), a joint-stock company registered in the Slovak Republic was founded on 13 December 2004 as one of the two successor companies of Železničná spoločnosť, a.s. (ŽS). On 1 January 2005 the Company was entered into the Companies' Register of the District Court of Bratislava I, Section Sa, Entry no. 3497/B, company ID no. 35 914 939, tax registration no. 20 219 200 76.

The predecessor of the Company, ŽS, was founded on 1 January 2002 by being split from and overtaking a part of the railway company Železnice Slovenskej republiky (ŽSR) when it took over responsibility for provision of freight and passenger railway transport services within Slovakia.

ŽS was dissolved without liquidation with effectiveness as of 31 December 2004. After its split-up it was replaced by two newly established successor companies: ZSSK for passenger transport and transport services, and Železničná spoločnosť Cargo Slovakia, a. s. (ZSSK CARGO) for freight transport and transport services.

The exclusive owner (a sole shareholder) of the Company 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. The Company does not figure as an associate partner with unlimited liability in any other company.

In terms of § 21 (4) of Act no. 540/2001 Coll. on State Statistics as amended, in April 2016 ZSSK was included into the statistical register of organisations in the S13 sector – Public Administration.

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, the Company is an entity subject to oversight and is obliged to establish an audit committee since 17 June 2016. In compliance with Article 34 (4) d) of the above Act, the Supervisory Board of ZSSK acts as the audit committee.

Main activities

The Company as an operator of transport by rail provides for transport services in compliance with the interests of the State transport policy and market demand. 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 Regulation 1370/2007 of the European Parliament and the Council (EC) on services in public interest and Act no. 514/2009 Coll. on transport by rail as amended, between Železničná spoločnosť Slovensko, a.s. as the transport operator and the State (represented by MTC) as the contracting authority.

Registered seat of the Company

Rožňavská 1
832 72 Bratislava
Slovakia

These Financial Statements are deposited at the registered seat of the Company and in the electronic registry of financial statements.

2.1 BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The Separate Financial Statements of the Company ("Financial Statements") for the previous reporting period were approved by the regular General Assembly which took place on 9 September 2021.

The Financial Statements were prepared on the basis of historic prices. The Financial Statements were prepared in compliance with Article 17a of Act 431/2002 on accounting as amended, for the reporting period starting on 1 January 2021 and ending on 31 December 2021.

These Financial Statements were prepared with the going concern assumption, which fact is supported by the signed Contract on Transport Services in Public Interest (PSC) for the period of 2021 – 2030, concluded on 27 November 2020 with the Slovak Republic represented by MTC, effective as of 1 January 2021, and by the Partial Contract for 2021 to the framework PSC. The Contract on Transport Services in Public Interest for 2021 – 2030 includes also transport services on the line of Bratislava – Dunajská Streda – Komárno. The Partial Contracts for individual years serve for MTC to specify the terms of and the criteria for the ordered transport services.

The figures provided in the Financial Statements are reported in thousand EUR.

Consolidation

The Company does not prepare consolidated financial statements in terms of Article 22 of Act no. 431/2002 Coll. on accounting as amended.

The Company founded a daughter company ZSSK_THU s. r. o. with a 100-% share owned by ZSSK, entered into the Companies' Register on 8 February 2020. In compliance with Article 22 (12) of Act no. 431/2002 Coll. on accounting, the Company shall prepare the Financial Statements only on its own behalf as the parent reporting entity. The Individual Financial Statements will not have a significant impact on the financial situation, costs, income and business results of the consolidated entity (FS of the parent ZSSK, and FS of the daughter ZSSK_THU).

The Company is part of the Consolidated Financial Statements of public administration under the chapter on Transport, prepared by the Ministry of Finance of the Slovak Republic (MF). The most important transactions entering the consolidation include the relationships with MTC and MF in the area of operating and capital subsidies (notes 21, 22). The consolidation subject does not include capital subsidies from the EU funds. The Company has significant business transactions within the public administration consolidation with ZSSK Cargo and ŽSR. Relationships with other public administration bodies (municipalities, health insurance companies etc.) are insignificant as to their volume.

The Company, as an entity reporting pursuant to the International Financial Reporting Standards, enters the data for public administration consolidation pursuant to the national accounting standards in compliance with the instructions of MF.

The reporting period is a calendar year.

Declaration of conformity

The Financial Statements were reported in compliance with the International Financial Reporting Standards and all effective IFRS adopted within EU. IFRS include standards and interpretations adopted by the International Accounting Standards Board (IASB) and IFRS Interpretation Committee (IFRIC).

At the moment, given the process of IFRS adopting and in respect of the nature of the Company activities, there are no differences between IFRS accounting principles applied by the Company and IFRS adopted

2.2 CHANGES IN ACCOUNTING PRINCIPLES AND DISCLOSURE

The applied accounting principles are consistent with the principles applied to the Separate Financial Statements reported as on 31 December 2020.

The company has accepted all new and revised standards and interpretations as issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) at IASB and as adopted for use within the European Union (EU), and which apply to the Company activities and are effective for the reporting periods starting as of 1 January 2021. The following standards, amendments and interpretations issued by the International Accounting Standards Board and adopted by the EU were applied by the Company for the first time in 2021:

- Interest Rate Benchmark Reform – 2nd phase – IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (supplements) (amendments effective for the annual reporting periods beginning on or after 1 January 2021).

These new standards and amendments have no significant impact on the Financial Statements of the Company.

International Financial Reporting Standards, interpretations and amendments effective after 31 December 2021 that were not prematurely applied by the Company:

- IFRS 16 Leases – Covid-19-Related Rent Concessions beyond 30 June 2021. Amendment effective as of 1 April 2021 for the reporting periods beginning on or after 1 January 2021.
- IFRS 17 Insurance Contracts (issued on 19 November 2021, amending certain standards and interpretations of standards such as IFRS 1, IFRS 3, IFRS 5, IFRS 7, IFRS 9, IFRS 15, IAS 1, IAS 7, IAS 16, IAS 19, IAS 28, IAS 32, IAS 38, IAS 40, as well as interpretation of SIC27. IFRS 17 is effective for the reporting periods starting on 2023).
- Annual improvements to IFRS, 2018 – 2020 Cycle – amendments. The annual improvements include amendments to IAS 16, IAS 37, IAS 41, IFRS 1, IFRS 3 and IFRS 9. They are effective for the reporting periods starting on 1 January 2022.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 with the effective date to be determined by IASB).
- Classification of Liabilities as Current and Non-current – amendments to IAS 1 (issued on 23 January 2020 and effective for the reporting periods beginning on or after 1 January 2023, the amendment has not been adopted by the EU).
- Definition of a Business – amendments to IFRS 3 (issued on 22 October 2018 and effective for acquisitions with the acquisition date on or after the beginning of the annual reporting period beginning on or after 1 January 2022).
- Proceeds before Intended Use – amendments to IAS 16, with retrospective application allowed. The amendment is effective as of 1 June 2022.
- Onerous Contracts – Cost of Fulfilling a Contract – amendment to IAS 37 – effective for the reporting periods starting on 1 January 2022.
- IFRS 4 Insurance Contracts (amendments) – extension of the temporary exemption from applying IFRS 9 until effective date of IFRS 17 – effective for reporting periods beginning on or after 1 January 2021.
- IAS 1 Presentation of Financial Statements – Amendment on disclosure of the accounting policy (effective for the reporting periods beginning on or after 2023). The amendment has not yet been adopted by the EU.
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Changes in definition of accounting estimates (effective for the reporting periods beginning on or after 1 January 2023). The amendment has not yet been adopted by the EU.
- IAS 12 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for the annual reporting periods beginning on or after 1 January 2023). The amendment has not yet been adopted by the EU.

The Company did not decide on an earlier application of any standard, interpretation or amendment that has been published but has not yet become effective.

The Company has currently been examining the impacts of these standards on its financial statements.

2.3 SIGNIFICANT ACCOUNTING ASSESSMENTS, ESTIMATES AND ASSUMPTIONS

Significant accounting estimates and assumptions

Preparation of the Financial Statements in accordance with IFRS requires use of estimates and assumptions which affect the items reported in the Financial Statements and the Notes to the Financial Statements. Even if these estimates are based on the best knowledge of the current circumstances and methods, the actual results may differ from these estimates. A more detailed description of the estimates is specified in the respective notes, however, the most important estimates include the following:

Lawsuits

The Company has been a party to several lawsuits and civil litigations arisen from its ordinary activities. The Company makes use also of services provided by external legal advisors and experience from previous similar lawsuits to determine probable outcomes of lawsuits and to establish reserves.

Quantification and timing of environmental liabilities

The Company makes estimates of future cash flows related to the environmental liabilities by comparison of prices, use of analogies with similar past activities and other estimates. The amount of the reserve and assumptions for calculation of the reserve are re-evaluated on an annual basis, always as on the balance-sheet date. Even if these estimates are based on the best knowledge of the current circumstances and methods, the actual results may differ from these estimates.

Assets impairment

As on each reporting date, the Company determines whether there is an indication of assets impairment. If there is any such indication, an estimate of a recoverable amount of the asset in question is made or an estimate of the cash-generating unit, to which the asset was classified. When determining the useful value, the Company has to make an estimate of future expected cash flows and choose a suitable discount rate for calculation of the present value of cash flows. If necessary, the net selling price is determined on the basis of the market development in Slovakia and other Central European countries.

Employee benefits and severance pay

Costs on the scheme of employee benefits and severance pay are determined by actuarial calculations. These calculations contain estimates of discount rates, future growth of wages, mortality rate or fluctuation. Given the long-term nature of these schemes, such estimates are subject to uncertainty to a great degree.

Depreciation period and residual value of long-term tangible assets

An estimate of lifespan of a long-term asset results from an assessment based on the Company experience with a similar asset. Depreciation period and residual value of long-term tangible assets are determined on the basis of the current strategic goals of the Company. As on the balance-sheet date, it is examined whether the used estimates are still suitable for such determination.

Fair value measurement of assets and liabilities according to IFRS 13

IFRS 13 did not introduce new requirements stipulating when to measure at fair value, but stipulated manners of fair value measurement and specified the requirements for disclosure in case of fair value measurement. Depending on the measurement manner, three levels of measurement of assets and liabilities were determined. Individual levels were defined as follows:

- Level 1 – quoted prices (unadjusted) on active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 – inputs of assets or liabilities that are unobservable according to market data.

2.3 SIGNIFICANT ACCOUNTING ASSESSMENTS, ESTIMATES AND ASSUMPTIONS (CONT.)

Measurement of non-financial items:

Assets	in thousand EUR	Level 1	Level 2	Level 3
Investment property (IAS 40)				2,161
Assets held for sale (IFRS 5)				137
of which: real estates				0
machines and other moveable assets				137
As on 31 December 2021				2,298

Assets	in thousand EUR	Level 1	Level 2	Level 3
Investment property (IAS 40)				2,343
Assets held for sale (IFRS 5)				113
of which: real estates				0
machines and other moveable assets				113
As on 31 December 2020				2,456

Measurement used to derive fair values at Level 3:

Fair value of investments into real estates at Level 3 as on 31 December 2021 amounted to EUR 2,161 thousand (as on 31 December 2020 in the amount of EUR 2,343 thousand).

Fair value of assets held for sale at Level 3 as on 31 December 2021 amounted to EUR 137 thousand (as on 31 December 2020 in the amount of EUR 113 thousand).

Fair value of investments into real estates and assets held for sale was determined by a qualified estimate.

Description of the measurement technique:

- physical characteristics of assets, their size, location, demographic development etc. are taken into account in measurement,
- legal aspects that take into account limits of the asset's use, its distribution, change in use and impact of zone planning,
- offers on internet real estate market, strength of buyers in the given region, costs on changes in the asset use are taken into consideration,
- in case of machines, the fair value is derived from the carrying amount representing an expert-determined value, reduced by amortisation, due to a missing active market and specific features of some assets.

Description of the measurement process:

Measurement is carried out by the specific Company departments based on their technical knowledge, information available on internet, real estate market and experience from sale of similar assets.

Taxes

Deferred tax liabilities are recognised in case of all deductible temporary differences and the carry-forward of unused tax losses to the extent that it is probable that future taxable profit will enable to redeem these deductible temporary differences and unused tax losses carried forward.

3 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

a) Presentation currency

Data in these Separate Financial Statements are expressed in the Euro currency which is the functional and presentation currency of the Company.

Transactions in a foreign currency are re-calculated into EUR by a reference exchange rate determined and published by the European Central Bank or the National Bank of Slovakia on the day preceding the day of the accounting case. Cash assets and liabilities in a foreign currency are recalculated by the exchange rate of the functional currency prevailing on the balance-sheet date. All differences are included into the Statement of Comprehensive Income. Non-monetary items evaluated in historic prices in a foreign currency are recalculated by the exchange rate prevailing on the day of the initial transaction.

b) Tangible assets

Tangible assets are reported in their acquisition prices without costs on everyday servicing, after deduction of accumulated depreciation and accumulated impairment. If a substantial part of tangible assets needs to be replaced in intervals, these components are reported as individual tangible assets with a specific lifespan and depreciation. If repairs of long-term tangible assets are done, involving replacement of significant components, costs on such repair are included in the acquisition price of the long-term tangible asset, if the reporting criteria are met.

Repairs and maintenance are reported in the Statement of Comprehensive Income as costs of the reporting period, in which the given work was carried out. Assets are depreciated evenly during their lifespan period (20 - 50 years in case of buildings, 3 - 34 years in case of machines, equipment and other assets), while lands are not depreciated.

Tangible assets are written-off when sold or if no future economic benefits are expected out of their use. Profit or loss of disposed-of assets (calculated as the difference between net revenues from sale and the carrying amount) is included in the Statement of Comprehensive Income in the year, in which the asset is disposed of.

The residual values of assets, lifespans and methods are regularly examined and, if necessary, adjusted at the end of each financial year.

c) Intangible assets

Intangible assets are reported in their acquisition prices, after deduction of adjustments and accumulated impairment.

Assets are depreciated evenly during their lifespan (2 - 5 years).

An intangible asset is disposed of if sold, or if no future economic benefits are expected from its use or sale. Profit or loss of disposed-of assets (calculated as the difference between net revenues from sale and the carrying amount) is included in the Statement of Comprehensive Income in the year, in which the asset is disposed of.

The residual values of intangible assets, lifespans and methods are regularly examined and, if necessary, adjusted at the end of each financial year.

d) Long-term assets held for sale

Long-term assets and groups to be disposed of, classified as held for sale are measured in the lower of these two amounts: carrying amount and fair value reduced by costs on sale. Long-term assets and groups to be disposed of are classified as held for sale if their carrying amount will be recovered sooner via a sale transaction rather than continuous use. This condition is considered fulfilled only in case a sale is highly probable and the asset or a group to be disposed of are ready for an immediate sale in the current condition. The Company management has to be involved in the sale, which is presumed to be completed within one year of the classification date.

Long-term assets classified as held for sale are not depreciated.

3 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONT.)

e) Inventories

Inventories are measured in the lower of the acquisition price or net realisable value, after adjustments to low-turn or useless inventories are created. Costs on bought inventories include the purchase price of inventories and costs related to their acquisition (transport costs, insurance, duty, commissions, excise tax). Weighted average method is used to calculate the acquisition price.

A net recoverable value is the estimated selling price at ordinary activity, reduced by estimated costs necessary for sale.

f) Impairment of non-financial assets

As at each reporting date, the Company assesses whether there is an indication of assets impairment. If there is such indication or a yearly asset impairment test is required, the Company makes an estimate of the recoverable amount of the assets. The recoverable amount of an asset is the higher of its fair value or cash-generating unit reduced by costs on sale and its value in use. It is determined in terms of IAS 36 at the level of the cash-generating unit.

If the carrying amount of assets is higher than their recoverable amount, the asset is considered impaired and is decreased down to the recoverable amount. When assessing the value in use, the assumed future cash flows are discounted down to their present value by a discount rate before taxation which reflects the present market evaluations of the time value of money and risks specific for the asset in question.

Impairment losses are reported in the Statement of Comprehensive Income as costs on depreciation, amortisation and asset impairment.

As on each reporting date, it is assessed whether there is an indication that impairment losses reported in the previous period do not exist or should be reduced. If there is any such indication, an estimate of the recoverable amount is made. Impairment loss reported in the previous period is recognised only when the estimates used to determine the recoverable amount of the asset changed since the last impairment loss was reported. In that case the carrying amount of the asset is increased up to its recoverable amount. Such increased amount may not exceed the carrying amount (after deduction of depreciation) which would be determined if no impairment loss was reported in the previous years.

The amount is reported in the Comprehensive Income. After such recognition, depreciation is adjusted in the future periods so that the adjusted carrying amount reduced by residual value would be allocated systematically during the remaining lifespan.

g) Financial assets

Initial recognition and measurement

Financial assets are first recognised at the moment when the Company becomes a party to the contractual provisions concerning the financial instrument. At initial recognition, financial assets are measured at their fair value which (to the exception of financial assets measured at their fair value with changes reported into profit or loss) is increased by costs directly related to acquisition of the financial asset. The best proof of the fair value of a financial asset at its initial recognition is usually the transaction price, i.e. the fair value given for the procured asset.

Receivables without an interest rate are initially measured in the amount of the receivable, if the effect of their discounting to the present value, i.e. the effect of fair value determination, is insignificant.

Financial assets of the Company consist of financial means in cash, financial means on bank accounts, short-term and long-term receivables and ownership interests.

3 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONT.)

Subsequent measurement

Subsequent measurement of financial assets depends on their classification into categories according to IFRS 9 where the four following categories of financial assets are distinguished.

Financial assets measured at fair value with changes reported as profit or loss

The financial assets in this category are measured at fair value with changes reported through profit and loss. The category includes two groups of financial assets – financial assets held for trading and financial assets designated to be measured at fair value through profit and loss.

Financial assets held for trading are the ones procured or originated with the purpose of their short-term sale, or are part of the portfolio of jointly managed instruments, for which there is evident trading in the recent period with a short-term profit generation. Assets held for trading include also derivatives with a positive fair value which do not meet the conditions for classification as hedging instruments defined pursuant to IFRS 9. Derivatives are presented in the Statement of Financial Position under "Financial derivatives". In case derivatives do not have a positive fair value at the book-closing date, the item is not presented.

Reporting entities may determine the financial assets which meet the set conditions for fair value measurement through profit and loss at their own will. The Company does not make use of this choice.

Loans and receivables

Loans and receivables represent non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, loans and receivables are reported in their amortised value by effective interest rate method. Amortised value is calculated while taking into account the discount and bonus at acquisition, fees that are inseparable part of the effective interest rate, and transaction costs. The amortised value is reduced by a possible allowance taking into account a credit-risk loss. Yields of interest are recognised via the effective interest rate method and, besides the contractual interest, they take into consideration also amortisation of the above-mentioned discounts, bonuses, fees and transaction costs. Yields of interest are presented in the Statement of Comprehensive Income under "Financial Income". In case of receivables without an interest rate, the effective interest rate is not determined and the yield of interest is not recognised if the effect of discounting down to the present value is insignificant. Profit and loss from derecognised loans and receivable as well as impairment losses are reported into profit and loss.

As regards the Company's financial assets, trade receivables, other receivables and financial means in banks are classified into this category. The Statement of Financial Position includes them under items of "Other long-term assets", "Trade receivables and other receivables", "Receivables from Contract on Transport Services in Public Interest" and "Financial means and financial equivalents".

Investments held to maturity

Investments held to maturity are non-derivative financial assets with fixed or determinable payments, with fixed maturity, which the reporting entity intends and is able to hold until their maturity. After being initially recognised, investments held to maturity are measured in amortised costs. The Company does not classify any assets as investments held to maturity.

Financial assets available for sale

Available-for-sale financial assets are those non-derivative financial assets available for sale and not classified in any of the previous three categories of financial assets. After initial recognition, the financial assets available for sale are measured in their fair value, with unrealised gain or loss reported as other comprehensive income under reserve from revaluation. In case such financial asset is derecognised or its impairment is identified, cumulative profit or loss that was reported before in the last comprehensive

3 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONT.)

income, is recognised in profit/loss of the accounting period. As regards assets held by the Company, this category includes ownership interests with insignificant impact presented under "Financial assets" of the Statement of Financial Position.

Impairment of financial assets

In terms of IFRS 9 the Company made use of the simplified model in determining impaired receivables. ZSSK made use of a matrix for allowances in order to determine the allowances to receivables as on 31 December 2021. The matrix is based on historic information about trade and other receivables and costs on these liabilities by bank transfer or set-off in the period of 3 years (2018, 2019, 2020). The matrix helped to calculate the historic rate of loss in individual due periods of receivables. The amount of open items of customers as on 31 December 2021 according to individual due periods was recalculated through the historic rate of loss. The historic rate of loss will be updated as on each reporting date.

Assets measured in amortised costs

If there is objective evidence of an impairment loss, the loss amount is determined as a difference between the carrying amount of the asset and the present value of estimated future cash flows discounted by the original effective interest rate for the given financial asset. In case of receivables without an interest rate where the effective interest rate is not determined due to an insignificant discounting effect, the impairment is determined without discounting the estimated cash flows.

The carrying amount of an asset is reduced through the allowance account and the reduced amount is recognised in profit/loss under "Costs and expenses" for respective items in the Statement of Comprehensive Income. Financial assets are written off in case there is no real chance of their future payment and all securing was realised or transferred to the Company.

If in the subsequent year the amount of expected impairment increases or decreases due to an event occurring after the impairment was reported, the previously reported impairment is increased or decreased through the account of allowances. If written-off loans are payable, the repayment is reported as revenue in the Statement of Comprehensive Income.

Financial assets available for sale

From among the Company's financial assets, the category of financial assets available for sale includes only ownership interests. For that reason, the Company applies the provisions of IFRS 9, applying them to impairment of investments into equity instruments.

If there is objective evidence of impairment of an asset available for sale, the amount corresponding to the difference between its acquisition price and its current fair value is transferred from equity into profit/loss. This amount is reduced by impairment losses reported in the previous reporting periods. The reported impairment losses may not be subsequently derecognised through profit/loss and an increase in the fair value is reported via other comprehensive result in the Statement of Comprehensive Income.

h) Financial liabilities

Initial recognition and measurement

Financial liabilities are first recognised at the moment when the Company becomes a party to the contractual provisions concerning the financial instrument. At initial recognition, financial liabilities are measured at their fair value which - to the exception of financial liabilities measured at their fair value with changes reported into profit or loss - is reduced by costs directly related to the transaction. Specific information concerning the initial measurement of liabilities from loans and financial aid and trade liabilities is provided below under the chapter on financial liabilities measured at amortised costs.

3 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONT.)

Financial liabilities of the Company include trade liabilities, other liabilities, current accounts, loans and borrowings.

Subsequent measurement

Subsequent measurement of financial liabilities depends on their classification into categories according to IFRS 9, where the two following categories relevant for the Company are distinguished.

Financial liabilities measured at fair value with changes reported as profit or loss

The financial liabilities in this category are measured at fair value with changes reported through profit and loss. The category includes two groups of financial liabilities – financial assets held for trading and financial liabilities designated to be measured at fair value through profit and loss.

Financial liabilities held for trading are the ones originated with the purpose of their short-term purchase, or are part of the portfolio of jointly managed instruments, for which there is evident trading in the recent period with a short-term profit generation. Liabilities held for trading include also derivatives with a negative fair value which do not meet the conditions of hedging instruments as defined pursuant to IFRS 9. Derivatives are presented in the Statement of Financial Position under "Financial derivatives". In case derivatives do not have a negative fair value at the book-closing date, the item is not presented.

Reporting entities may determine the financial liabilities which meet the set conditions for fair value measurement through profit and loss at their own will. The Company does not make use of this choice.

Financial liabilities measured at amortised costs

After their initial recognition, the Company measures the remaining liabilities at their amortised costs via the effective interest rate method. The amortised cost is calculated while taking into consideration the discount and bonus at initial recognition and transaction costs. Interest costs are recognised via the effective interest rate method and, besides the contractual interest, they take into consideration also amortisation of the above-mentioned discounts, bonuses, and transaction costs. The interest costs are presented in the Statement of Comprehensive Income under the item of "Financial costs", except for when capitalised as part of the acquisition price of qualified assets pursuant to IAS 23. The Company's liabilities measured at amortised costs may be divided into a group of loans and financial aid and a group of trade liabilities and other liabilities.

Loans and financial aid

Loans and financial aid are initially recognised in the fair value of the received consideration after deducting the costs on obtained loan. After initial recognition they are reported in an amortised value by the effective interest rate method. They are presented in the Statement of Financial Position under the items of "Financial aids" and "Interest-bearing loans and borrowings".

Trade liabilities and other liabilities

Trade liabilities and other liabilities are reported and measured at the originally invoiced price, if the impact of their discounting on the present value is insignificant. An invoiced interest on overdue payment is reported under trade liabilities. They are presented in the Statement of Financial Position under item of "Trade liabilities and other liabilities".

i) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net value is reported in the balance sheet in case the Company has a legally enforceable right to compensate them and intends to offset them, or realise the asset and offset the liability at the same time.

3 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONT.)

j) Fair value of financial instruments

In case of investments actively tradable on organised financial markets the fair value as at balance-sheet date is determined on the basis of quoted market prices or dealer's offered price, without deducting any transaction costs.

In case of investments where quoted market price is not available, the fair value is determined by suitable measurement techniques. Such techniques include use of a recent independent market transaction, price determination on the basis of the present market value of another instrument which is the same in its nature, or the price is calculated on the basis of expected cash flows of net underlying assets of the investment or other measurement models.

k) Financial means and financial equivalents

Financial means and financial equivalents consist of cash deposited in bank and in cash registers, and short-term deposits with maturity of three months or less, with only a slight risk of any change in value.

For the purposes of an overview of cash flows, the report includes the financial means and financial equivalents as defined above, after deduction of unpaid bank overdrafts.

l) Employee benefits

The Company returns a proportion of paid gross wages to the state as contributions to health and social insurance and contributions into the unemployment fund, as stipulated by statutory rates effective during the year. Costs on such contributions are included into the Profit and Loss Statement of the same period as the associated wage costs. The Company is not obliged to return contributions above the framework of statutory rates.

The Company uses also uncovered long-term schemes with fixed benefits, which include benefits in the form of single contributions in case of employment termination, a life anniversary or invalidity. Costs on provision of these employee benefits are assessed separately for each scheme via the projected unit credit method, where costs incurred on employee benefits are reported in the Profit and Loss Statement or in the equity so as to distribute them during the period of employment in the Company. The liability from employee benefits is determined as present value of forecasted future cash decreases.

The actuarial profit and loss resulting from empiric adjustments and changes in actuarial forecasts are reported as revenues and costs at the time of their occurrence. Changes and adjustments of these long-term schemes with determined benefits are reported during the average remaining period of service of the respective employees in the Profit and Loss Statement, except for cases of employee benefits after employment termination. In such case, any change and adjustment of long-term schemes of employee benefits is reported within other comprehensive profit and loss and directly in the equity.

Reserve for severance pay

Pursuant to the Slovak legislation and based on the conditions of the Collective Agreement concluded between the Company and its employees, the Company employees are entitled to severance pay immediately after termination of their employment due to organisational changes. The amount of this liability is included into the reserves on liabilities and fees, if the plan of employee number reduction is defined and announced and if conditions for its implementation are met.

m) Reserves

Reserves are reported when the Company has an actual statutory or non-contractual obligation as a consequence of a past event, settlement of which is expected to result in a probable (rather yes than no) decrease of company resources representing economic benefits, when the amount of such obligation may be reliably estimated. Reserves are re-measured as at each balance-sheet date and their amount is

3 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONT.)

adjusted so as to reflect the current best estimate.

The reserve amount represents the present value of expenses which take into account the existing risks and which will probably be used to settle the liability in question. These expenses are determined via estimated risk-free interest rate as a discount rate. Where discounting is used, the carrying amount of the reserve is increased in each period in order to take into consideration reduction of discount from time perspective. This increase is reported as interest costs.

Reserve on lawsuits

Financial statements include reserves on lawsuits and potential lawsuits which were calculated through available information and assumptions of achievable outcomes of individual lawsuits, and it is probable that the outcome of such lawsuits will present a reliably measurable cost for the Company.

Reserve for costs on the environment protection

The reserve on the environment protection is created when occurrence of costs on reconstruction of the environment is probable and these costs may be reliably estimated. In general, creation of such reserves is time-wise corresponding to adoption of a formal plan or a similar obligation to sell investments or discard unused property. The amount of reported reserve is the best estimate of the necessary expenses.

n) Reporting of revenues

Revenues are reported in case it is probable that they will bring economic benefits to the Company, and when the amount of revenues may be reliably determined. Revenues are reported in the fair value of received consideration, without discounts, rebates and value added tax.

Revenues from transport and related services, as well as from other services are reported in the accounting period when the services were delivered, adjusted by discounts and deductions.

o) Lease

A contract is considered a lease when it includes a lease, if such contract transfers the right to use the identified assets for a certain time period in exchange of a consideration. The Company takes into account the business terms and conditions of the contracts and all relevant facts and circumstances. The Company applies the assessment conditions in a consistent way to contracts with similar features and concluded under similar circumstances.

Lessee

In case of a contract containing a lease element and one or several other lease or other elements, the Company allocates a consideration in the contract to every lease elements on the basis of a proportionate separate price of the lease element and an overall separate price of other-than-lease elements.

As on the beginning date, the Company reports the asset with the right of use and a lease liability. As on the beginning date, the asset with the right of use is measured at its acquisition price. The acquisition price of an asset with the right of use includes:

- a) the amount of the initial measurement of the lease liability;
- b) all leasing instalments paid before or on the beginning date, reduced by all received leasing stimuli;
- c) all initial direct costs incurred by the lessee;
- d) estimated costs incurred by the Company even in case of division and removal of the underlying asset and in case of renewal of the place of its location, or in case of returning of the underlying asset into the state required by the lease terms and conditions, if such costs are not incurred with the aim of reserves.

As on the beginning date, the lease liability is measured by the present value of the leasing instalments

3 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONT.)

not paid as on this date. The leasing instalments are discounted by the implicit interest rate of the lease. If the ownership of the underlying asset is transferred to the Company at the end of the lease period, or if the acquisition price of the asset with the right of use reflects the fact that the Company will exercise its option to purchase, the Company depreciates the asset with the right of use as of the beginning date until the end of the period of use of the underlying asset. Otherwise, the Company depreciates the asset with the right of use as of the beginning date until the earliest date - the end of the period of use of the asset with the right of use or the end of the lease period. In case of assets with unlimited lease period, the depreciation period was determined as 40 years in case of operating premises, and 30 years in case of administrative premises.

Lessor

The Company classifies each lease either as an operating lease or financial lease.

Lease is classified as financial lease if, in substance, all risks and remunerations resulting from ownership of the underlying asset are transferred through the lease. Lease is classified as operating lease if, in substance, all risks and remunerations resulting from ownership of the underlying asset are not transferred through the lease. The Company assesses whether lease is financial or operating based rather on the transaction nature than on the contractual form.

The main criteria of lease classification as financial lease include:

- a) at the end of the lease period, the ownership of the underlying asset is transferred through the lease to the lessee;
- b) lessee has an option to purchase the underlying asset for the price that is expected to be substantially lower than the fair value as on the date the option becomes exercisable so that at its beginning it is sufficiently clear that the option is to be exercised;
- c) the lease period is for the substantial part of the economic lifespan of the underlying asset, even if the ownership right is not to be transferred;
- d) at the beginning date, the present value of leasing instalments equals – at least in its substance – the whole fair value of the underlying asset, and
- e) the underlying asset is of such a specific nature that only the lessee is able to use it without major modifications.

Lease where the Company does not transfer all risks and benefits resulting from ownership of the leased item is classified as operating lease. Leasing instalments from operating lease are reported as revenues evenly during the lease period.

In case of a contract containing a lease element and one or several other lease or non-lease elements, the lessor allocates a consideration in the contract, divided into yields pursuant to IFRS 15 – Revenue.

p) Costs on received loans and borrowings

Capitalisation of costs on received loans and borrowings starts during preparation of qualified assets for their intended use, and expenses and costs are incurred in relation to received borrowings and loans. Costs on received borrowings and loans are capitalised until the asset is prepared for its intended use. Costs on received borrowings and loans consist of cost interests and other costs associated with foreign resources, including exchange rate differences from loans and borrowings in a foreign currency used to finance these projects in the scope, in which they are considered as adjustments of interest costs.

q) Subsidies

3 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONT.)

Subsidies are reported in their fair value if there is adequate assurance on reception of a subsidy and fulfilment of all conditions related to receiving of such subsidy. The Company reports the following subsidies:

- compensation of costs on services in the public interest based on the Contract on Transport Services in Public Interest concluded with the Slovak Republic represented by MTC. The Company reports them in the current accounting period, in which the costs related to these services in public interest are reported. In case of compensation of costs on services in the public interest incurred in the previous periods, it is reported as revenues of the period, in which MTC decided to cover them.
- subsidies related to acquisition of long-term assets (mainly rolling stock). The Company reports State subsidies granted by the Slovak Republic separately from subsidies granted from EU funds, which are further divided by individual funds. The Company reports them in the Statement of Financial Position as deferred income and as revenues evenly during the lifespan of the acquired long-term asset.

r) Payable and deferred tax

Income tax consists of payable tax and deferred tax. Tax is reported in the comprehensive income, except for cases when it relates to items reported within other comprehensive income and loss or directly in equity. If it relates to these items, the tax is also reported within other comprehensive income and loss or directly in equity.

Payable tax

Tax receivables and liabilities for current and previous accounting periods are measured in the value, in which they are expected to be settled with the tax administrator. Payable tax is calculated pursuant to tax rates enacted as on the balance-sheet date.

Deferred tax

Deferred income tax is reported pursuant to a liability method with temporary differences discovered as on the balance-sheet date between the tax base of assets and liabilities and their carrying amount for the purposes of financial reporting.

Deferred tax liability is reported for all taxable temporary differences.

Deferred tax liabilities are recognised in case of all deductible temporary differences, the carry-forward of unused tax losses and unused tax losses to the extent that it is probable that future taxable profit will enable to redeem these deductible temporary differences and unused tax losses and unused tax losses that were carried forward.

Review of the carrying amount of deferred tax receivables is carried out as on each balance-sheet date and the value is reduced to such extent that it is no longer probable that the taxable profit will be enough to redeem the whole deferred tax receivable or its part. Unreported deferred tax receivables are again re-measured as on each balance-sheet date and reported in the extent that it is probable that the future taxable profit will enable retroactive return of the deferred tax receivable.

Deferred tax receivables and liabilities are measured at tax rates assumed to be applied in the period when the asset is realised or the liability is paid, based on tax rates (and tax laws) enacted as on the balance-sheet date.

4 LONG-TERM TANGIBLE ASSETS

in thousand EUR	Acquisition price					Cumulated adjustments					Residual value as on 31 December 2021
	As on 1 January 2021	Additions	Disposals	Transfers	As on 31 December 2021	As on 1 January 2021	Additions	Disposals	Transfers	As on 31 December 2021	
Lands and buildings	79.363	359	14	8.918	88.626	25.689	3.664	9	-238	29.096	59.530
of which: impairment loss	0					0					
Transport vehicles	1.588.821	146.298	13.731	33.548	1.754.936	745.577	107.226	11.227	-4.688	836.888	918.048
of which: impairment loss						0					
Plants, equipment and other assets	49.139	3.697	301	-174	52.361	28.908	4.177	252	-309	32.524	19.837
of which: impairment loss	0					218			-218		
Unfinished investments	38.388	6.022	98	-14.402	29.910	0					29.910
Provided pre-payments	40.039	26.117	1	-33.384	32.771	0					32.771
Total long-term tangible assets	1.795.750	182.493	14.145	-5.494	1.958.604	800.174	115.057	11.488	-5.235	898.508	1.060.096
IAS 40	2.749			-190	2.559	406			-8	398	2.161
IFRS 5	4.798		4.412	5.684	6.070	4.685		3.995	5.243	5.933	137

in thousand EUR	Acquisition price					Cumulated adjustments					Residual value as on 31 December 2020
	As on 1 January 2020	Additions	Disposals	Transfers	As on 31 December 2020	As on 1 January 2020	Additions	Disposals	Transfers	As on 31 December 2020	
Lands and buildings	71.841	1.168	164	6.518	79.363	21.927	3.892	115	-15	25.689	53.674
of which: impairment loss	0				0	0				0	
Transport vehicles	1.440.399	149.155	17.988	17.255	1.588.821	667.726	95.845	13.309	-4.685	745.577	843.244
of which: impairment loss	0					0				0	
Plants, equipment and other assets	45.810	3.474	3.980	3.835	49.139	28.762	3.874	3.725	-3	28.908	20.231
of which: impairment loss	0				0	1.124		906		218	
Unfinished investments	41.200	45.749	214	-18.347	38.388	0				0	38.388
Provided pre-payments	34.556	19.303		-13.820	40.039	0				0	40.039
Total long-term tangible assets	1.633.806	188.849	22.346	-4.559	1.795.750	718.415	103.611	17.149	-4.703	800.174	995.576
IAS 40	2.988			-239	2.749	388			18	406	2.343
IFRS 5	0			4.798	4.798	0			4.685	4.685	113

4 LONG-TERM TANGIBLE ASSETS (CONT.)

The category of Lands and Buildings includes operation and administrative buildings, customer centres, dressing rooms for train crews, depots, warehouses and track yards, together with underground services in the amount of EUR 59,530 thousand. Rolling stock in the amount of EUR 918,048 thousand represents the most significant item. Other items include IT devices, cranes, air-conditioning and heating equipment, technological equipment of depots, inventories and tools used for repairs and maintenance of rolling stock in the amount of EUR 19,837 thousand.

The most significant item of unfinished investments is represented by costs on the project documentation and construction of light-maintenance centres in the amount of EUR 15,372 thousand co-funded from the EU funds. The project documentation and costs on reconstruction of locomotive depots in Nové Zámky, Košice, Bratislava, Brezno, Kraľovany and Vrútky in the amount of EUR 4,977 thousand, and reconstruction of a part of the cog railway in the amount of EUR 1,372 thousand. The most significant items of machines and equipment include procurement of hardware and software for backup data centre in the amount of EUR 715 thousand, procurement of two bridge cranes and technologies for the locomotive depot in Vrútky in the amount of EUR 1,146 thousand, and procurement of ticket-selling devices in the amount of EUR 4,209 thousand. Another item includes costs on started internal rolling-stock capitalisation in the amount of EUR 1,178 thousand.

As on 31 December 2021, advance payments were made concerning new multiple-unit sets for the cog railway in the amount of EUR 14,824 thousand, where procurement of cog units is co-financed from the EU funds under EFD5. Furthermore, advance payments were made on modernisation of passenger coaches in the amount of EUR 4,788 thousand co-financed from the EU funds under EFD7, delivery of ETCS for electric units co-financed from the EU funds under EFD4A in the amount of EUR 1,500 thousand, delivery of electric units co-financed from the EU funds under EFD6 in the amount of EUR 7,628 thousand and purchasing of passenger coaches co-financed from the EU funds under EFD8 in the amount of EUR 3,298 thousand.

As on 31 December 2021, the Company carried out a comprehensive test of asset impairment in line with IAS 36 at the level of the cash-generating unit. The test included examination of the condition and use of assets, which resulted in no impairment discovered as on 31 December 2021. The recoverable amount of the unused assets was determined as selling price reduced by costs related to sale of the given assets, when the usable value was determined as zero or close to zero.

Non-Current Assets Held for Sale

Based on the decision of the Board of Directors of ZSSK of 30 November 2021, the assets held for sale as on 31 December 2021 include vehicles in the amount of EUR 137 thousand. In the course of 2021 some vehicles evaluated as EUR 63 thousand reported as assets held for sale were sold for the purchase price of EUR 182 thousand based on the Decision of the Board of Directors of ZSSK of 30 December 2020. Other vehicles originally reported under IFRS 5 were re-classified into IAS 16 as the electronic auction was cancelled because the offered purchase price did not amount even to the scrap value of the vehicles.

Based on Minutes no. 4 of 27 April 2021 – Resolution no. 5/2021, the Board of Directors of ZSSK approved the sale of assets in the amount of EUR 350 thousand located in the cadastre district of Žilina. These assets were sold to ŽSR on 29 November 2021 based on Purchase Contract no. 2303-1205-KZ/2021 for the purchase price of EUR 996 thousand.

Based on Minutes no. 13 of 6 September 2021 – Resolution no. 98/2021, the Board of Directors of ZSSK approved the sale of assets in the amount of EUR 5 thousand located in the premises in Nové Zámky that were sold to a natural person on 6 December 2021 based on Purchase Contract no. 842 320-01/KZ 2021 for the purchase price of EUR 15 thousand.

The asset division is presented in the following table:

4 LONG-TERM TANGIBLE ASSETS (CONT.)

(in thousand EUR)

Class	Title	As on 31 December 2021	As on 31 December 2020
10	Buildings	0	0
20	Constructions	0	0
30 and 40	Machines and equipment	0	0
60	Transport vehicles	137	113
70	Inventory	0	0
90	Real estate/lands	0	0
	Total	137	113

The following costs and revenues are related to the assets held for sale:

(in thousand EUR)	Amount
Sale	418
Total revenues	1,193
Profit from assets held for sale	775

Investments into real estates

There were no changes in the fair value of real estates reported pursuant to IAS 40 as on 31 December 2021.

(in thousand EUR)

Rented assets	As on 31 December 2021	As on 31 December 2020
Track yard in Bratislava	17	17
Building and premises of the locomotive depot in Bratislava	0	0
Building and land site in Nové Zámky	0	5
Track yard in Trnava	83	83
Track yard in Žilina	0	15
Building at Stromová, Košice	81	81
Land in Štrba	6	6
Track yard at the locomotive depot in Humenné	3	31
Humenné Staničná	53	53
Kitchen at the locomotive depot in Košice	5	5
Stable washer in Zvolen	26	26
Indoor washer in Bratislava	1,073	1,073
Bratislava Rožňavská	0	17
Repair workshops in Vrútky	382	382
Buildings and lands at Podkolíbská, Bratislava	138	255
Buildings and lands at Jesenského, Zvolen	294	294
Total	2,161	2,343

The following costs and revenues are related to assets reported pursuant to IAS 40:

(in thousand EUR)	Amount
Taxes (on lands and constructions)	24
Other costs (repairs, maintenance)	17
Total costs	41
Lease	226
Total revenues	226
Income from property	185

4 LONG-TERM TANGIBLE ASSETS (CONT.)

The manner and value of long-term assets insurance

The Company insured the significant long-term assets based on the following insurance policies:

Insurance policy with ČSOB Poistovňa, a.s. no. 8093225943 concerning insurance of self-serving fuelling equipment and insurance of inventories was concluded for the period from 1 January 2019 to 31 December 2022. The total insured value for the insurance period amounts to EUR 56 thousand. The insurance premium for 2021 is EUR 14 thousand.

Fleet insurance policy with ALLIANZ-Slovenská poisťovňa, a.s. no. 7710049405 concerning insurance of trucks and trailers – "Moje auto KASKO" (accident insurance of service vehicles) was concluded for the period from 1 January 2020 to 31 December 2023. The total insured value for the insurance period amounts to EUR 142 thousand. The annual premium is EUR 35.5 thousand.

Insurance policy with PREMIUM Insurance Company Limited no. 4600003847/VS/2018 concerning insurance of rolling stock was concluded for the period from 1 November 2018 to 31 October 2021. The insured value for one insurance period (one technical year) amounts to EUR 2,473 thousand. The new insurance policy no. 4600006056/PN/2021 concerning insurance of rolling stock was concluded for the period from 1 November 2021 to 31 January 2022 and the insurance premium for this period is EUR 420 thousand.

5 LONG-TERM INTANGIBLE ASSETS

	Acquisition price					Cumulated adjustments				Residual value as on 31 December 2021
	As on 1 January 2021	Additions	Disposals	Transfers	As on 31 December 2021	As on 1 January 2021	Additions	Disposals	Transfers	As on 31 December 2021
Intangible assets	48,357	828	3,624	1,151	46,712	32,954	4,169	3,619		33,504
Unfinished investments	9,027	488	125	-1,151	8,239	0				0
Provided pre-payments	8		1	0	7	0				0
Total	57,392	1,316	3,750	0	54,958	32,954	4,169	3,619	0	33,504

	Acquisition price					Cumulated adjustments				Residual value as on 31 December 2021
	As on 1 January 2020	Additions	Disposals	Transfers	As on 31 December 2020	As on 1 January 2020	Additions	Disposals	Transfers	As on 31 December 2020
Intangible assets	35,141	1,412		11,804	48,357	29,537	3,417			32,954
Unfinished investments	13,978	7,352	492	-11,811	9,027	0				0
Provided pre-payments	0	1		7	8	0				0
Total	49,119	8,765	492	0	57,392	29,537	3,417	0	0	32,954

The most significant items in the category of intangible assets is represented by SAP 4/HANA software in the amount of EUR 7,826 thousand, SW licences for iKVC of EUR 757 thousand, SW licences to support the integration platforms of EUR 356 thousand, SW for operation management in the amount of EUR 511 thousand, and SW for information safety of the operation and electronic services of EUR 472 thousand, SW for ASW POP ticket-selling in the amount of EUR 363 thousand.

The unfinished investments include the following most significant items: procurement of SW for TAP TSI project co-financed from a grant in the amount of EUR 7,746 thousand, intranet functionality extension in the amount of EUR 86 thousand, ORACLE licences of EUR 51 thousand, KASF functionality extension (system for comprehensive reporting of invoices) of EUR 45 thousand, integrated transport system (ITS) in the amount of EUR 73 thousand and analytical database in the amount of EUR 109 thousand.

6 LEASES – IFRS 16

	Acquisition price				Cumulated adjustments				Residual value as on 31 December 2021
	As on 1 January 2021	Additions	Disposals	Transfers	As on 31 December 2021	Additions	Disposals	Transfers	
The right to use the asset	82,480	9,514	2,490		89,504	7,527	1,267		68,677
of which: Transport vehicles	57,024	1,924	1,152		57,796	6,079	1,150		40,601
Lands and buildings	25,456	7,590	1,338		31,708	1,448	117		28,076
Unfinished investments	0				0				0
Total	82,480	9,514	2,490	0	89,504	7,527	1,267	0	68,677

	Acquisition price				Cumulated adjustments				Residual value as on 31 December 2021
	As on 1 January 2020	Additions	Disposals	Transfers	As on 31 December 2020	Additions	Disposals	Transfers	
The right to use the asset	80,674	2,091	285		82,480	7,381	100		67,913
of which: Transport vehicles	55,833	1,191			57,024	6,214			44,758
Lands and buildings	24,841	900	285		25,456	1,167	100		23,155
Unfinished investments	0				0				0
Total	80,674	2,091	285	0	82,480	7,381	100	0	67,913

6 LEASES – IFRS 16 (CONT.)

The new standard IFRS 16 Leases became effective as of 1 January 2019, replacing the original IAS 17 Leases. Based on this fact, the Company revaluated all lease contracts and recognised acquisition of the right from asset use, liabilities from leases and differences in measurement of the asset and the liability from lease in the results of past periods. The Company applied an exception from the standard in case of short-term leases and leases with a low-value assets up to EUR 5 thousand. At the same time, given the scope of lease contracts, an internal directive determined that if the calculated lease liability does not exceed EUR 15 thousand, the Company will not report it as a lease. Variable instalments related to indexation are reported as part of leases. The Company does not recognise other variable instalments that were not part of lease measurement.

When shifting to IFRS 16 Leases, the Company chose a modified retrospective approach, i.e. a lease liability is measured at present value of unpaid lease instalments, discounted by the incremental interest rate as on the date of the shift, i.e. 1 January 2019, where the asset was measured as if it was reported under IFRS 16 since the lease beginning, using the interest rate effective on 1 January 2019 and reduced by depreciation as on the shift date.

Leases are divided into two main groups according to the underlying asset, namely: rolling stock, and land and buildings. The most significant item under rolling stock is lease of 10 electric motive power units Vectron in the amount of EUR 39,752 thousand and lease of a dining car in the amount of EUR 794 thousand. The lands and buildings include premises for ticket sale in the amount of EUR 149 thousand; another significant item is lease of the Company headquarters in Rožňavská 1 in Bratislava in the amount of EUR 1,392 thousand, lands and track yard for light-maintenance centre in Zvolen of EUR 1,852 thousand, the coach repair workshop premises in Bratislava in the amount of EUR 1,275 thousand, the social and operating facilities of the coach repair workshop in Zvolen in the amount of EUR 1,071 thousand, testing premises of the coach repair workshop in Žilina in the amount of EUR 1,700 thousand, repair workshop premises in the amount of EUR 2,133 thousand, track yard in the locomotive depot of Čadca in the amount of EUR 1,259 thousand, and the operating building of a station for technical inspections in Bratislava-Nové Mesto of EUR 721 thousand. Other leases concern operating and administrative buildings, depots, offices, customer centres and overnight accommodation for train and locomotive crews.

Depreciation and amortisation pertaining to financial lease

(in thousand EUR)	31 December 2021	31 December 2020
Depreciation	-7,527	-7,381
Residual value of discarded right to use assets	-1,222	-185
Total	-8,749	-7,566

(in thousand EUR)	31/12/2021	31/12/2022	31/12/2023	31/12/2024
IAS 17 (operating lease)	22	22	22	22
IFRS 16 (balance-sheet model)				
Lease liability (short-term part)	8,129	7,474	7,438	7,425
Lease liability (long-term part)	62,749	55,275	47,837	40,412
Right to use the asset	68,677	61,126	53,688	46,347
Cost interests	780	702	623	544
Depreciation of the right to use the asset	7,527	7,551	7,438	7,341

7 FINANCIAL ASSETS

(in thousand EUR)	Number of shares (pieces)	Participation in the equities in %	Financial assets	
			as on 31 December 2021	as on 31 December 2020
Eurofima	1,300	0.50 %	5,898	5,642
BCC	1	0.68 %	1	1
ZSSK THU, s. r. o.		100 %	5	5
Eurail B.V.	607	0.607 %	1	0
Total	x	x	5,905	5,648

The Company holds an ownership interest with insignificant influence in Eurofima, BCC and Eurail B.V.. The daughter company ZSSK THU, s.r.o. with a 100-% share of the Company as its sole founder was entered into the Companies' Register on 8 February 2020.

8 OTHER LONG-TERM ASSETS

(in thousand EUR)	31 December 2021	31 December 2020
Trade receivables	283	52
Other long-term receivables	125	126
Receivables from subsidies granted on investments (EU funds)	349,029	276,924
Total	349,437	277,102

9 INVENTORIES

(in thousand EUR)	Acquisition price	(The lower of) acquisition value, or net recoverable value	Acquisition price	(The lower of) acquisition value, or net recoverable value
	2021	2021	2020	2020
Total material	24,533	19,717	20,755	16,814
Fuel in tank	359	359	265	265
Other inventories	285	246	271	232
Total inventories	25,177	20,322	21,291	17,311

No right of lien was established regarding the procured inventories.

10 TRADE RECEIVABLES AND OTHER RECEIVABLES

(in thousand EUR)	31 December 2021	31 December 2020
Short-term trade receivables	8,033	7,521
Tax receivable (excessive VAT deduction, excise tax)	12,547	17,396
Receivables from subsidies granted on investments (EU funds)	5,578	-2,617
Other receivables	3,633	2,385
	29,791	24,685
Allowances to trade receivables and other receivables	-2,164	-1,894
	27,627	22,791

10 TRADE RECEIVABLES AND OTHER RECEIVABLES (CONT.)

Receivables after maturity date amounted to EUR 5,352 thousand as on 31 December 2021 (EUR 3,686 thousand as on 31 December 2020).

An inspection of EFD2F project resulted in an obligation of ZSSK to return a part of the subsidy in the amount of EUR 2,617 thousand, of which short-term part has maturity date in 2022 in the amount of EUR 872 thousand.

Trade receivables are interest-free and in general payable within 14 – 90 days.

Analysis of receivables pursuant to maturity as on 31 December 2021 is as follows:

Year	Total	Within maturity and without an adjusting entry	After maturity and without an adjusting entry					
			0 – 90 days	91 – 120 days	121 – 150 days	151 – 180 days	181 – 360 days	> 361 days
2021	29,791	24,439	1,678	920	30	531	365	1,828
2020	24,685	20,999	1,361	38	12	38	184	2,053

11 FINANCIAL MEANS AND FINANCIAL EQUIVALENTS

For the purposes of a cash flow overview, the financial means and financial equivalents contain the following items:

(in thousand EUR)	31 December 2021	31 December 2020
Financial means in cash register and financial equivalents	237	239
Financial means in banks	66,541	1,744
Total	66,778	1,983

Financial means in banks bear interest pursuant to variable interest rates, consisting of a margin and EURIBOR rate. EUROBOR rate is negative and, in terms of the contractual conditions it equals "zero", therefore, the bank overdrafts bear interest at the margin level.

Bank overdrafts form an indivisible part of cash flow management and are reported as short-term interest-bearing loans and borrowings.

Bank overdrafts as on 31 December are as follows:

(in thousand EUR)	31 December 2021	31 December 2020
	Principal balance	Principal balance
Československá obchodná banka, a. s.	0	285
Tatra banka, a. s.	0	294
UniCredit Bank Czech Republic and Slovakia a. s.	0	12,299
Všeobecná úverová banka, a. s.	0	368
Total	0	13,246

12 SHAREHOLDERS' EQUITY

Share capital

Share capital is formed by a state investment in the Company administered by MTC SR as a deposit of certain assets and liabilities of the predecessor company, Železničná spoločnosť, containing 64 pieces of registered ordinary shares in the nominal value of one share of EUR 3,319,392. All these shares were issued and paid in full.

Statutory reserve fund

When the Company was founded, a statutory reserve fund in the amount of 10 % of the share capital of the Company was established in the form of a non-monetary investment and pursuant to the Slovak legislation. Pursuant to the Slovak legislation, the statutory reserve fund has to increase at least by 10 % of the annual net profit up to 20 % of the share capital of the Company according to the Company's Articles of Association, Article 19 (2).

Other funds

Other funds represent the difference between the value of assets and liabilities deposited by the State when the Company was founded and by an additional investment in October 2005, and the share capital and statutory reserve fund. In 2013, retrospectively as on 1 January 2012 and due to application of an amendment to IAS 19, the other funds were adjusted by a liability of the Company from long-term schemes of employee benefits, recognised and reported into the equity.

The amount of the Company's liability from long-term schemes of employee benefits pursuant to IAS 19 as on 31 December 2021 which were reported into the equity is EUR 355 thousand (EUR 1,346 thousand as on 31 December 2020).

Settlement of the business result from the previous accounting period

Settlement of profit in the amount of EUR 10,590 thousand for the accounting period of 2020 was adopted by the General Assembly, which decided on 9 September 2021 to divide the profit by transferring a part into the statutory reserve fund in the amount of EUR 1,059 thousand and by reducing the loss of past years on account 429 – Unpaid loss of previous years in the amount of EUR 9,531 thousand.

Detailed figures on shareholders' equity are provided in the Statement of Changes in the Equity.

13 FINANCIAL AID

EUROFIMA was established by fourteen countries by the „EUROFIMA Treaty" in 1955 to support purchase of standardised rolling stock fleet for member railways. Each contract meant a separate purchase of rolling stock. The rolling stock were also pledged as conditional securing which ceased to exist by full settlement of the financial aid. The last contract was paid off on 29 September 2020. The Slovak Republic indirectly undertook to repay the financial aid to EUROFIMA in compliance with the "EUROFIMA Treaty" ratified by the Slovak Government.

14 INTEREST-BEARING LOANS AND BORROWINGS

As on 31 December 2021:

	Currency	Amount in foreign currency	Principal balance in thousand EUR	Maturity	Hedging
Long-term loans					
Tatra banka, a. s.	EUR		12,592	31/12/2023	No hedging
Tatra banka, a. s.	EUR		42,857	31/12/2027	No hedging
ČSOB, a. s.	EUR		30,000	23/12/2024	No hedging
ČSOB, a. s.	EUR		30,000	18/3/2025	No hedging
ČSOB, a. s.	EUR		45,244	29/12/2028	No hedging
Komerční banka, a. s.	EUR		8,000	13/07/2022	No hedging
SLSP, a. s.	EUR		32,600	19/9/2024	No hedging
SLSP, a. s.	EUR		1,963	30/6/2022	No hedging
VUB, a. s.	EUR		16,643	22/12/2024	No hedging
UCB, a. s.	EUR		31,780	31/12/2025	No hedging
UCB, a. s.	EUR		45,107	31/12/2026	No hedging
UCB, a. s.	EUR		29,861	31/03/2027	No hedging
UCB, a. s.	EUR		30,000	31/10/2027	No hedging
UCB, a. s.	EUR		24,106	31/10/2027	No hedging
Total long-term loans			380,753		
Short-term part of loans and borrowings			50,340		
Long-term part of loans and borrowings			330,413		

	Currency	Amount in foreign currency	Principal balance in thousand EUR	Maturity	Hedging
Short-term loans					
UniCredit Bank Czech Republic and Slovakia a. s., subsidiary of a foreign bank	EUR		0	without final maturity date (3-month notice period)	No hedging
Všeobecná úverová banka, a. s.	EUR		0	without final maturity date (3-month notice period)	No hedging
Tatra banka, a. s.	EUR		0	without final maturity date (3-month notice period)	No hedging
Československá obchodná banka, a. s.	EUR		0	without final maturity date (3-month notice period)	No hedging
Total short-term loans			0		
Short-term part of loans and borrowings (see above)			50,340		
Bank overdrafts (note 11)			0		
Total short-term loans and borrowings			50,340		

Some loan contracts include also an obligation of the Company to fulfil certain financial and non-financial indicators. These indicators are derived from the management accounts prepared by the Company. The fair value of interest-bearing loans and borrowings is EUR 380,753 thousand (EUR 479,018 thousand as on 31 December 2020). All interest-bearing loans and borrowings bear interest at variable or fixed interest rate.

14 INTEREST-BEARING LOANS AND BORROWINGS (CONT.)

As on 31 December 2020:

	Currency	Amount in foreign currency	Principal balance in thousand EUR	Maturity	Hedging
Long-term loans					
Tatra banka, a. s.	EUR		18,888	31/12/2023	No hedging
Tatra banka, a. s.	EUR		50,000	31/12/2027	No hedging
ČSOB, a. s.	EUR		30,000	23/12/2024	No hedging
ČSOB, a. s.	EUR		30,000	18/3/2025	No hedging
Komerční banka, a. s.	EUR		8,000	13/07/2022	No hedging
SLSP, a. s.	EUR		45,244	17/12/2021	No hedging
SLSP, a. s.	EUR		32,600	19/9/2024	No hedging
SLSP, a. s.	EUR		5,890	30/6/2022	No hedging
VUB, a. s.	EUR		0	24/3/2020	No hedging
VUB, a. s.	EUR		22,191	22/12/2024	No hedging
UCB, a. s.	EUR		39,725	31/12/2025	No hedging
UCB, a. s.	EUR		54,128	31/12/2026	No hedging
UCB, a. s.	EUR		30,000	31/03/2027	No hedging
UCB, a. s.	EUR		24,106	31/10/2027	No hedging
Total long-term loans			390,772		
Short-term part of loans and			85,123		
Long-term part of loans and			305,649		

	Currency	Amount in foreign currency	Principal balance in thousand EUR	Maturity	Hedging
Short-term loans					
UniCredit Bank Czech Republic and Slovakia a. s., subsidiary of a foreign bank	EUR		30,000	without final maturity date (3-month notice period)	No hedging
Všeobecná úverová banka, a. s.	EUR		25,000	without final maturity date (3-month notice period)	No hedging
Tatra banka, a. s.	EUR		20,000	without final maturity date (3-month notice period)	No hedging
Total short-term loans			75,000		
Short-term part of loans and borrowings (see above)			85,123		
Bank overdrafts (note 11)			13,246		
Total short-term loans and borrowings			173,369		

15 EMPLOYEE BENEFITS

(in thousand EUR)	Bonuses at retirement	Contributions at life anniversaries	Compensatory contribution in case of invalidity	Total
As on 1 January 2021	9,957	2,124	400	12,481
Costs on present services	328	86	0	414
Interest costs	95	20	4	119
Actuarial profit and loss	-255	-19	14	-260
Paid benefits	-523	-209	-76	-808
Costs on past services	1,956	0	30	1,986
As on 31 December 2021	11,558	2,002	372	13,932
Short-term as on 31 December 2021	1,239	262	62	1,563
Long-term as on 31 December 2021	10,319	1,740	310	12,369
As on 31 December 2021	11,558	2,002	372	13,932

(in thousand EUR)	Bonuses at retirement	Contributions at life anniversaries	Compensatory contribution in case of invalidity	Total
As on 1 January 2020	8,868	2,146	374	11,388
Costs on present services	283	84	0	367
Interest costs	112	27	5	144
Actuarial profit and loss	1,217	98	43	1,358
Paid benefits	-523	-231	-77	-831
Costs on past services	0	0	55	55
As on 31 December 2020	9,957	2,124	400	12,481
Short-term as on 31 December 2020	1,027	237	65	1,329
Long-term as on 31 December 2020	8,930	1,887	336	11,152
As on 31 December 2020	9,957	2,124	400	12,481

Re-valuation of employee benefits

in thousand EUR	As on 31 December 2021	As on 31 December 2020
Bonuses at retirement	255	-1,217
Severance payment	-393	44
Total	-138	-1,173
Deferred tax	-217	-172
Total	-355	-1,345

Main actuarial assumptions:

	2021	2020
Discount rate (% p.a.)	1.23 %	0.95 %
Increase of wages (%)	4.32 % - 8.77 %	4.21 % - 5 %
Probability of male mortality (%)	0.038 % - 2.46 %	0.038 % - 2.46 %
Probability of female mortality (%)	0.0209 % - 0.10439 %	0.0209 % - 0.10439 %

15 EMPLOYEE BENEFITS (CONT.)

Long-term reserve for employee benefits

As on 31 December 2021, the Company reports a liability in the amount of EUR 13,932 thousand (of which: short-term liability part amounting to EUR 1,563 thousand and long-term liability part amounting to EUR 12,369 thousand) to cover the estimated liabilities related to remuneration at retirement or disability pension, remuneration at life anniversaries and compensatory bonus due to reduced ability to work of an employee.

In compliance with the effective Collective Agreement for 2017-2019, including Supplement no. 5 prolonging the validity and effectiveness of the Collective Agreement of ZSSK for 2017 – 2019 until 31 December 2021, Železničná spoločnosť Slovensko, a.s. grants the following types of bonuses to its employees upon fulfilment of determined conditions:

The employer grants a bonus in case of the first termination of the employment due to retirement, premature retirement or invalidity retirement if:

- **in case of retirement, premature retirement or invalidity retirement** - the employee worked for the employer for at least 10 years continuously as on the day of employment termination; the employment was not terminated due to violated working discipline; the employee is not entitled to severance pay under the Collective Agreement; in the amount depending on the years worked for the employer, EUR 83 per each worked year;
- **in case of retirement or premature retirement** - the employee worked for the employer for at least 10 years continuously as on the day of employment termination; the employment was not terminated due to violated working discipline; the employee is entitled to severance pay under the Collective Agreement; in the amount depending on the years worked for the employer, EUR 7,50 per each worked year;
- **in case of invalidity retirement** - the employee worked for the employer for at least 10 years continuously as on the day of employment termination; the employment was not terminated due to violated working discipline; the employee is entitled to severance pay; in the amount depending on the years worked for the employer, EUR 11 per each worked year.

For the purpose of calculating the bonus amount, the years worked in employment for the employer are added together. The bonus is granted as a single payment.

As acknowledgement and appraisal of many-year work, the employer grants a bonus to the employee if the condition of a continuous employment over 10 years for the employer is met on the life anniversary of **50 years of age**. The bonus amount is calculated pursuant to the length of employment as follows:

- in the amount of EUR 165 (for over 10 to 15 years),
- in the amount of EUR 235 (for over 15 to 20 years),
- in the amount of EUR 330 (for over 20 to 25 years),
- in the amount of EUR 500 (for over 25 years).

At life anniversary of **60 years of age** of an employee, the employer grants a single bonus in the amount of EUR 500 if the condition of a continuous employment over 25 years is met on the life anniversary date. The bonus is granted as a single payment.

In compliance with Article 76a of the Labour Code, Železničná spoločnosť Slovensko, a.s. grants a severance pay in the amount of the employee's average monthly wage in case of the employee's first employment termination due to retirement, premature retirement or invalidity retirement with reduced ability to work of more than 70%. The employer grants severance pay to the employee if he or she requests the retirement pension before termination of employment or within 10 days after employment termination.

15 EMPLOYEE BENEFITS (CONT.)

As on the day of book closing, Železničná spoločnosť Slovensko, a.s. has no plan to optimise the employee number.

Wage increase

No adjustments to the tariff wages have been agreed for 2021.

The parties to the agreement shall start to discuss wage increase for the following years at the latest from 1 November of the respective calendar year.

Mortality rate: Mortality table for the Slovak Republic for 2015 – 2019 (source: <https://slovak.statistics.sk>).

The calculated liabilities include costs on health and social insurance incurred on the basis of the amendments to Acts no. 461/2003 Coll. and no. 580/2004 Coll. effective as of 01 January 2014.

Description of risks

The Company does not hold any assets that would serve to cover the liability. The Company thus avoids the risk from investing the financial means, on the other hand, however, no assets serving to cover the liabilities are valorised.

Sensitivity of the level of "POST EMPLOYMENT BENEFITS" to change in pre-conditions

1. Change of discount by +100 bps for all years to come, assuming that other pre-conditions entering the calculation remain unchanged, results in decrease of the liability by 8.98 %.
2. Change of wage increase by +100 bps for all years to come, assuming that other pre-conditions entering the calculation remain unchanged, results in increase of the liability by 4.40 %.
3. Fluctuation reduced by 10 % for all years to come, assuming that other pre-conditions entering the calculation remain unchanged, results in increase of the liability by 1.61 %.
4. Assumed mortality rate reduced by 10 % for all years to come, assuming that other pre-conditions entering the calculation remain unchanged, results in increase of the liability by 0.92 %.

The average maturity of liabilities is provided in the table below:

Type of liability	Average maturity of the reserve	Average maturity of the benefits
OTHER LONG TERM EMPLOYEE BENEFITS	6.77	10.64
POST EMPLOYMENT BENEFITS	9.79	15.10

The actuarial profit and loss, changes of financial assumptions are caused by a change in discount from 0.95 % to 1.23 % and a change in the expected wage increase in 2022 from 5.00 % to 8.77 %, from 5.00 % to 4.32 % in 2023.

The costs on past services due to retirement are caused by an increase in retirement payment according to the Collective Agreement of ZSSK for 2022-2023.

16 RESERVES

(in thousand EUR)	Environmental burdens	Lawsuits	Redundancy payment, severance payment	Other reserves	Total
As on 1 January 2021	200	208	6,621	0	7,029
Additions	150	0	792	0	942
Interest costs	0	0	64	0	64
Recognised part of the subsidy	0	0	0	0	0
Actuarial profit and loss	0	0	393	0	393
Use	0	-14	-280	0	-294
As on 31 December 2021	350	194	7,590	0	8,134
Short-term as on 31 December 2021	350	0	983	0	1,333
Long-term as on 31 December 2021	0	194	6,607	0	6,801
As on 31 December 2021	350	194	7,590	0	8,134

(in thousand EUR)	Environmental burdens	Lawsuits	Redundancy payment, severance payment	Other reserves	Total
	570	17,705	6,562	0	24,837
As on 1 January 2020	0	0	276	0	276
Additions	0	0	82	0	82
Interest costs	-370	-16,865	0	0	-17,235
Recognised part of the subsidy	0	0	-44	0	-44
Actuarial profit and loss	0	-632	-255	0	-887
Use	200	208	6,621	0	7,029
As on 31 December 2020	200	14	441	0	655
Short-term as on 31 December 2020	0	194	6,180	0	6,374
Long-term as on 31 December 2020	200	208	6,621	0	7,029

Environmental burdens

The Company holds long-term tangible assets, for which reserves on environmental burdens were created in the past reporting periods in compliance with IAS 37. As on 31 December 2021 the reserve amount was assessed and amounts to EUR 350 thousand based on the remaining liabilities of ecological nature imposed on the Company in terms of the effective Slovak legislation.

17 CONTINGENT ASSETS AND LIABILITIES

a) Contingent assets

The Regional Court of Martin holds legal proceedings of the complainant ZSSK against the defendant ŽOS Vrútky a. s. The subject of the lawsuit concerns the claim of ZSSK for payment of a contractual fine in the amount of EUR 1,462 thousand with interests as a consequence of a breach of the Purchase Contract no. 18/VŠ-N/2008 on delivery of multiple-unit sets. Multiple-unit sets were not delivered pursuant to the time schedule, where the defendant ŽOS Vrútky a.s. was delayed with contractual performance against the agreed deadlines in case of each multiple-unit set. ZSSK thus claims the contractual fine against ŽOS Vrútky a.s. Court decision was made by the District Court of Martin during the hearing on 25 January 2019 in favour of ZSSK, against which decision the defendant appealed, based on which the Regional Court of Žilina cancelled the decision returned the lawsuit to the District Court of Martin for further proceedings. In its decision of 13 May 2021 the District Court of Martin repeatedly decided in favour of ZSSK. The defendant again appealed against this decision and the lawsuit is now with the Regional Court of Žilina.

18 OTHER LONG-TERM LIABILITIES

(in thousand EUR)	31 December 2021	31 December 2020
Deferred income in relation to investments from EU Structural Funds	44,867	37,578
Deferred income in relation to investments from the State Budget	781	1,589
Deferred income in relation to investments from the EU Cohesion Fund	356,027	241,985
Deferred income in relation to investments in combination of the State Budget and EU Structural Funds	34,851	37,546
Deferred income in relation to investments in combination of the State Budget and EU Cohesion Fund	62,821	42,697
Deferred income in relation to investments from the EU grant	4,109	4,109
Deferred income in relation to investments – stipulated by the Contract on NRFC	349,558	276,924
Contracted compensation – non-investment	1,215	0
Liabilities towards the social fund	227	107
Other liabilities	63	4
Total	854,519	642,539

Changes in the social fund are presented in the following table:

(in thousand EUR)	Text	2021	2020
As on 1 January		107	115
Creation		877	818
Drawing		758	826
As on 31 December		226	107

19 TRADE LIABILITIES AND OTHER LIABILITIES

(in thousand EUR)	31 December 2021	31 December 2020
Trade liabilities and other liabilities	54,071	103,245
Short-term part of deferred income in relation to investments	38,024	32,894
Short-term part of deferred income in relation to operating costs	234	121
Tax liabilities	978	913
Total	93,307	137,173

Short-term trade liabilities after maturity (account 321) amounted to EUR 66 thousand as on 31 December 2021 (EUR 36 thousand as on 31 December 2020).

More detailed information on liabilities towards related parties is stated under note 32.

20 INCOME TAX

Income tax consists of payable tax and deferred tax. In 2021 the Company's tax base amounted to a loss of EUR -50,545 thousand. The Company was not obliged to file the income tax return for 2020. When filing the regular income tax return the Company reported tax loss in the amount of EUR -17,361 thousand.

The economic result before taxation is profit in the amount of EUR 5,315 thousand that is adjusted by recognised deferred and payable tax.

When calculating the deferred income tax, the tax rate effective as of 1 January 2022 was taken into consideration.

(in thousand EUR)	2021	2020
Tax due (deductible and licence tax)	0	0
Deferred tax	2,317	1,505
Total	2,317	1,505

(in thousand EUR)	31 December 2021	31 December 2020
Economic result before taxation pursuant to IAS/IFRS	5,315	12,095
Theoretical tax at statutory tax rate of 21 %	1,116	2,540
Impact of tax loss that cannot be redeemed in the future	0	0
Constant extra charges and deductible revenues	1,201	-1,035
Income tax (payable and deferred tax)	2,317	1,505

Deferred tax receivables and liabilities may be divided as follows:

(in thousand EUR)	31 December 2021	31 December 2020
Deferred tax receivables		
Unamortised tax loss	-4,966	-3,217
Employee benefits reported in the comprehensive income	-2,926	-2,621
Redundancy payment, severance payment	-1,667	-1,433
Investment subsidies	-21,491	-17,577
Other	-2,950	-2,653
	-34,000	-27,501
Deferred tax liabilities		
Long-term tangible assets	45,150	36,334
Employee benefits reported in the equity	217	173
	45,367	36,507
Net deferred tax liabilities	11,367	9,006

The Company is entitled to redeem **the loss reported for 2019 for the last time** according to the amendment to Income Tax Act effective as of 1 January 2014 **evenly during four** consecutive tax periods, starting on the tax period following immediately after the tax period, in which the tax loss was reported: the tax loss of 2017 in the amount of EUR 18,166,270.29, starting in 2018 and terminating in 2021 at the latest, tax loss of 2018 in the amount of EUR 25,131,856.82, starting in 2019 and terminating in 2022 at the latest. In 2019 the Company reported tax basis of EUR 0 as it exercised the option to redeem the tax loss of past periods. The Company is entitled to redeem **the loss reported as of 2020, the year when tax loss was reported in the amount of EUR 17,360,753.76** according to the amendment to Income Tax Act effective as of 2020 **unevenly during five** consecutive tax periods, starting on the tax period following immediately

20 INCOME TAX (CONT.)

after the tax period, in which the tax loss was reported, however, in **the maximum amount of 50 %** of the reported **tax basis**.

The redemption of losses is assumed as follows:

(in thousand EUR)	31 December 2021	31 December 2020
2021	0	10,825
2022	23,644	6,283
2023	0	0
2024	0	0
2025	0	0
Total tax loss carried forward	23,644	17,108

21 TRANSPORT OF PASSENGERS AND RELATED REVENUES

(in thousand EUR)	31 December 2021	31 December 2020
Passenger transport		
Passenger transport - national	37,924	39,278
Passenger transport - international	7,890	5,978
	45,814	45,256
Other transport-related revenues:		
Performance of passenger coaches	7,916	5,164
Traction performance abroad	8,360	7,624
Other revenues	3,272	3,038
	19,548	15,826
Total	65,362	61,082

When applying tariffs in national services by trains under PSC, the Company follows the effective decrees of the Transport Authority on fare regulation in railway transport which stipulate the scope and maximum amount of selected types of fare.

If the tariffs are not regulated by a decree of the Transport Authority or any other effective regulation or a decision of the contracting authority, the Company can transport passengers also for a lower fare. In such case the Company is responsible for preparation of the amount and structure of tariffs and informs MTC about provided discounts, together with justification and expected income as these tariffs are subject to approval of the contracting authority. The Company has to discuss any discounted price with the contracting authority, usually 2 weeks before such price reduction is effective. The contracting authority can oblige the transport operator to change or maintain the amount and structure of tariffs. Reduced prices may not violate the rules of competition.

Within its national services and in compliance with Government Resolution no. 530/2014 and Government Resolution no. 590/2014, the Company offers free-of-charge transport in the 2nd class for children until their completed 16th year of age, pupils and full-time students until their completed 26th year of age, as well as free-of-charge transport of person older than 62 years of age and all pensioners pursuant to Act no. 461/2003 Coll. on social insurance as amended, as well as for people entitled to a similar right to pension payment acknowledged by a public institution of an EU Member State, and free-of-charge transport of beneficiaries of widow's pensions for years of service, widower's pensions for years of service, orphan's pensions for years of service, and disability pensions pursuant to Act no. 328/2002 Coll. on social insurance

21 TRANSPORT OF PASSENGERS AND RELATED REVENUES (CONT.)

of policemen and soldiers, changing and modifying certain act, as amended.

The Company operates selected trains outside the scope of PSC, and the fare in these trains is not subject to regulation conditions in terms of the regulation decree. The transport operator determines the tariff for trains excluded from PSC at its own discretion.

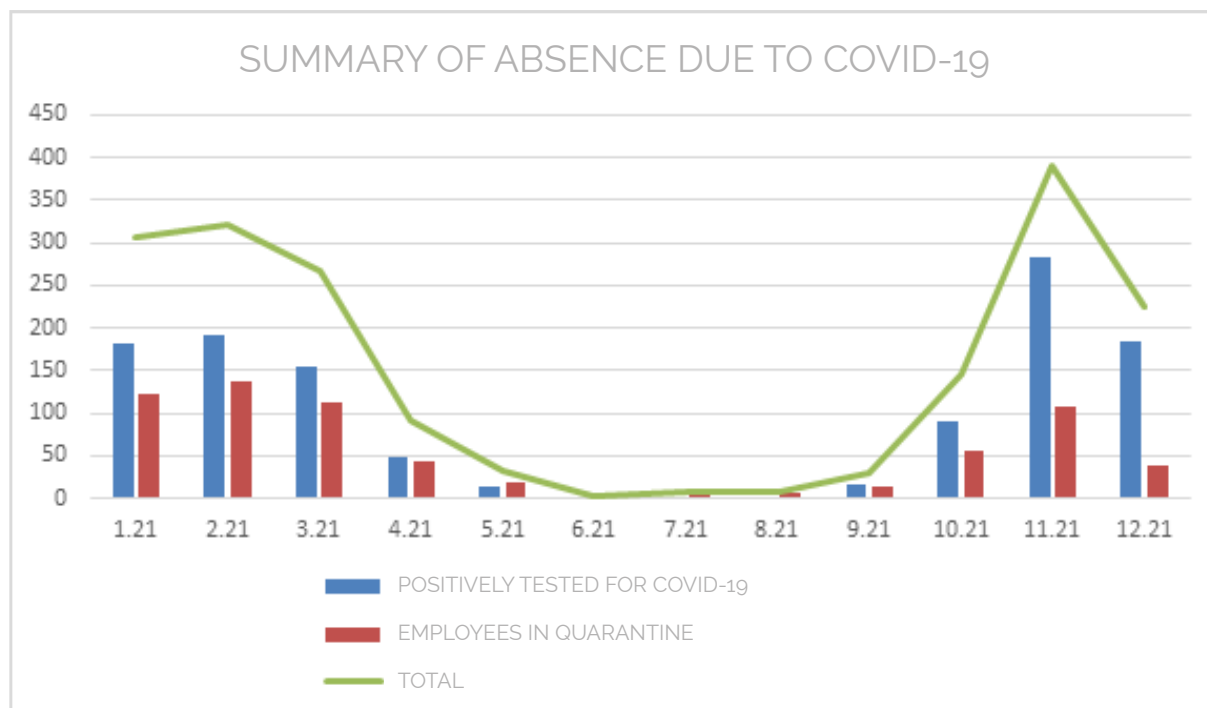
Impacts of the corona virus pandemic

A summary of preventive measures by ZSSK management and activities of the Emergency Committee of ZSSK in 2021, which focused on the following:

1. Monitoring of the situation and **the updated legislation issued by the Slovak state authorities concerning prevention of COVID-19 disease**, analysing of its impacts on the Company, its adaptation to the conditions of ZSSK and its implementation, inspection of continuous compliance, solving of extraordinary situations if occurred, cooperation and coordination of procedures with state bodies supervising the activities of ZSSK, in particular MTC, MH, ME, MF and MI of the Slovak Republic. Implementation of preventive measures concerning passengers (intensive explanatory and notification campaign on-board of trains of our company and in the premises of customer centres and during sale of tickets), extended sale of personal protective equipment.
2. Monitoring of **impacts on the employees of ZSSK and activities of subcontractors. Priority focus on employees of the first contact who work directly with the travelling public, or whose presence at work is necessary in order to maintain continuity of the Company activities**. Re-assessment of their safety as regards OHS (the biological factor), defining of the minimal hygienic standards, their implementation and inspection. Identification of **the employees of ZSSK with the work nature allowing them to work from home**, implementation of technical, technological, safety and control measures to enable work from home.
3. **Guiding of employees through the Guidelines of the Emergency Committee of ZSSK** that focused primarily on application of the legislation concerning prevention of COVID-19 diseases within ZSSK, procedures in case there is suspicion of the disease with employees and passengers, procedures of waste handling etc.. Introduction of measures concerning obstacles on the employer's side, obstacles on the employee's side, pandemic allowance in case of caring for a child, pandemic sick allowance, temporary kurzarbeits.
4. Monitoring of **the impacts of limitations or changes in the scope of provided passenger railway transport services initiated by the contracting authority – MTC, or by the cooperating foreign railway undertakings** in the Czech Republic, Austria, Hungary, Poland, and Ukraine. Monitoring of **the impacts of limited mobility of the inhabitants** (overall movement limitations, or a shift to individual car transport) and the related reduced number of passengers in passenger railway transport in public interest, and impacts on the commercial activities of ZSSK, **limitation of commercial trains in relation to the efficiency of the spent financial means**.
5. Monitoring of the impacts of **measures concerning the hygiene of operation** (increased cleaning and disinfection), introduction of strict hygienic measures in administrative and operation premises of ZSSK, introduction of new standards for hygienic maintenance of locomotives and coaches, amendments to the existing contracts on cleaning and washing, extension of technical facilities for disinfection, extension of work tasks for selected employees of ZSSK.
6. Monitoring of the media, **claims and complaints of employees as well as passengers**, preventive communication with the public due to introduction of new measures, increasing the trust in public railway transport organised by ZSSK, communication of problematic topics concerning compliance with the measures, competencies of ZSSK as regards limited passenger railway transport services, modified train timetables and individual train services.

21 TRANSPORT OF PASSENGERS AND RELATED REVENUES (CONT.)

7. **Campaign in the media on the safety of railway passenger transport.** Extended communication channels for foreign passengers and to support minorities. Cooperation and mutual provision of information with the unions at ZSSK, and coordination with employers' associations to which ZSSK is a member.



Financial impact of COVID-19 pandemic on the business result of ZSSK

In compliance with the Partial Contract for 2021 to the Contract on Transport Services in Public Interest as amended by Supplement no. 1 to Supplement no. 7, ZSSK was granted compensation for transport services in public interest that takes into account also financial impact of the COVID-19 pandemic. Compared to the plan of full revenues from transport and other revenues, ZSSK was short of **EUR 45,788,758**.

The costs of **EUR 2,353,572.83** were spent on anti-Covid measures as on 31 December 2021. The most significant items of the amount were the costs on disinfection of rolling stock interiors (61 %), cleaning and disinfection of ZSSK workplaces (19 %) and purchase of disinfection, masks, and overalls (15 %).

At the same time, protective means of **EUR 49,342.53** were provided to ZSSK from the State Material Reserves within measures focusing on prevention of coronavirus spreading, and re-funding of the obligatory testing of employees was recognised in the amount **EUR 1,309**.

The amounts granted to ZSSK within anti-Covid measures are subject to final settlement of the Partial Contract for 2021 to the Contract on Transport Services in Public Interest, as amended by Supplements 1 to 7.

22 COMPENSATION FOR SERVICES IN THE PUBLIC INTEREST

The Company has concluded the Contract on Transport Services in Public Interest with the Slovak Republic represented by the Ministry of Transport and Construction which is the basis for operation of passenger transport by rail. In 2021 compensation in the form of prepayments amounting to EUR 373,225 thousand was granted for its operation. By mutual agreement on the relationship between the Slovak Ministry of Transport and Construction and ZSSK, the Ministry of Transport and Construction approved of the return of the pre-payments for transport services in public interest for 2021 in the estimated amount of EUR 9,355 thousand. The overall assumed amount of compensation for delivery of services in public interest in 2021 is EUR 363,870 thousand.

Based on mutual agreement about the relationships between the Slovak Ministry of Transport and Construction and ZSSK, in 2020 the Ministry of Transport and Construction approved of an estimate of the unpaid loss for services in public interest for 2020 that is recognised in the revenues of 2020 in the amount of EUR 64,070 thousand. Based on the Protocol assessing the fulfilment of the Contract on Transport Services in Public Interest in 2020 of 10 September 2021, the Ministry of Transport and Construction recognised a receivable of ZSSK from loss compensation of 2020, payable on 31 December 2022 in the amount of EUR 65,468 thousand. The revenue difference of EUR 1,398 thousand was reported in September 2021.

The liability of MTC towards the Company incurred in relation to fulfilment of the Contract on Transport Services in Public Interests totals EUR 65,453 thousand for 2020, having considered sanctions of MTC for

(in thousand EUR)	31 December 2021	31 December 2020
Compensation for services in public interest	363,870	268,408
Revenues – additional payment for 2020	1,398	-1,528
Revenues from the estimate for 2021	0	64,070
Total	365,268	330,950

23 INCOME FROM SUBSIDIES

(in thousand EUR)	31 December 2021	31 December 2020
Income from investment subsidies:		
- from the State Budget	1,942	2,671
- from the State Budget in combination with EU funds	4,958	4,810
- from Structural Funds	5,053	4,810
- from the State Budget in combination with the EU Cohesion Fund	3,791	3,160
- from the EU Cohesion Fund	21,487	17,902
- from CEF grant	0	0
Income from non-investment subsidies	300	134
Total	37,531	33,487

State Budget subsidies

In 2021 the Company was not granted any capital transfers for investment purposes. Revenues include subsidies of previous periods (EUR 11,618 thousand in 2010 and EUR 33,194 thousand in 2009) which were designated and used to reconstruct diesel coaches 810+010 and multiple-unit sets 813+913, modernisation

23 INCOME FROM SUBSIDIES (CONT.)

of Bdt and Bdgteer coaches and motive power units of 362 and 363 series.

As on 31 December 2021, the amount of EUR 781 thousand is reported in the long-term deferred income concerning investments from the State Budget, as well as a short-term amount of EUR 808 thousand.

(v thousand EUR)		As on 1 January 2021	Drawing (-returns)	Subsidy recognition	As on 31 December 2021
Rolling stock modernisation	2009	2,362		-1,134	1,228
	2010	1,169		-808	361
Total		3,531		-1,942	1,589

(v thousand EUR)		As on 1 January 2021	Drawing (-returns)	Subsidy recognition	As on 31 December 2021
Rolling stock modernisation	2009	4,120		-1,758	2,362
	2010	2,082		-913	1,169
Total		6,202		-2,671	3,531

Subsidies from the State Budget in combination with subsidies from Structural Funds of the European Union

Under the Operational Programme Transport focusing on **renewal of the rolling stock fleet** for suburban and inter-regional railway public passenger transport in Slovakia, the Company started to draw non-repayable financial contributions as of 2009.

According to the Contract on provision of a non-repayable financial contribution, financial means were granted for the following project:

- Procurement of electric double-deck units and diesel units (Project EFD1)

In the course of 2021, the following projects were added after signing of the Contracts on provision of a non-repayable financial contribution:

- Modernisation of passenger coaches (Project EFD7 MOV) – modernisation of 35 passenger coaches of Bdt series for regional railway transport
- Procurement of new passenger coaches (Project EFD8 NOV) – procurement of 17 new passenger air-conditioned coaches of 2nd class, offering the option of bicycle transport for regional transport services
- Modernisation of rolling stock for the Tatra Electric Railway (Project EFD13 HKV 425 – TEŽ) – modernisation of 15 electric units of 425.95 series and their upgrade to air-conditioned units for operation on regional lines of TEŽ in the High Tatras.

As of 2019, based on the Contracts on provision of a non-repayable financial contribution under the Operational Programme Integrated Infrastructure focusing on **Construction of infrastructure for inspection and preparation of the rolling stock fleet for passenger railway transport**, the 3rd phase of construction of the following projects has been implemented:

- Technical and hygienic maintenance of rolling stock in Humenné (Project EFD3A THÚ HE),
- Technical and hygienic maintenance of rolling stock in Nové Zámky (Project EFD3A THÚ NZ),
- Technical and hygienic maintenance of rolling stock in Zvolen (Project EFD3A THÚ ZV).

Other subsidies from the Slovak State Budget in combination with the EU Structural Funds are dedicated to:

- Bike-sharing in the Region of Košice (Project EFBike) focusing on procurement of an automated bike-renting system in the Region of Košice,
- Multimodal planner of travelling services LinkingDanube (Project EF Linking DNB) that will make use of ecological-friendly ways of travelling in the Danube River Region.

23 INCOME FROM SUBSIDIES (CONT.)

As of 2021 the Company has been implementing the following science and research project under the Operational Programme Integrated Infrastructure – Promoting research, development and innovations:

- Safe mobility during COVID 19 (GERMTRAIN) – Safe mobility during the pandemic caused by COVID-19 disease, focusing on safe operation and use of public railway transport.

As on 31 December 2021 the amount of EUR 44,867 thousand is reported in the long-term deferred income concerning the investments from the EU Structural Funds, and the respective share from the State Budget in the amount of EUR 34,851 thousand. The provisions of the contracts are reported in the amount of EUR 179,602 thousand. The short-term part amounts to EUR 9,398 thousand.

(in thousand EUR)	Resource	As on 1 January 2021	Drawing (-returns)	Recognised part	Contract provision	As on 31 December 2021
Procurement of electric double-deck units and diesel multiple units	EU	42,248	0	-5,030	0	37,218
	and SB	42,248		-4,958	0	37,290
	Total	84,496	0	-9,988	0	74,508
Linking Danube – for the Danube River Region	EU	32		-12	0	20
	and SB	0			0	0
	Total	32	0	-12	0	20
Bike-sharing in the Region of Košice	EU	493			0	493
	and SB	87			0	87
	Total	580	0	0	0	580
Construction of technical and hygienic maintenance centre in Zvolen, Nové Zámky and Humenné	EU	83,821	86		-86	83,821
	and SB	14,792			0	14,792
	Total	98,613	86	0	-86	98,613
Modernisation of passenger coaches	EU	0	4 054		22,975	27,029
	and SB	0	716		4,054	4,770
	Total	0	4 770	0	27,029	31,799
Procurement of new passenger coaches	EU	0	3 032		24,830	27,862
	and SB	0	535		4,382	4,917
	Total	0	3 567	0	29,212	32,779
Modernisation of rolling stock for the Tatra Railway	EU	0	5 122		20,491	25,613
	and SB	0	904		3,616	4,520
	Total	0	6 026	0	24,107	30,133
Safe mobility COVID 19	EU	0	136	-11	161	286
	and SB	0			0	0
	Total	0	136	-11	161	286
Subsidies in combination of the Slovak State Budget (SB) and Structural Funds	EU	126,594	12 430	-5,053	68,371	202,342
	and SB	57,127	2,155	-4,958	12,052	66,376
	Total	183,721	14,585	-10,011	80,423	268,718

23 INCOME FROM SUBSIDIES (CONT.)

(in thousand EUR)	Resource	As on 1 January 2020	Drawing (-returns)	Recognised part	Contract provision	As on 31 December 2020
Procurement of electric double-deck units and diesel multiple units	EU	47,058	0	-4,810	0	42,248
	and SB	47,058	0	-4,810	0	42,248
	Total	94,116	0	-9,620	0	84,496
Linking Danube – for the Danube River Region	EU	32	0	0	0	32
	and SB	0	0	0	0	0
	Total	32	0	0	0	32
Bike-sharing in the Region of Košice	EU	493			0	493
	and SB	87			0	87
	Total	580	0	0	0	580
Construction of technical and hygienic maintenance centre in Zvolen, Nové Zámky and Humenné	EU	83,821				83,821
	and SB	14,792			0	14,792
	Total	98,613	0	0	0	98,613
Subsidies in combination of the Slovak State Budget (SB) and Structural Funds	EU	131,404		-4,810		126,594
	and SB	61,937		-4,810		57,127
	Total	193,341	0	-9,620	0	183,721

Subsidies from the State Budget in combination with subsidies from the Cohesion Fund of the European Union

In 2013 the Company started to draw non-repayable financial contributions under the Operational Programme Transport focusing on **renewal of the rolling stock for integrated transport systems** in sub-urban and inter-regional public railway passenger transport in the Slovak Republic.

Based on the Contracts on provision of a non-repayable financial contribution, financial means were provided for the following projects:

- Procurement of electric and diesel multiple units (Project EFD2)
- Procurement of new passenger coaches and modernisation of passenger coaches (Project EFD2D)
- Procurement of new passenger coaches and modernisation of motive power units (Project EFD2E)
- Modernisation of motive power units of 361 series and passenger coaches (Project EFD2F)
- Modernisation of motive power units of 163 series and passenger coaches (Project EFD2H)
- Modernisation of motive power units and multiple-unit sets (Project EFD2J)
- Procurement of diesel multiple units and electric units (Project EFD4)
- Procurement of electric units for the Cog and Tatra Electric Railway (Project EFD4)

In the course of 2021 the following projects were added after signing of the Contracts on provision of non-repayable financial contributions:

- Procurement of electric units (Project EFD6) – procurement of 9 new electric units with 300 seats for regional transport
- Procurement of electric units (Project EFD10) – procurement of 4 new electric units of 1st and 2nd class for regional and inter-regional transport

Subsidies granted under the Operational Programme Integrated Infrastructure include the projects to procure the European Train Control System (ETCS) for the electric units, specifically:

- Procurement of ETCS for electric double-deck units (Project EFD2A)
- Procurement of ETCS Level 2 for electric units (Project EFD4A), where the contracted subsidy was reduced by EUR 2,696 thousand in 2021 to reflect the purchase price resulting from the public tender.

In 2021 the following projects were added under the Operational Programme Integrated Infrastructure:

- Procurement of ETCS Level 2 (Project EFD12) – procurement of train control system for 12 motive

23 INCOME FROM SUBSIDIES (CONT.)

power units of 361 series, and

- Increasing of railway traffic safety (Project EFD14) – delivery and installation of 54 radio-stations and 88 BlackBoxes into rolling stock.

Under the Operational Programme Transport, the measure on Construction of Infrastructure for Integrated Transport Systems, the Company procured the project preparation for construction of light maintenance centres (technical and hygienic maintenance), namely the following projects:

- Project preparation for Technical and hygienic maintenance of rolling stock (**Project EFD2B**),
- Project preparation for Technical and hygienic maintenance of rolling stock – PHASE II (Project EFD2I).

The amounts contracted in the Contracts on provision of the non-repayable financial contribution are recognised in the Company books because ZSSK meets the conditions for receiving the subsidy and there is adequate certainty that the subsidy will be received.

As on 31 December 2021, the long-term deferred income concerning investments from the EU Cohesion Funds is reported in the amount of EUR 356,027 thousand, plus the respective share from the State Budget in the amount of EUR 62,821 thousand. The Contract is for EUR 169,957 thousand. The short-term amount is EUR 27,818 thousand.

(in thousand EUR)	Resource	As on 1 January 2021	Drawing (-returns)	Recognised part	Contract provision	As on 31 December 2021
Procurement of electric and diesel multiple units	CF	86,741		-7,986		78,755
	and SB	15,305		-1,409		13,896
	Total	102,046	0	-9,395	0	92,651
Procurement of ETCS (European Train Control System) for EDUs	CF	4,208		-281		3,927
	and SB	742		-49		693
	Total	4,950	0	-330	0	4,620
Project preparation for Technical and hygienic maintenance of rolling stock	CF	6,289				6,289
	and SB	1,110				1,110
	Total	7,399	0	0	0	7,399
Procurement of new passenger coaches and modernisation of passenger coaches	CF	19,563		-1,783		17,780
	and SB	3,451		-314		3,137
	Total	23,014	0	-2,097	0	20,917
Procurement of new passenger coaches and modernisation of motive power units	CF	23,729		-1,493		22,236
	and SB	4,187		-263		3,924
	Total	27,916	0	-1,756	0	26,160
Modernisation of motive power units of 361 series and passenger coaches	CF	13,727		-1,018		12,709
	and SB	2,419		-180		2,239
	Total	16,146	0	-1,198	0	14,948
Interoperable communication devices to increase safety of railway traffic	CF	194		-194		0
	and SB	34		-34		0
	Total	228	0	-228	0	0
Modernisation of motive power units of 163 series and passenger coaches	CF	10,637		-958		9,679
	and SB	1,877		-169		1,708
	Total	12,514	0	-1,127	0	11,387
Project preparation for Technical and hygienic maintenance of rolling stock – PHASE II	CF	4,833				4,833
	and SB	853				853
	Total	5,686	0	0	0	5,686

23 INCOME FROM SUBSIDIES (CONT.)

(in thousand EUR)	Resource	As on 1 January 2021	Drawing (-returns)	Recognised part	Contract provision	As on 31 December 2021
Modernisation of driving trailers in multiple units	CF	1,903		-489		1,414
	and SB	336		-87		249
	Total	2,239	0	-576	0	1,663
Procurement of diesel and electric multiple units	CF	196,192	117,379	-7,213	-117,379	188,979
	and SB	34,622	20,714	-1,273	-20,714	33,349
	Total	230,814	138,093	-8,486	-138,093	222,328
Procurement of ETCS (European Train Control System) Level 2 for electric units	CF	14,794	1,241		-3,519	12,516
	and SB	2,611	219	0	-637	2,193
	Total	17,405	1,460	0	-4,156	14,709
Procurement of electric units for the Cog and Tatras Electric Railway	CF	28,560	15,917	-72	-16,053	28,352
	and SB	5,040	2,809	-13	-2,833	5,003
	Total	33,600	18,726	-85	-18,886	33,355
Procurement of electric units	CF		6,319		56,876	63,195
	and SB		1,115		10,037	11,152
	Total	0	7,434	0	66,913	74,347
Procurement of electric units	CF				63,744	63,744
	and SB				11,249	11,249
	Total	0	0	0	74,993	74,993
ETCS (European Train Control System) - Level 2 for motive power units	CF				5,519	5,519
	and SB				974	974
	Total	0	0	0	6,493	6,493
Increasing safety of railway traffic	CF				4,222	4,222
	and SB				745	745
	Total	0	0	0	4,967	4,967
Subsidies in combination of SB and the Cohesion Fund	CF	411,370	140,856	-21,487	-6,590	524,149
	and SB	72,587	24,857	-3,791	-1,179	92,474
	Total	483,957	165,713	-25,278	-7,769	616,623

(in thousand EUR)	Resource	As on 1 January 2020	Drawing (-returns)	Recognised part	Contract provision	As on 31 December 2020
Procurement of electric and diesel multiple units	KF	95,760	0	-9,019		86,741
	and SB	16,896	0	-1,591		15,305
	Total	112,656	0	-10,610	0	102,046
Procurement of ETCS (European Train Control System) for EDUs	KF	4,489	0	-281	0	4,208
	and SB	792	0	-50	0	742
	Total	5,281	0	-331	0	4,950
Project preparation for Technical and hygienic maintenance of rolling stock	KF	6,289	0	0	0	6,289
	and SB	1,110	0	0	0	1,110
	Total	7,399	0	0	0	7,399
Procurement of Integrated Transport Information System – ITIS	KF	287	0	-287		0
	and SB	50	0	-50		0
	Total	337	0	-337	0	0
Procurement of new passenger coaches and modernisation of passenger coaches	KF	21,738	0	-2,175	0	19,563
	and SB	3,836	0	-385	0	3,451
	Total	25,574	0	-2,560	0	23,014

23 INCOME FROM SUBSIDIES (CONT.)

(in thousand EUR)	Resource	As on 1 January 2020	Drawing (-returns)	Recognised part	Contract provision	As on 31 December 2020
Procurement of new passenger coaches and modernisation of motive power units	CF	25,282	0	-1,553		23,729
	and SB	4,461	0	-274		4,187
	Total	29,743	0	-1,827	0	27,916
Modernisation of motive power units of 361 series and passenger coaches	CF	17,133	-2,222	-1,184	0	13,727
	and SB	3,024	-396	-209	0	2,419
	Total	20,157	-2,618	-1,393	0	16,146
Interoperable communication devices to increase safety of railway traffic	CF	452	0	-258	0	194
	and SB	80	0	-46	0	34
	Total	532	0	-304	0	228
Modernisation of motive power units of 163 series and passenger coaches	CF	11,594	0	-957	0	10,637
	and SB	2,046	0	-169	0	1,877
	Total	13,640	0	-1,126	0	12,514
Project preparation for Technical and hygienic maintenance of rolling stock - PHASE II	CF	4,833	0		0	4,833
	and SB	853	0	0	0	853
	Total	5,686	0	0	0	5,686
Modernisation of driving trailers in multiple units	CF	2,393	0	-490	0	1,903
	and SB	422	0	-86	0	336
	Total	2,815	0	-576	0	2,239
Procurement of diesel and electric multiple units	CF	197,890	42,343	-1,698	-42,343	196,192
	and SB	34,922	7,472	-300	-7,472	34,622
	Total	232,812	49,815	-1,998	-49,815	230,814
Procurement of ETCS (European Train Control System) Level 2 for electric units	CF	14,794	0	0	0	14,794
	and SB	2,611	0	0	0	2,611
	Total	17,405	0	0	0	17,405
Procurement of electric units for the Cog and Tatra Electric Railway	CF	28,560	3,979	0	-3,979	28,560
	and SB	5,040	702		-702	5,040
	Total	33,600	4,681	0	-4,681	33,600
Subsidies in combination of SB and the Cohesion Fund	CF	431,494	44,100	-17,902	-46,322	411,370
	and SB	76,143	7,778	-3,160	-8,174	72,587
	Total	507,637	51,878	-21,062	-54,496	483,957

Subsidies from grants

The following projects are implemented thanks to financial means of the grants:

- Project on implementing technical interoperability for TAP TSI subsystem within ZSSK (Project GRTAP TSI), and
- Procurement of ETCS (European Train Control System) Level 2 (Project GR ETCS Level 2) for motive power units of 361 series.

(in thousand EUR)	As on 1 January 2021	Drawing (-returns)	Recognised subsidy	As on 31 December 2021
Project on implementation of technical interoperability for TAP TSI subsystem within ZSSK	3,153	0	0	3,153
Procurement of ETCS (European Train Control System) Level 2 – CEF grant	956	0	0	956
	4,109	0	0	4,109

23 INCOME FROM SUBSIDIES (CONT.)

(in thousand EUR)	As on 1 January 2020	Drawing (-returns)	Recognised subsidy	As on 31 December 2020
Project on implementation of technical interoperability for TAP TSI subsystem within ZSSK	1,918	1,235	0	3,153
Procurement of ETCS (European Train Control System) Level 2 – CEF grant	956		0	956
	2,874	1,235	0	4,109

24 OTHER NET OPERATING (COSTS) REVENUES

(in thousand EUR)	31 December 2021	31 December 2020
Insurance of long-term tangible assets	-3,108	-3,189
Right to eliminable damages	1,161	1,914
Net revenues from sale of assets and material	1,032	197
Other net income from business activity and extraordinary income	9,700	23,599
Total	8,785	22,521

25 CONSUMPTION AND SERVICES

(in thousand EUR)	31 December 2021	31 December 2020
Track access charges	-50,332	-48,048
Material consumption	-40,854	-33,575
Energy consumption	-33,809	-32,322
Repairs and maintenance	-13,636	-18,649
IT services	-8,625	-7,865
Operation of the rolling stock	-8,234	-7,654
Performance of passenger coaches	-6,692	-5,754
Performance of motive power units	-7,476	-5,532
Travelling costs	-2,972	-2,806
Services of Wagon Slovakia	-3,008	-2,464
Rental	-8,248	-2,391
Operators' performance	-2,099	-1,948
Cleaning costs, waste removal	-1,302	-1,466
Costs on replacement bus transport during traffic closures	-1,587	-1,362
Costs related to care of employees	-623	-1,354
Costs on property security	-1,200	-1,049
Other assurance services	-538	-992
Shunting	-796	-803
Mediating commissions	-717	-666
Annual reserve on un-billed deliveries	-265	-395
of which: recognition of the environmental reserve	-150	370
Costs on audit	-42	-38
of which: costs on audit of the current Financial Statements	-22	-22
Other costs	-5,131	-5,853
	-198,186	-182,986

25 CONSUMPTION AND SERVICES (CONT.)

Significant items of consumed purchases and services in 2021 include mostly costs on track access charges, traction energy consumption, and traction diesel consumption. Costs on repairs regard mainly rolling stock and services related to operation of rolling stock. The Company has contracts for provision of these activities with Železničná spoločnosť Cargo Slovakia, a. s., ŽOS Zvolen, a. s., ŽOS Trnava, a. s., and ŽOS Vrútky a. s.. The Company has concluded a business relationship concerning the use of ŽSR infrastructure where the price depends on kilometres and rates for individual types of transport as stipulated by the Decree of the Transport Authority. It has also concluded contracts on purchase of traction energy.

26 PERSONNEL COSTS

(in thousand EUR)	31 December 2021	31 December 2020
Labour costs	-97,470	-91,367
Social security costs	-40,875	-38,221
Total	-138,345	-129,588

An overview of remuneration of the Supervisory Board and the Board of Directors:

(in thousand EUR)	2021	2020
Current members		
- Board of Directors	27	53
- Supervisory Board	49	54
Former members		
- Board of Directors	20	0
- Supervisory Board	0	0
Total remunerations:	96	107

As on 31 December 2021 the number of employees was 5,811 (5,910 as on 31 December 2020), of which 215 managing employees (215 as on 31 December 2020).

The average wage in 2021 amounted to EUR 1,353.02, while in 2020 it was EUR 1,281.63.

27 DEPRECIATION, AMORTISATION AND IMPAIRMENT OF TANGIBLE ASSETS

(in thousand EUR)	31 December 2021	31 December 2020
Depreciation	-119,225	-107,027
Residual value of discarded long-term tangible and intangible assets	-2,495	-4,732
Residual value of sold long-term tangible and intangible assets	-466	0
Residual value of discarded long-term tangible and intangible assets – losses and damage	-1	0
Impairment of significant spare parts	0	0
Impairment of other assets	0	0
Total	-122,187	-111,759

28 FINANCIAL INCOME

(in thousand EUR)	31 December 2021	31 December 2020
Yield interests	0	43
Income from long-term financial assets	30	49
Other net financial income	0	0
Total	30	92

29 FINANCIAL COSTS

(in thousand EUR)	31 December 2021	31 December 2020
Cost interests	-2,889	-3,101
Bank expenses	-1,228	-197
Net exchange rate losses	236	16
Total	-3,881	-3,282

(in thousand EUR)	31 December 2021	31 December 2020
Interest from leasing instalments	-780	-849
Total	-780	-849

30 FINANCIAL RISK MANAGEMENT

The activities of the Company are exposed to various market risks. The main risks for the Company include the interest risk, liquidity risk and, a less significant credit risk. To minimize the risk resulting from changes in exchange rate differences and interest rates, in the past the Company entered into transactions with required parameters, or concluded derivative contracts to hedge individual transactions and total risks via instruments available on the market.

Transactions meeting the hedging conditions are called hedging transactions, while those carried out for hedging purposes but not meeting the conditions for hedging operations are classified as commercial transactions.

The main financial liabilities of the Company include loans and borrowings bearing interest, bank overdrafts and trade liabilities. The main purpose of these financial liabilities is to secure the funding for the Company operation. The Company has various financial assets at its disposal, including trade receivables and other receivables and short-term deposits which result directly from its activities.

The Board of Directors of the Company monitors and approves the procedures of management of the above risks as stated below.

Interest risk

The Company is exposed to the risk of changes in the market interest rates associated with long-term and short-term liabilities resulting from loans and bank overdrafts with variable interest rates. The Company has a broad portfolio of loans with various variable as well as fixed interest rates, which the Company is able to keep at a very low level. In 2020, as a reaction to developments of the money market, the Company applied fixed rates in case of all long-term loans. The Company is prepared to react to the rates development. The Company has been monitoring the market development constantly.

30 FINANCIAL RISK MANAGEMENT (CONT.)

The following table shows a sensitivity analysis concerning changes in interest rate by 100 basis point upwards or downwards, assuming all other variables would remain without changes. It includes a forecasted impact on income before taxation for the period of 12 months after the balance-sheet date.

	31 December 2021	31 December 2020
O/N, 1M EURIBOR (+/- 1 %)	+/- 0.380	+/- 0.666
3M, 6M EURIBOR (+/- 1 %)	+/- 2.807	+/- 3.266

Liquidity risk

The Company policy is to hold sufficient amount of financial means and financial equivalents in compliance with its financial strategy, or to have financial means available in an adequate amount from foreign resources to cover the insufficient liquidity risk. The amount of foreign resources in the form of available loans as on 31 December 2021 and 2020 is as follows:

(in thousand EUR)	31 December 2021	31 December 2020
Long-term loan resources	330,413	305,649
Short-term loan resources	50,340	173,369
Total available loan resources	380,753	479,018

The following table shows financial liabilities based on contractual non-discounted payments by maturity dates.

(in thousand EUR)	Within 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
Long-term loans and financial aid	0	0	169,911	160,502	330,413
Trade liabilities and other liabilities	42,221	11,763	87	0	54,071
Short-term loans	11,076	39,264	0	0	50,340
Total as on 31 December 2021	53,297	51,027	169,998	160,502	434,824

(in thousand EUR)	Within 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
Long-term loans and financial aid	0	0	163,579	142,070	305,649
Trade liabilities and other liabilities	103,177	60	8	0	103,245
Short-term loans	84,970	88,399	0	0	173,369
Total as on 31 December 2020	188,147	88,459	163,587	142,070	582,263

The Company applies cash-flow planning to manage the liquidity risk. The actual cash-flow development is then evaluated at regular basis. In case risk events occur that would threaten the liquidity, measures and operative instruments are modelled in order to manage the liquidity. The Company has sufficient short-term operative loan possibilities to span short-term oscillations in liquidity.

Credit risk

Credit risk represents a risk of financial loss of the Company in case a customer or a counterparty to a financial instrument fails to fulfil its contractual obligations. The Company sells its services to various customers, of which none, whether individually or jointly, represents a significant risk of unpaid receivables as to their volume, solvency or nature of business. The Company management monitors continuously the credit risk exposure, where it is governed by an internal regulation for claims.

30 FINANCIAL RISK MANAGEMENT (CONT.)

A certain risk of failed payment is represented by the carrying amount of each financial asset, including financial derivatives, reported in the balance sheet and reduced by allowance. The Company has the risk under control, as it is strictly limited by the measures applied. The Company further constantly monitors development of the risk.

Capital management

The main objective of the Company as regards capital management is to ensure high credit rating and sound financial capital indicators with the aim to support its business activity and maximize the value for shareholders.

The Company manages and adjusts its capital structure with respect to changes in economic conditions.

The Company monitors its indebtedness through an indebtedness indicator calculated as the ratio of debt consisting of interest-bearing loans and borrowings and financial aid from third parties, and the equity, as well as through an indebtedness indicator calculated in relation to the total assets of the Company.

Capital management

(in thousand EUR)	31 December 2021	31 December 2020
Long-term financial aid	0	0
Long-term loans	330,413	305,649
Short-term financial aid	0	0
Short-term loans, including short-term part of long-term loans	50,340	173,369
Debt	380,753	479,018
Shareholders' equity	189,704	185,715
Indicators of indebtedness (%)	201%	258%

31 POSTAL SERVICES

ZSSK was registered at the Postal Regulatory Office in the Postal Services Register on 15 August 2012 under number 17 as a postal entity providing interchangeable postal services and other postal services in compliance with Article 23 of Act no. 324/2011 Coll. on postal services.

In accordance with the provisions of Article 36 of the Act on Postal Services, the Company is obliged to keep separate accounts on costs and revenues from interchangeable services. Separate bookkeeping of costs and revenues is ensured by the second degree of analytical evidence.

The greatest revenues of 2021 include revenues from concluded long-term contracts on provision of postal services for Železnice Slovenskej republiky.

Operating costs and revenues

(in thousand EUR)	As on 31 December 2021	As on 31 December 2020
Consumed material	-3	-4
Energy consumption	-1	-1
Repairs and maintenance	-1	-3
Personnel costs	-113	-105
Depreciation of tangible and intangible assets	-37	-28
Other costs	-44	-35
Total costs	-199	-176
Revenues from provision of interchangeable postal services	180	190
Loss (profit)	-19	14

32 RELATED PARTIES

Parties related to the Company are the companies associated through property: ŽSR, ZSSK CARGO, the daughter company ZSSK THU, s.r.o., and the Board of Directors.

The following table shows the total amount of transactions concluded with related parties during the years ending on 31 December 2021 and 2020:

(in thousand EUR)	31 December 2021			
Related parties	Revenues generated with related parties	Costs on transactions with related parties	Receivables towards related parties	Liabilities towards related parties
ŽSR	1,544	87,244	38	697
ZSSK CARGO	2,417	11,783	365	792

(in thousand EUR)	31 December 2020			
Related parties	Revenues generated with related parties	Costs on transactions with related parties	Receivables towards related parties	Liabilities towards related parties
ŽSR	604	83,460	64	2,300
ZSSK CARGO	2,238	11,599	367	1,011

The main contracts of the Company with ŽSR and ZSSK CARGO are concluded usually for a period of one year and are renewed on a yearly basis. Costs towards ŽSR include mostly track access charges and costs on purchase of traction electric energy. Costs towards ZSSK CARGO include mostly repairs, reconstructions and modernisation of passenger coaches and motive power units, and purchase of diesel.

32 RELATED PARTIES (CONT.)

Daughter company, ZSSK THU, s.r.o.

An overview of the assets, liabilities, income and costs of the daughter company ZSSK THU, s.r.o.

ZSSK THU, s.r.o.	As on 31 December 2021	As on 31 December 2020
Income	171	100
Costs	-184	-92
Business result after taxation in the reporting period (profit)	-13	8
ASSETS		
Financial means	4	92
Trade receivables and other receivables	22	22
Total assets	26	114
LIABILITIES		
Share capital	5	5
Business result to be approved	-13	8
Trade liabilities and other liabilities	34	101
Total liabilities	26	114

As on 31 December 2021 ZSSK THU, s.r.o. had 7 employees, of which 2 executive officers with remuneration for the position (4 employees as on 31 December 2020).

Statutory body: Board of Directors

Name	Position	From:	Note
Mgr. Filip Hlubocký	Chairman	18/06/2016	Position ceased on 29 April 2021
Ing. Roman Koreň	Chairman	30/04/2021	
Ing. Ján Lukáč	Vice-Chairman	24/05/2021	Appointed a Member of the Board of Directors of ZSSK on 30 April 2021
Ing. Karol Martinček	Member	23/05/2021	Position ceased on 21 December

Supervisory body: Supervisory Board

Name	Position	From:	Note
Ing. Peter Bartalos	Chairman	20/09/2017	
Ing. Tomáš Vašuta	Vice-Chairman	25/05/2020	
Peter Dubovský	Member	23/01/2015	
Ján Viglaš	Member	24/01/2020	
Peter Cibula, Mgmt.	Member	18/06/2016	Position ceased on 18 June 2021
Ing. Ivan Černega	Member	23/06/2017	

33 EVENTS WHICH OCCURRED AFTER THE BOOK CLOSING DATE

COVID-19 pandemic affected the economic results of ZSSK also in 2022. In January 2022, 2.1 million passengers less were transported compared to the plan of full revenues (- 34.2 %), which is reflected in shortfall of revenues from passenger transport in the amount of EUR 2.7 million (-42.26 %).

ZSSK provided 36.6 thousand train kilometres less (-1.2 %) compared to the plan.

According to the current predictions, the financial impact of the pandemic in 2022 is expected on a comparable level to 2021.



ŽELEZNIČNÁ SPOLOČNOSŤ SLOVENSKO
NÁRODNÝ DOPRAVCA

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