



ŽELEZNIČNÁ SPOLOČNOSŤ SLOVENSKO
NÁRODNÝ DOPRAVCA

ANNUAL REPORT
2023



Annual Report of Železničná spoločnosť Slovensko, a. s. for 2023

Bratislava, 16 April 2024

For and on behalf of the Company:

Mgr. Peter Helexa

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

Mgr. Martin Bahurinský

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

Ing. Karol Henzély, MBA

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

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FOREWORD OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear customers, business partners, and colleagues,

You are opening the Annual Report of ZSSK for 2023. In this year the Company achieved a positive economic result, procured new ecological train units, and saw a historical record in revenues from passenger transport.

The above-mentioned revenues from passenger transport amounted to EUR 94 million. Thus, they exceeded the revenues the Company achieved before introduction of the 100-% discount for transport of children, students and pensioners (the so-called free-of-charge transport) in November 2014.

It is important to remind that during all this time the State-regulated fare has not increased. The last change of the fare occurred at the end of 2011.

The revenues of the last year were immediately affected by the train timetable of 2022/2023 that brought along a significant change in the whole concept of railway services, as well as an increase in the number of trains. At the same time, we adopted several extraordinary measures focusing on increasing train reliability and customer satisfaction.

In 2023 the trains of ZSSK transported 71.7 million passengers, which is a year-to-year increase of almost 7 %. However, it is still less by 7 % compared to the record-breaking year of 2019.

The record-breaking revenues, but also the reported cost savings, in particular as regards traction sources and other purchased services, were reflected in the positive business result and the Company achieved profit of EUR 20.9 million.

In a year-to-year comparison, the transport performance of the Company based on the State order was higher with a more efficient use of the rolling stock. Cost savings were brought along by decreasing prices of motor diesel. Lower costs compared to the plan were reported by ZSSK also in case of rental of foreign rolling stock and purchased services of information technologies.

Similarly to 2022, we plan to use the profit – with an approval of the sole-shareholder – to replenish the development fund dedicated to finance the investments procured from own resources of ZSSK.

The year of 2023 was successful also as regards renewal of the rolling stock fleet. Also thanks to the EU funds we were able to obtain 12 new electric units (9 one-deck and 3 double-deck units) and to modernise further 15 electric units used on the tracks in the High Tatras. In 2023 we procured also 11 new passenger coaches and 18 modernised coaches. Together with other smaller projects focusing on increasing of safety, the total amount spent on these projects climbed up to almost EUR 242 million. The new rolling stock significantly reduced the average age of our fleet, which is probably the most important indicator of the railway quality from the customer point of view.

A negative aspect is seen in the decreasing punctuality of train services. The increase in train delays of the past years is caused by the continually growing number of trains as well as the condition of railway infrastructure. The infrastructure manager, Železnice Slovenskej republiky (ŽSR), has postponed operational maintenance of railway tracks for years due to insufficient financing. The bad technical condition of the infrastructure forces trains to substantially slow down on many track sections which leads to delays, and these are ascribed to us as the transport operator by the passengers.

In 2023 the lack of employees in expert railway professions started to be negatively perceived in the Company. At the end of 2023 the number of employees was lower by more than 6 % year-to-year. We were forced to cancel some regional train services due to lack of train drivers, in particular in the region around Bratislava where the competition on the labour market is higher. Even an increase in the average wage offered by ZSSK, which increased nominally by 27 % in two years, could not stop this negative trend. It is difficult to hire enough young people for key operational professions mainly in the western parts of the country (mostly train drivers, and repair staff).

ZSSK reacted to the problem by increasing the labour productivity, but the requirements on the increasingly higher number of dispatched trains have to be covered by a sufficient arrival of new employees to the railway professions. However, this is a problem affecting the whole society and is dealt with at the level of several ministries.

Peter Helexa,
Chairman of the Board of Directors and Director General of ZSSK

COMPANY PROFILE

Železničná spoločnosť Slovensko, a. s.

Rožňavská 1

832 72 BRATISLAVA

Company ID no.: 35 914 939

Tax registration no.: 20 219 200 76

Established on: 13 December 2004

Share capital: EUR 212.441 million

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

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

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

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

The bodies of ZSSK:

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

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

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

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

BOARD OF DIRECTORS OF ZSSK**Mgr. Peter HELEXA****Chairman of the Board of Directors**

As of 1 December 2023

Ing. Roman KOREŇ**Chairman of the Board of Directors**

From 30 April 2021 to 30 November 2023

Mgr. Martin BAHURINSKÝ**Vice Chairman of the Board of Directors**

As of 1 December 2023

Member of the Board of Directors

As of 30 November 2023

Ing. Ján LUKÁČ**Vice Chairman of the Board of Directors**

From 24 May 2021 to 29 November 2023

Ing. Karol HENZÉLY, MBA**Member of the Board of Directors**

As of 30 November 2023

Ing. Karol MARTINČEK**Member of the Board of Directors**

From 14 February 2022 to 29 November 2023

SUPERVISORY BOARD**Ing. Mgr. Rudolf GREGOROVÍČ, MBA****Chairman of the Supervisory Board**

As of 1 April 2023

Member of the Supervisory Board

As of 28 June 2022

Ing. Peter BARTALOS**Chairman of the Supervisory Board**

From 20 September 2017 to 20 September 2022

Re-elected from 21 September 2022

to 31 March 2023

Ing. Tomáš VAŠUTA**Vice Chairman of the Supervisory Board**

As of 25 May 2020

Ing. Ivan ČERNEGA**Member of the Supervisory Board**

From 23 June 2017 to 23 June 2022

Re-elected as of 14 September 2022

Peter DUBOVSKÝ**Member of the Supervisory Board**

As of 23 January 2015

Ján VIGLÁŠ**Member of the Supervisory Board**

As of 24 January 2020

Ing. Peter Šulko, PhD., MBA**Member of the Supervisory Board**

From 1 April 2023 to 18 January 2024

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

SCOPE OF BUSINESS

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

1. operation of transport on the railway network – nationwide and regional railways,
2. advertising and promotional activities,
3. administrative and photographic activities,
4. organisation of education in the field of railway transport,
5. purchase of goods for purposes of their sale to other sole traders (wholesale trade),
6. purchase of goods for purposes of their sale to the final consumer (retail trade),
7. intermediary activity within the scope of free trade,
8. lease of real estates including provision of supplementary services – procurement services,
9. software provision – sale of ready-made programmes under the contract with the author,
10. automated data processing,
11. advisory and consultancy services in the field of hardware and software,
12. accounting consultants' services,
13. bookkeeping,
14. forwarding,
15. provision of mailing services,
16. lease of transport vehicles and mechanisms,
17. lease of consumer and industrial goods,
18. publishing activity within the scope of free trade,
19. storage of goods, except for administration of a public bonded warehouse,
20. activity of the chief clearance agent,
21. metal working,
22. running of technical libraries,
23. welding of rolling stock,
24. luggage storage,
25. procurement activity in the field of civil engineering,
26. accommodation services without board or catering,
27. repairs, maintenance, revision and testing of specific technical lifting and transportation devices,
28. non-destructive testing of rolling stock,
29. carrying out of inspections and non-destructive testing of lifting steel structures,
30. carrying out of specific activities: assembly, repairs, maintenance, reconstruction, revision, tests of specified electric technical devices on railway infrastructure,
31. carrying out assembly, repairs, revision and testing of specific technical gas devices,
32. carrying out assembly, repairs, revision and testing of specific technical pressure devices,
33. carrying out technical inspection of rolling stock before their commissioning and during their operation, and testing of technical capability of rolling stock for operation,
34. carrying out training and testing of professional capability to work with specified technical lifting and transportation devices – operation of lifting devices and operation of transportation devices,
35. carrying out of training and testing of professional capability to work with specified technical devices – operation of pressure devices,
36. carrying out training and testing of professional capability to work with specified technical electric devices,

37. carrying out of training and testing of professional capability to work with specified technical devices – operation of gas devices,
38. non-destructive testing of steel bridge and bridge-like infrastructure structures,
39. research and development in the field of natural, technical, social and humanistic sciences,
40. carrying out of assembly, inspections, maintenance, repairs and reconstruction of rolling stock,
41. business activities concerning handling of other-than-dangerous waste.

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

- Licence no. 0950/2007/L to carry out transport services by rail, based on Decision of the Railway Regulatory Authority no. 5711/2006-ÚRŽD/Sk of 26 January 2007 for an unlimited period of time
- Licence no. 01/2007/ŠD/L to carry out transport on a special line – Detská železnica (Children's Railway) in Košice, issued on 29 May 2007 for an unlimited period of time
- Licence Deed no. OŽP-A/2005/48837-2/CR1 of 12 December 2005, for an unlimited period of time
- Licence Deed no. Žo-2005/12193/2/Z25 of 16 March 2005
- Trade Licence no. OŽP-A/2008/23329-2 of 23 May 2008
- Trade Licence no. Žo-2005/12195/2/Z25 of 16 March 2005
- Decision of the Railway Regulatory Authority no. 2005T 0017 of 31 May 2005 for heat generation, valid for an unlimited period of time
- Registration of a dealer/broker no. 102/2023/BA pursuant to the Waste Act.

Special authorisations

- Authorisation of the Transport Authority no. T – 12/2022 to carry out assembly, maintenance, revision and testing of specific technical pressure devices
- Authorisation of the Transport Authority no. P – 02/2021 to carry out assembly, repairs, revision and testing of specific technical gas devices
- Authorisation of the Transport Authority no. E – 55/2021 to carry out specific activities: assembly, repairs, maintenance, reconstruction, revision, tests of specified electric technical devices on railway infrastructure
- Authorisation of the Transport Authority no. Zv – 11/2022 for welding of rolling stock and steel bridge and bridge-like infrastructure structures
- Authorisation of the Transport Authority no. D – 13/2021 to carry out inspection and non-destructive testing of lifting steel structures
- Authorisation of the Transport Authority no. Z – 12/2022 to carry out repairs, maintenance, revision and testing of specific technical lifting and transportation devices
- Authorisation of the Transport Authority no. D – 10/2020 for non-destructive testing of rolling stock and steel bridge and bridge-like infrastructure structures
- Authorisation of the Transport Authority no. D – 08/2023 for non-destructive testing of rolling stock and steel bridge and bridge-like infrastructure structures
- Authorisation of the Transport Authority no. 18323/2019/OUTZ-0007/Pš to carry out training and testing of professional capability to work with specified technical lifting and transportation devices – operations of lifting devices and operation of transportation devices

- Authorisation of the Transport Authority no. P-Z/01-2023-18 to carry out training and testing of professional capability to work with specified technical lifting and transportation devices – operations of lifting devices and operation of transportation devices
- Authorisation of the Transport Authority no. 21641/2019/OUTZ-0005/Čm to carry out training and testing of professional capability to work with specified technical pressure devices
- Authorisation of the Transport Authority no. P-T/03-2023 to carry out training and testing of professional capability to work with specified technical devices – operation of pressure devices
- Authorisation of the Transport Authority no. 22883/2019/OUTZ-0005/Mch to carry out training and testing of professional capability to work with specified technical gas devices
- Authorisation of the Transport Authority P-P/03-2023-18 to carry out training and testing of professional capability to work with specific technical gas devices – operation of gas devices
- Authorisation of the Transport Authority no. 18528/2019/OUTZ-006/Dz to carry out training and testing of professional capability to work with specified technical electric devices pursuant to Article 18 (2) of Act on railway transport
- Authorisation of the Transport Authority no. P-E/01-2023-18 to carry out training and testing of professional capability to work with specified technical electric devices
- Authorisation of the Ministry of Transport and Construction no. 13545/2022/SŽDD/7583 to carry out technical inspections of rolling stock before commissioning and during operation, and testing of technical capability of rolling stock for operation
- Certificate of Accreditation no. I-058 – the Slovak Accreditation Service in its Decision no. 802/10678/2023/1 of 18 April 2023 certifies the capability of ZSSK as an inspection body of C type to carry out inspections of professional capability to work with specified technical electric, pressure, lifting, transportation, and gas devices.

BUSINESS MODEL

Business model scheme



Business model description

ZSSK is a company with the main framework of activities based on provision of accessible transport services, both within the scope of a State order subsidised pursuant to the Contract on Transport Services in Public Interest, and provision of transport services on commercial basis (IC trains) and commercial basis in cooperation with ÖBB (seasonal train services between Bratislava – Wien – Split) with the aim of creating value for the customers and in an effort to obtain profit. Individual components of the business model from inputs to high-quality outputs (values) for reasonable prices create together the strategy directed towards activities that help achieve the goals based on the principle of sustainable mobility.

The whole set of activities taking place in the key process helps achieve the set goals. It comprises the strategic pillars of the company: human resources development, intelligent capacity management, a new relationship towards customers, as well as internal efficiency, and cooperation with partners and contractors. Implementation and coordination of these pillars leads to an effort to positively affect the share in public passenger transport which is ecological, safe and reduces CO₂ at the same time. The road to fulfilment of these goals is often affected by external risks that are difficult to estimate and are often out of the Company's reach. Elimination of these risks causes an increase in the unpredictable costs for ZSSK. The Company focuses on long-term employment, supporting human resources development and employee benefits.

The offered products and services are provided in the segment of B2B as well as B2C, making use of a hybrid sale model: personal sale (customer centres, cash desks, on-board), self-handling ticket sale (e-shop, "IDeme vlakom" mobile application, SMS ticketing, stationary ticket machines and mobile ticket machines), sale through third parties (via ČSOB mobile application). The sale model is supported by internal efficiency, which gives to the Company advantages in making its success in the competitive market, and contributes to achievement of goals and increase in the number of transported passengers in individual segments, while taking into consideration the humanitarian goals as well as the social and discount aspect. Passengers transported by trains of ZSSK are differentiated in the following segments:

- national transport of passengers for segments making use of:
 - basic fare,
 - discounted social fare,
 - discounted customer fare,
 - closed tariff systems,
- international transport of passengers,
- commercial transport of passengers,
- and extraordinary transport of passengers.

The perfect combination of support for human capital, well-distributed basis of operating depots, maintenance and repair teams, customer centres and cash desks in cooperation with long-term price formation, constant innovation of products and customer deals create a set of competitive advantages of the Company. These assets are complemented by expanding digitalisation of services and customer support, making it possible to meet the non-financial goals and contributing to the principles of corporate and social responsibility. Digitalisation also contributes to reducing paper consumption and reduction of emissions. In 2023 we saved 604 thousand tonnes of CO₂ by passengers giving preference to a train instead of a car. In 2023 we transported 71.7 million passengers, which is more by 6.87 % compared to the previous year.

Ďalšie nefinančné ciele:

Goals	Definition	Planned measurable value	As achieved on 31 December 2023
Technical	Share in transport market in passengers*	11.00 %	10.50 %
	Share in transport market in passenger-km*	38.00 %	39.90 %
Non-financial	To improve the index of overall customer contentedness compared to the situation as monitored in 2022	65.90	63.90

Source: *Statistical Office of the Slovak Republic, Indicators of freight and passenger transport in Slovakia 2023

An effort to reduce ecological impacts as well as striving for a responsible approach to clean, safe, intelligent transport is complemented also by cooperation and establishment of mutual relations with partners and contractors, where shared activities focus on improvement and increase in efficiency, as well as distribution of risks and outcomes. Intelligent capacity management is ensured by effective modernisation, use of autonomous technologies in traffic management, management of rolling stock maintenance in a predictive and optimising manner, and is supported by introduction of the integrated management system which is efficient in speeding up and increasing the quality of activities carried out by the Company.

PASSENGER TRANSPORT

In 2023, passenger transport services transported a total of 71,727 thousand passengers, which was more by 4,608 thousand passengers compared to the previous year, i.e. a year-to-year increase by 6.87 %, of which:

- national transport services saw a year-to-year increase by 4,373 thousand passengers (+7.05 %),
- international transport saw a year-to-year increase by 235 thousand passengers (+4.66 %),
- services under the Partial Contract for 2023 to the Contract on Transport Services in Public Interest saw an increase in transported passengers by 4,625 thousand, and commercial services saw a decrease in transported passengers by 17 thousand passengers.

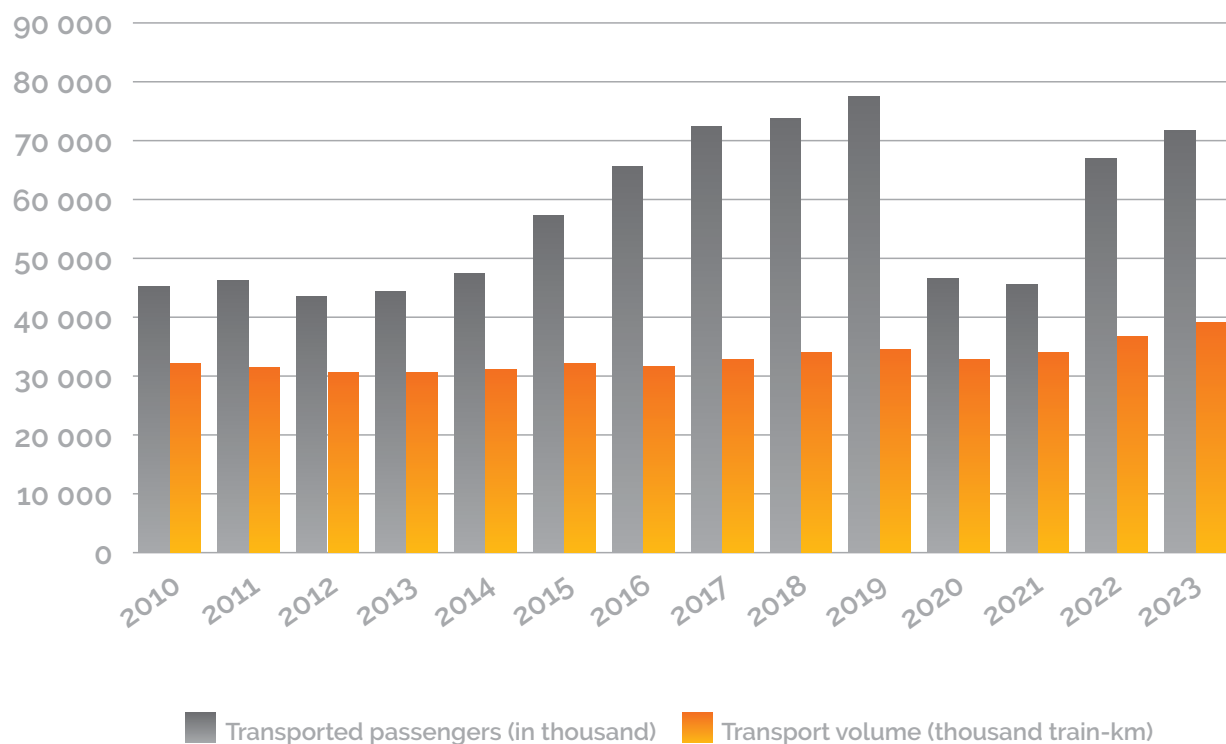
The year-to-year increase in the number of transported passengers was reflected in an increase of the transport performance in passenger-km, which amounted to 3,560,398 thousand passenger-km in 2023. Compared to 2022, the transport performance increased by 333,429 thousand passenger-km (+10.33 %).

The transport performance in train-km, including replacement bus services, amounted to a total of 38,831 thousand train-km in 2023. Compared to the last year the transport performance increased by 2,154 thousand train-km (+5.87 %).

Development of volumes in passenger transport:

Total passenger transport	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023/ 2022
Transport volume (million passenger-km)	2,291.27	2,431.72	2,413.49	2,421.95	2,503.13	3,081.25	3,193.72	3,759.92	3,815.15	4,003.73	2,117.96	1,966.15	3,226.97	3,560.40	0.10
Passengers (million)	45.00	45.96	43.45	44.29	47.29	57.28	65.61	72.47	73.81	77.36	46.66	45.67	67.12	71.73	0.07
Transport volume (million train-km)*/	32.05	31.33	30.56	30.44	30.79	31.86	31.48	32.64	33.65	34.50	32.45	34.07	36.68	38.83	0.06

*/ train-km including replacement bus transport



NUMBER AND TYPES OF RECEIVED COMPLAINTS

ZSSK receives petitions and claims from the citizens (initial, serious as well as repeated), but also expressions of praise. It receives comments from the employees, other-than-customer motions, requests, motions delivered to the Company, and handles them in terms of the Directive on Handling of Claims, while also evaluating them with the aim of increasing the customer contentedness.

The motions are recorded in the established on-line databases, and coded in the structure of the quality criteria pursuant to EN STN 13 816 on "Public Passenger Transport", in accordance with Regulation (EC) of the European Parliament and the Council no. 1371/2007 on rail passengers' rights and obligations, respecting the provisions of Act no. 85/1990 Coll. on the right of petition, Act no. 514/2009 Coll. on transport by rail, Act no. 250/2007 Coll. on consumer protection, Act no. 552/2003 Coll. on services in public interest, the Commercial Code and the Labour Code.

Total number of initial and repeated claims received in 2023:	15,760
Total number of justified (customers') claims	4,623
of which: number of claims with external justification	3,410
number of claims with internal justification	1,313
Form of delivery:	
Letter, book of complaints, other form	133
Electronic claims (@, fax, web)	15,637

Number of claims by their subject and reasons

Time – delays due to exclusion of traffic on rail infrastructure, train delay, locomotive fault, delay – missed connecting service	4,635
Safety – threats to safety of railway transport, criminal activity and health protection within railway infrastructure (at railway stations, on board of trains), compliance with the governmental regulations to prevent Covid-19 spreading	505
Comfort, cleanliness – on-board of train sets, heating, air-conditioning, functioning of toilettes, other technical shortcomings – doors, windows, seats, train formation, services provided by Wagon Slovakia – berth and couchette coaches (WGS)	2,009
Customer care – behaviour of employees towards customers	1,218
Availability of travel documents – at cash desks, higher frequency, other sale channels, internet sale of tickets, passengers with reduced mobility	1,497
Information – travel information provided in general, during accidents and extraordinary situations	1,225
Appreciation for employees of ZSSK	454
Employee claims	77
Other	1,657

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

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

In case of justified claims that were caused by the Company, we provided refunding, payment of incurred costs, or the enforcement was cancelled and free-of-charge transportation voucher was returned.

ANTI-CORRUPTION POLICY OF ZSSK

Implementation of the anti-corruption policy into the Management System of ZSSK is linked to the Slovak Government Resolution no. 58/2018 of 12 December 2018, adopting the Anti-Corruption Policy of the Slovak Republic for the period of 2019 – 2023 with the aim of improving prevention and battle against corruption, as well as increase the efficiency of anti-corruption measures at all levels and within all areas of the public sector.

The anti-corruption programme of ZSSK consists of these internal measures:

- Directive on implementation of the anti-corruption policy into the Management System of ZSSK
- Regulation of the Director General of ZSSK no. 5/2022 on implementation of the anti-corruption policy into the Management System of ZSSK
- Internal document on whistle-blowing (Reporting of serious wrongdoing) in ZSSK

These documents summarize the anti-corruption measures adopted by the Board of Directors of ZSSK and are published at the web page of ZSSK:

<http://www.zssk.sk/sk/protikorupcny-program.html>.

The main goal of the Anti-Corruption Policy of ZSSK is:

- zero tolerance of corruption in any form, and in all company activities, and at all company levels,
- elimination of any room and opportunity for corruptive behaviour,
- obtaining and maintaining of trust and contentedness of customers, business partners and own employees.

Every year ZSSK monitors and evaluates the anti-corruption measures, and informs about the results of corruption monitoring in the form of statistical data. It prepares the Annual Report on fulfilment of anti-corruption measures which is submitted to the Company Board of Directors for information, as well as to the sole shareholder, the Ministry of Transport of the Slovak Republic.

In the monitored period of 2023, ZSSK did not record any motion or reported case, thus no corruptive practices or behaviour was discovered, nor any (serious) antisocial activity.

Code of Conduct

Act no. 552/2023 Coll. on execution of work in public interest as amended governs the rights and obligations of employees and employers when executing work in public interest. ZSSK, as a public-interest entity, in terms of the amendment to Act no. 407/2022 Coll. amending and supplementing Act no. 431/2002 Coll. on accounting as amended, transposed the provisions of the Act into its internal regulations via Regulation of the Director General of ZSSK no. 1/2020 – Execution of work in public interest.

The ethical principles, standards and requirements obligatory for all employees are summed up also in one of the fundamental regulations of the Company, the Code of Conduct of ZSSK, which includes the Anti-Corruption Programme.

The Code of Conduct represents application of the ethical principles of responsibility, honesty, humanism, tolerance and protection of the environment into the business activities of the Company.

In accordance with the provisions of the Code of Conduct, we ensure that our Company:

- strives to obtain a reputation of integrity, high-quality and trustworthiness, therefore, we undertake to abide by the Anti-Corruption Charter, to which we are a signatory, and take active steps against corruption and unfair economic competition,
- protects health and safety of its employees, customers, other transport operators and the public in all its activities,
- pays attention to establish professional and ethical relations with the media,
- provides comprehensible, true and regular information to the public about its business activities and goals,
- does not misuse the reputation, business name or assets to support any political party or movement,
- does not tolerate any political activity at work,
- develops correct relations with the bodies of state administration, self-government and public organisation, in compliance with the laws and moral principles; no illegal or unethical conduct is permissible on our side,
- provides truthful information about business results, strategic targets and important changes under preparation to the bodies of state administration,
- considers as its priority to protect the environment, to respect technological and ecological standards in its sphere of activity, to support programmes of protection and development of the environment,
- does not provide information about its customers, contractors and business partners; such information is considered confidential and our employees are pledged to secrecy in this regard,
- in the spirit of the Anti-Corruption Charter, we undertake to avoid any corruption practices, and establish anti-corruption environment through our business activities,
- we do not consider our competitors to be our enemies but rather equal partners, and we treat them in accordance with the rules of fair competition,
- we are represented by highly professional representatives with high standards of conduct at international organisations and associations where the Company is a member,
- the labour relationships are governed by the Labour Code, respective legislation and the Collective Agreement,
- we comply with all laws, standards and directives related to occupational health and safety of our employees,
- any abuse of alcohol, drugs, or narcotics at work or before starting work is prohibited, as well as smoking outside specified premises,
- discrimination during recruitment, training, assessment and dismissal of employees is not permissible,
- we follow just wage policy in compliance with the adopted regulations; any discrimination in employee remuneration is excluded,
- we respect the right of employees to be members of unions and employee organisations,
- based on the principles of equal opportunities, any form of discrimination is not tolerated in intrapersonal and labour relations,
- by adopting the Anti-Corruption Programme, we undertake to implement the fundamental ethical principles in our business activities, and adopt the necessary anti-corruption measures,
- the main goal of the Anti-Corruption Programme is zero tolerance for any form of corruption in all activities and at all levels,
- we implement maximal openness in respecting trade secrets,
- as an obliged entity in terms of the Act on Free Access to Information, we conclude written contracts with our business partners that are obligatorily published in the Central

Register of Contracts, containing information related to the use of the Company assets as a legal entity subject to law,

- in the public tendering process we comply with the effective Act on Public Tendering; we apply the equal treatment principle, principle of non-discriminating the bidders, transparency principle, economical and efficiency principles,
- we do not offer, provide, nor accept any form of bribes in relation to our customers, intermediaries, business partners, contractors and, at the same time, we do not give preference to our partners, e.g. in payment of invoices, handling of orders.

ZSSK has a significant position within the national economy, therefore, we put emphasis not only on the quality of the delivered services while observing the stipulated ethical rules, but also on the rights of our employees that are governed, in particular, by the powerful Collective Agreement and other internal regulations of the Company.

ECOLOGY

Railway transport is one of the most ecologically-friendly transport modes, not only as regards production of polluting emissions from combustion motors, but also use of land, generation of waste, or noise and vibration from transport operation. Nevertheless, our Company strives to reduce negative impacts of its activity on the environment, in particular by renewal of the rolling stock fleet (i.e. gradual decommissioning of obsolete motive power units and their replacement by new multiple units meeting the latest environmental requirements), as well as by rendering the whole transport system more efficient.

At the moment AdBlue liquid is added into selected types of diesel rolling stock in order to reduce emissions of nitrogen oxides. In the horizon of 2024 – 2030 ZSSK plans to purchase new train sets for long-distance transport services and electric units for regional services. In order to reduce emissions the Company does not consider purchase of new diesel units in the future, but plans to focus on dual rolling stock using battery-driven and hydrogen-driven motors.

In 2023 new light maintenance centres for rolling stock were constructed in Nové Zámky, Zvolen and Humenné with modern technologies to ensure the environment protection. Preparation of construction of similar centres further continues in Žilina and Košice.

In respect of the issues of environmental burdens on the land of ZSSK, in 2023 the Company continued in rebuilding of the environmental burden in the locomotive depot of Humenné, and in post-rebuilding monitoring in the locomotive depot of Košice under the management of the Slovak Ministry of Environment, as well as followed up the project financed from the EU Structural Funds. The follow-up monitoring was completed on other sites with rebuilt environmental burdens (locomotive depots in Prievidza, Nové Zámky, Kraľovany, Vrútky and Brezno) that was carried out for two years in order to verify and inspect fulfilment of the set soil and underground water thresholds.

Reconstruction of diesel filling technology was completed in the locomotive depot in Nové Zámky carried out by the Company in particular to protect the underground waters and rock environment when handling the pollutants.

As regards water protection, ZSSK also regularly monitors the quality of waste water discharged from its sites in order to observe the set limits for individual pollutions indicators.

In the course of 2023, nine cases of an extraordinary worsening were recorded on the lines of ŽSR, namely threats to water quality (dealt with by the Slovak Environmental Inspectorate), caused by a technical fault or damage to a part of rolling stock of ZSSK, and a subsequent leakage of pollutants (diesel, oil) to the soil. In all the above cases, the Environment Protection Department ensure implementation of remedies as instructed by the Slovak Environmental Inspectorate, including pollution removal.

Dangerous and other waste is produced in relation to the business activities of ZSSK at individual sites. Therefore, as regards waste management, great emphasis is put in particular on correct separation and collection of waste, which is regularly inspected by the Environmental Protection Department at all workplaces. The Department also makes an effort to constantly educate and direct the employees in this area, as well as to improve the conditions for collecting waste at workplaces; and, besides correct separation, to also ensure its assessment and disposal/liquidation in compliance with the effective legislation.

In 2023 ZSSK through its Environment Protection Department carried out inspections at its workplaces to monitor compliance with the legislative requirements, not only as regards water management, but also soil and water protection, air, nature and countryside protection. Remedies were proposed and adopted in case of discovered shortcomings.

In the next year ZSSK plans to start preparations to introduce the Environmental Management System according to STN EN ISO 14 001 in order to promote environment protection, pollution prevention, as well as to increase the environmental awareness of its employees. Further challenges in the environmental area are related to the EU objective to achieve carbon neutrality by 2050 and to adapt the strategies of companies and transform them into sustainable enterprises as regards the climate target. Our Company, similarly with many others, will have to fulfil its obligations related to reporting of sustainability information in terms of CSRD Directive, including defining ESG objectives, their fulfilment, calculation of carbon footprint etc., as well as obligations resulting from the Taxonomy Regulation (reporting the share of sustainable business activities fulfilling the environmental objectives of the EU).

QUALITY MANAGEMENT SYSTEM, CERTIFICATES

Integrated Management System

The Integrated Management System introduced by the Company includes several coordinated activities, which direct and manage enhancement of the quality of the services delivered by the Company.

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



In 2023 the Integrated Management System included the following certified items:

Quality SM, pursuant to ISO 9001

- ✓ *operation of long-distance trains of national importance of IC category, fast trains of R 6xx, R 8xx categories on all lines,*
- ✓ *sale of travel documents,*
- ✓ *training of employees.*

OHS SM, pursuant to ISO 45001

- ✓ *operation of rail passenger transport services.*

Risk Management System

ZSSK is an active player in an entrepreneur environment where it has to establish its position and adapt to the ever changing market conditions.

Every change as well as every routine activity of the Company brings along risks that threaten – to a larger or smaller degree – fulfilment of the basic objectives of the Company.

Introduction of new requirements stipulated by the European Union, as well as new technologies and the pressure to enhance the quality of services and efficiency of finances spent on the operation of the Company – together put pressure on management of risks related to the operation of the Company.

The Risk Management System implemented within the Company represents a system of processes, activities and resources to identify, assess and manage the risks with the aim of ensuring effective prevention and mitigation of their impacts.

The methodology for risk management within the Company reflects the existing legislative framework for the sector of its business. It takes into account the requirements on risk management defined in the European law as well as Slovak legislation and other norms applicable to the railway transport sector.

The defining process makes use of best practices and ISO standards (STN ISO 31000 – Risk management, STN ISO/IEC 27001 – Information technology. Security techniques. Information security management systems. Requirements, STN ISO/IEC 27002 – Information technology. Security techniques. Code of practice for information security controls, STN ISO 22301 – Business continuity management systems) applicable to risk management and management of individual areas of security and quality.

STRATEGIC OBJECTIVES

Who we are

We are an efficient and modern national transport operator offering the most ecological, efficient and modern transport solution – the train. We deliver the broadest range of services on-board trains as well as outside trains. When fulfilling the requirements of our customers, we make use of modern technologies, and mostly of the potential, the professional knowledge and capabilities of our employees. At the same time, we pay attention to the environment protection.

Our goal

Our goal is to provide high-quality, reliable and safe services, and we wish to be the transport operator of the first choice for the customers as well as for the public service contracting authorities. On these grounds, we have taken the role of an innovative mobility and customer-oriented leader in the liberalised market. Our goal is to become a significant and attractive employer, developing the potential of its employees through a training system that reflects the needs on the labour market and is able to adapt flexibly.

How to achieve our goal

- We concentrate on the customers' contentedness. We provide barrier-free travelling. We guarantee a high rate of transport safety.
- We invest into renewal of the rolling stock fleet and introduce modern and new rolling stock into operation with minimal burdening of the environment.
- We develop the key competencies of our employees through targeted trainings and education, increasing, at the same time, the motivation and labour productivity of our employees.
- We innovate technologies of handling the passengers, sale of tickets, and communication with passengers.
- We enhance the reliability of train operation and the quality of delivered services by establishing a network of light-maintenance and repair workplaces.

Passengers are our first and foremost concern

In 2023 ZSSK implemented significant projects:

- completion of construction of light maintenance centres in Nové Zámky, Zvolen, Humenné to be commissioned in the course of 2024,
- modernised electric units for Tatra Electric Railway refurbished with air-conditioning, Wi-Fi, electric sockets, window blinds, new control system, new performance regulation system, and also new names,
- completed delivery of seventeen new and thirty-five modernised coaches for Central and Eastern Slovakia,
- delivery of nine electric "Panter" units,
- three new double-deck electric units of KISS type for the most frequented lines in the Western Slovakia, while the fourth unit will be delivered in the course of 2024,
- ZSSK continued an active cooperation with research institutions, universities and secondary vocational schools.

ZSSK actively reacts to challenges brought along by liberalisation of the transport market, growing competition, increasing rate of changes and innovations on the transport market, and the critical situation on the labour market.

OWNERSHIP INTERESTS OF ZSSK as on 31 December 2023

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

	Number of shares in the equity (pieces) as on 31/12/2023	Share against the equity in %	As on 31 December 2022 in thousand EUR	As on 31 December 2023 in thousand EUR
EUROFIMA	1,300	0.50 %	6,189	6,581
Bureau Central de Clearing, s.c.r.l. Brussels (BCC)	1	0.68 %	1	1
ZSSK THU, s.r.o.	0	100.00 %	5	5
Eurail B.V	607	0.607 %	1	1
Total	x	x	6,196	6,588

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.

BUSINESS RESULTS

The Separate Financial Statements of ZSSK for 2023 are reported pursuant to the International Financial Reporting Standards

Business result

In 2023 the business result of ZSSK was profit of EUR 20,928 thousand. In 2023 ZSSK planned profit in the amount of EUR 263 thousand.

Under OPII – Promoting research, development and innovations, since 2021 ZSSK has been implementing a research and development project on Safe mobility GERMTRAIN, focusing on safe operation and use of railway passenger transport.

In 2023 the costs on research and development of ZSSK in relation to GERMTRAIN project amounted to EUR 882 thousand.

In thousand EUR	Actual figures 31.12.2022	Actual figures 31.12.2023	Difference	Index 2023/2022
Revenues				
Passenger transport and related revenues	100,622	116,757	16,135	1.16
Compensation for services in public interest	378,347	408,699	30,352	1.08
Income from subsidies	31,809	34,367	2,558	1.08
Other net operating (costs) revenues	7,709	15,542	7,833	2.02
	518,487	575,365	56,878	1.110
Costs and expenses				
Consumption and services	-238,687	-255,075	-16,388	1.07
Personnel costs	-147,551	-164,637	-17,086	1.12
Depreciation, amortisation and impairment of tangible assets	-102,104	-115,633	-13,529	1.13
Depreciation pertaining to financial lease – IFRS 16	-8,651	-14,936	-6,285	1.73
	-496,993	-550,281	-53,288	1.107
Financial (costs) revenues				
Financial revenues	37	578	541	15.62
Financial costs	-995	-1,949	-954	1.96
Interests from lease instalments – IFRS 16	-736	-715	21	0.97
	-1,694	-2,086	-392	1.23
Tax costs	-12,977	-2,070	10,907	0.16
Loss (profit) in the accounting period	6,823	20,928	14,105	3.07
Other comprehensive results:				
Items not to be reclassified into results	3,265	-3,171	-6,436	-0.97
Revaluation of employee benefits	3,265	-3,171	-6,436	-0.97
Items that can be subsequently reclassified into results	0	0	0	
Other comprehensive income in the accounting period	3,265	-3,171	-6,436	-0.97
Total comprehensive income in the accounting period	10,088	17,757	7,669	1.76

INDICATORS

	Unit	Actual figures 2022	Actual figures 2023	Difference	Index 2023/2022
Costs	thousand EUR	513,747	558,325	44,578	1.09
Revenues	"	520,570	579,254	58,684	1.11
Expensive ratio		0.99	0.96	-0.02	0.98
Operating revenues without compensation from public service contract and subsidies	thousand EUR	109,726	134,964	25,238	1.23
Operating costs without depreciation	"	387,656	422,413	34,758	1.09
Coverage of costs by revenues	%	28.31	31.95	3.65	1.13
Liabilities without accruals and deferrals*	thousand EUR	498,176	490,821	-7,355	0.99
Total assets	"	1,608,581	1,590,179	-18,402	0.99
Total indebtedness without accruals and deferrals *	%	30.97	30.87	-0.10	1.00
Current assets	thousand EUR	134,560	233,393	98,833	1.73
Short-term liabilities without accruals and deferrals*	"	116,132	132,834	16,702	1.14
Total liquidity		1.16	1.76	0.60	1.52
Loans + aid	thousand EUR	330,058	337,596	7,538	1.02
Total assets	"	1,608,581	1,590,179	-18,402	0.99
Loan encumbrance of assets	%	20.52	21.23	0.71	1.03

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

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

In thousand EUR	2022	2023
of which: Board of Directors	50	55
Supervisory Board	51	54
Total remuneration	101	109

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

SIGNIFICANT EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

ZSSK does not report any significant events after the date of the Statement of Financial Position.

SETTLEMENT OF THE REPORTED BUSINESS RESULTS OF 2023

In 2023 ZSSK achieved accounting profit of EUR 20,928,400.47.

In its Decision no. 64/RA – 2024, the sole shareholder adopted scheme for distribution of the profit pertaining to 2023 in the amount of EUR 20,928,400.47 as follows:

- an increase in the statutory reserve fund in the amount of EUR 2,092,840.00,
- an increase in the development fund in the amount of EUR 18,835,560.47.

HUMAN RESOURCES

The planned number of employees of ZSSK as on 31 December 2023 was 5,764, while the actual number as on 31 December 2023 amounted to 5,240, which was less by 524 employees compared to the plan. The re-calculated number of employees as on 31 December 2023 was 5,502.

Compared to 2022, the recorded number of employees decreased from 5,610 to 5,240, which is less by 6.60 % employees.

Recorded number of employees

Division	2022	2023
Division of the Director General	264	274
Business Division	953	856
Operation Division	2,819	2,573
Economy Division	88	89
Services Division	298	299
Maintenance Division	967	925
Depot in Poprad	221	224
Total number of ZSSK employees	5,610	5,240

Break-down by sex

Sex of employees	2022	2023	Year-to-year change
Men	3,664	3,430	-6.39 %
Women	1,946	1,810	-6.99 %
Total	5,610	5,240	-6.60 %

As on 31 December 2023 ZSSK employed fewer women by 6.99 % and fewer men by 6.39 % compared to 2022.

The average wage in ZSSK in 2023 amounted to EUR 1,720.49. Compared to 2022 it increased by EUR 204.08, which is an increase by 13.46 %.

Age structure of the employees

Out of the total number of employees of 5,240 there were:

547 employees of less than 29 years of age,	1,971 employees between 50 – 59 years of age,
890 employees between 30 – 39 years of age,	218 employees between 60 – 62 years of age,
1,410 employees between 40 – 49 years of age,	204 employees over 62 years of age.

There was a decrease in the number of employees compared to 2022 in all age categories. The highest % of employees is recorded in the age category of 50 – 59 years of age, specifically 37.61 % of the total numbers of employees.

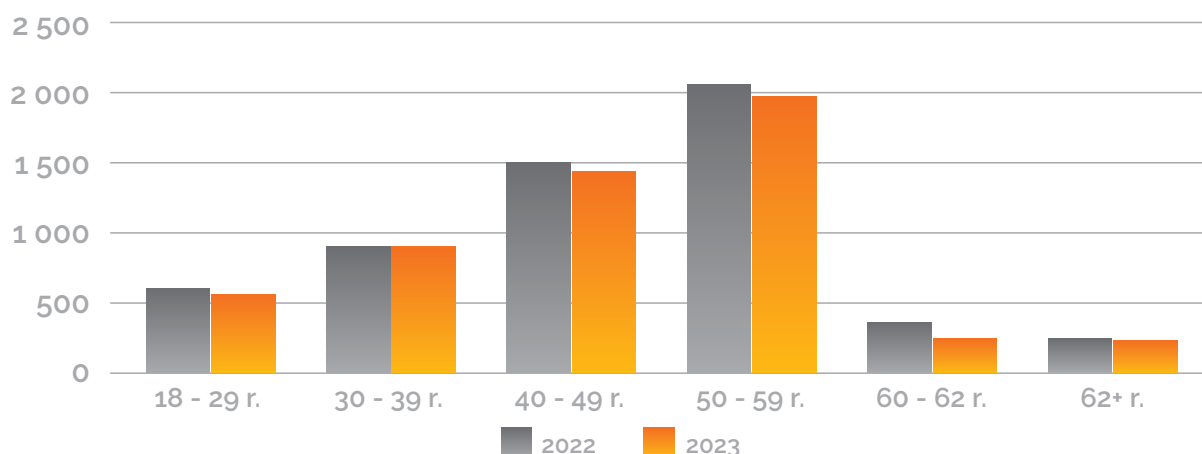
The average age of employees as on 31 December 2023 was 46.65 years, which – compared to 2022 (47.06) means a decrease of the average age by 0.41 years.

The objective of ZSSK is an increase of the share of employees in the lower age categories, in particular in the key professions at Operation Division and Maintenance Division.

On these grounds, ZSSK puts great emphasis on selection, hiring of employees, and their

subsequent training so as to ensure generation exchange of employees in reaction to fluctuation of employees, as well as to fill in the gaps created by changes in work organisation and workplace tasks.

Age structure of ZSSK employees



Dual education

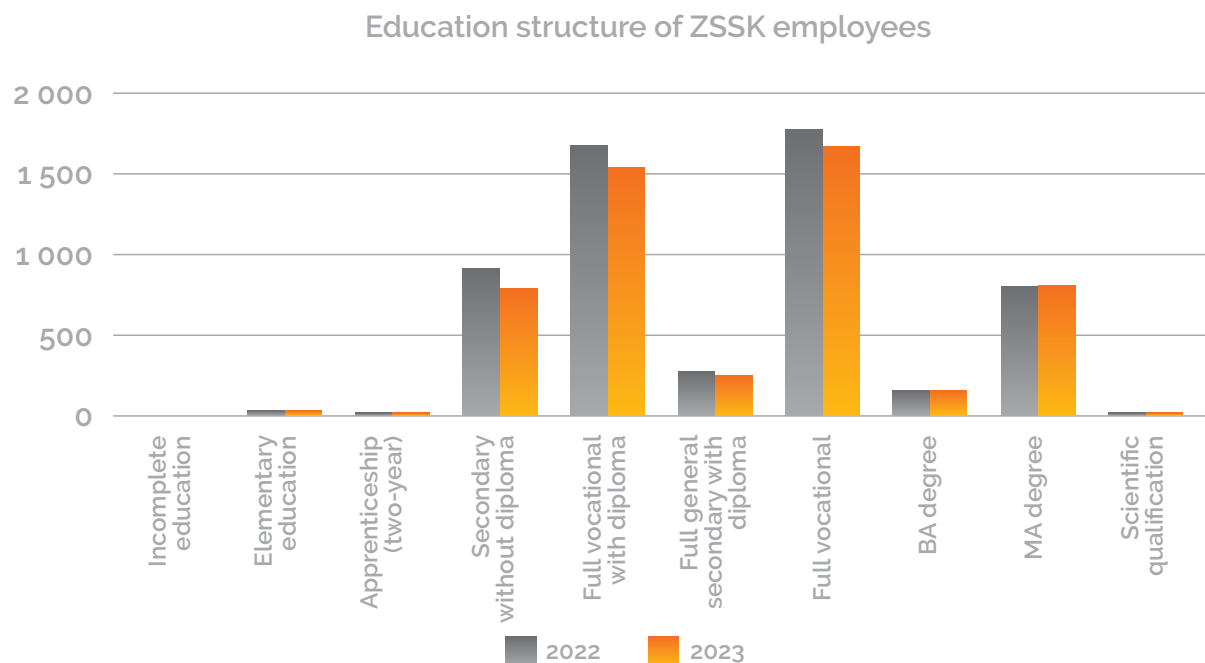
In 2023 we carried out 30,512 training events, of which 24,036 events were dedicated to the employees of ZSSK, and the remaining events focused on students (in particular within dual education) and employees of third parties.

ZSSK achieved full independence in the area of organising training courses. The first course for train drivers was successfully completed as 100%-organised internally, while the other 3 courses were organised in cooperation with contractors, and the whole share of internal organisation of train driver trainings amounted to 83 %. Other courses were internally organised in 100 %. Full organisation and implementation of the courses by own capacities applied also to the courses for chief train conductors, train masters, shunting inspectors/shunters, as well as to all related trainings, including regular seminars, professional and periodic testing or a number of further trainings.

Dual education	2023
Secondary Vocational Transport School in Martin - Priekopa	40
Secondary Vocational Electro-Technical School in Poprad - Matejovce	2
Secondary Vocational Railway School in Košice	26
Secondary Vocational School in Prievidza	9
Secondary Vocational Electro-Technical School in Bratislava	4
Secondary Vocational Technical School in Šurany	1
Total	82
Main instructors	14
Instructors of Internal Maintenance and Repairs Section of ZSSK	124
Instructors of Inspection and Supervision Department of ZSSK	2
Instructors of Operation Management Section of ZSSK	5
Instructors of Facility Management Section of ZSSK	6

Courses	Started in 2023	Continued from 2022
Locomotive driver	4	4
Chief train conductor	3	
Train master	1	
Shunting inspector/shunter	3	
Cashier	3	

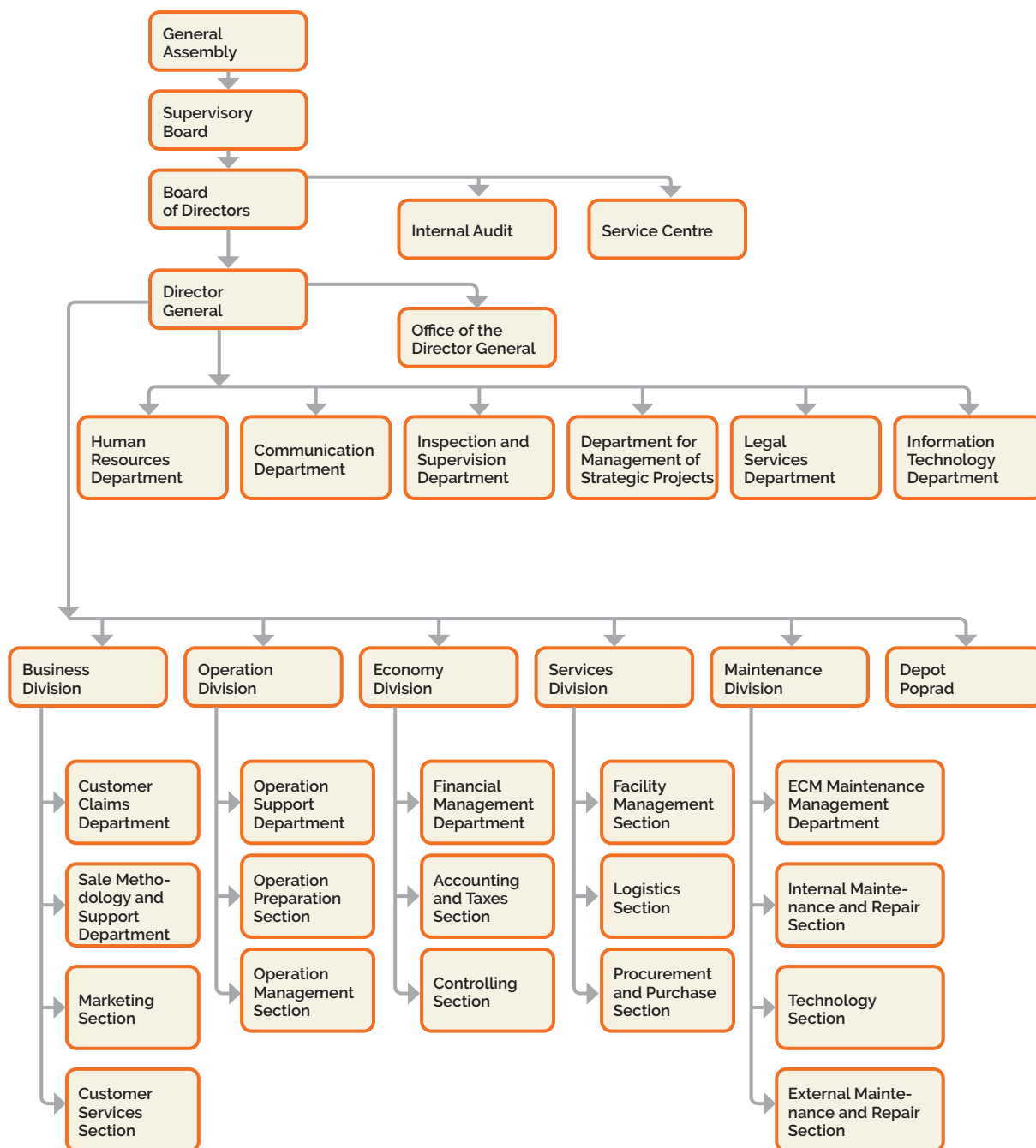
Education structure



The major group of ZSSK employees is represented by employees with full secondary specialized education with diploma amounting to 1,666, which is 31.79 % of the total employee number, and employees with full secondary education with diploma amounting 29.39 % of the total number of employees.

The number of employees with a university degree increased compared to 2022.

ORGANISATIONAL STRUCTURE OF ZSSK as on 31 December 2023



ORGANISATIONAL UNITS

ZSSK has no organisational units.

LIST OF USED ABBREVIATIONS

BCC	Bureau Central de Clearing s.c.r.l., Brussels
Coll.	Collection of Acts
CSRD	Corporate Sustainability Reporting Directive
ČSOB	Československá obchodná banka
DMU	Diesel multiple unit
EN STN	European norm, Slovak Technical Norm
ESG	Environmental, social and governance
EU	European Union
EUROFIMA	European Company for the Financing of Railroad Rolling Stock, Basel
GERMTRAIN	Safe mobility during the pandemic
IC, R 6xx, R 8xx	InterCity trains, fast trains
ISO	The International Organization for Standardization
MT	Ministry of Transport of the Slovak Republic
MENV	Ministry of the Environment of the Slovak Republic
MS	Management System
ÖBB	Austrian railway (Österreichische Bundesbahnen)
OHS	Occupational Health and Safety
OPII	Operational Programme Integrated Infrastructure
PSC	Public Service Contract
RS	rolling stock
SR	Slovak Republic
STN	Slovak technical norm
THU	Technical and hygienic maintenance (light maintenance)
UIC	Union Internationale des Chemins de Fer
ÚRŽD	Railway Regulatory Authority
WGS	WAGON SLOVAKIA Košice, a.s.
ZSSK	Železničná spoločnosť Slovensko, a. s.
ŽSR	Železnice Slovenskej republiky

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

Ing. Jozef FÁZIK

Chargé de Mission

UIC Union Internationale des Chemins de Fer

Internationaler Eisenbahnverband

International Union of Railways

16 rue Jean Rey F-75015 Paris

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e-mail: fazik@uic.org

**INDEPENDENT AUDITOR'S REPORT –
on the audit of the Separate Financial Statements for 2023**



INDEPENDENT AUDITOR'S REPORT

concerning the audit of the Financial Statements

and

**Report on further requirements of the law and other legal
regulations for the joint-stock company**

Železničná spoločnosť Slovensko, a.s.

with the registered seat in Bratislava

for 2023



INDEPENDENT AUDITOR'S REPORT

**to the shareholders, the Supervisory Board and the Board of Directors of
Železničná spoločnosť Slovensko, a.s.**

I. REPORT ON AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the Separate Financial Statements of Železničná spoločnosť Slovensko, a.s. with the registered seat in Bratislava, company ID no.: 35 914 939 (hereinafter also "the Company"), containing the Statement of Financial Position as on 31 December 2023, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow for the year ended on the same date, and Notes to the Financial Statements expressing the summation of significant accounting principles and accounting methods, and further explanations.

In our opinion, the annexed Financial Statements present a faithful and objective overview of the financial situation of Železničná spoločnosť Slovensko, a.s. as on 31 December 2023, as well as the economic results and cash flow for the year then ended, in accordance with the International Financial Reporting Standards as adopted by the European Union.

Background to the Opinion

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

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

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

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

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

Responsibility of the Auditor for the audit of the Financial Statements

It is our responsibility to acquire reasonable assurance that the Financial Statements as such do not contain material inconsistencies, whether due to fraud or mistake, and to issue the Auditor's Report, including our opinion. A reasonable assurance is assurance of a high degree; however, it is not a guarantee that the audit conducted pursuant to the International Standards on Auditing must always disclose material inconsistencies, if any. Inconsistencies might occur due to fraud or mistake and are considered significant if there is a reasoned assumption that, individually or in total, they could affect the economic decisions of the users based on these Financial Statements.

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

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

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

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

Report on the information presented in the Annual Report

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

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

We assessed whether the Annual Report of the Company contains information as required by the Accounting Act.

Based on the findings of the Financial Statements audit, our opinion is that:

- the information presented in the Annual Report for 2023 is consistent with the Financial Statements for the same year,
- the Annual Report contains the information in compliance with the Accounting Act.

Besides, based on our knowledge of the accounting entity and its situation obtained during the audit of the Financial Statements, we are obliged to state whether we discovered any material misstatements in the Annual Report that we received before the date of publication of the Auditor's Report. We have no findings to state in this respect.

Banská Bystrica, 16 April 2024

Moore BDR, s. r.o.

Cesta k nemocnici 1B, 974 01 Banská Bystrica

SKAu Licence no. 6

Companies' Register of the District Court of Banská Bystrica

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

Ing. Ľudmila Svätojánska Kiňová, MBA

Key Audit Partner

SKAu Licence no. 936

ANNEX – Separate Financial Statements of ZSSK for 2023

The Annual Report is annexed with the Separate Financial Statements of ZSSK reported pursuant to the International Financial Reporting Standards as on 31 December 2023.



ŽELEZNIČNÁ SPOLOČNOSŤ SLOVENSKO
NÁRODNÝ DOPRAVCA

Železničná spoločnosť Slovensko, a. s.
Rožňavská 1, 832 72 Bratislava 3, Slovak republic