

ZSSK CARGO

ANNUAL REPORT 2025

Železničná spoločnosť Cargo Slovakia, a. s.

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FOREWORD BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

While 2025 marked the 20th anniversary of the company's founding, it was an exceptionally challenging year for ZSSK CARGO. Adverse circumstances, such as armed conflicts and a period of increased instability caused by global crises, persisted from the previous year, and their negative impacts showed no signs of improvement throughout the year. The company ended last year with a loss of 28 million euros. The loss reflects the ongoing trend of weak performance in the railway sector and industrial production in Slovakia and neighbouring countries. On a year-on-year basis, the loss deepened by 20 million euros as a result of the shortfall in transported volumes.

In 2025, the company transported a total of 22.3 million tonnes of goods, representing a decrease of 1.7 million tonnes compared to the previous year. The achieved result represents a return to the historically lowest levels of transported volumes. The business plan was based on significantly more optimistic market development assumptions. However, due to several external factors, the expected growth failed to materialise, resulting in a deficit of 2.9 million tonnes compared to planned values, representing a variance of 11.5 per cent.

The year 2025 was marked by a decline in key market segments. Rail freight performance reached 4.273 billion net tonne-kilometres, though the total transport volume fell short of planned values, primarily due to the downturn in the metallurgical sector, the scaling down of construction activities within the Paks Nuclear Power Plant project, and a significant drop in agricultural shipments from Ukraine.

Despite the unfavourable external environment, proactive commercial activities enabled us to mitigate part of the shortfalls by securing new transport business and strengthening existing contracts, particularly in the energy commodities segment, such as petroleum products and hard coal. However, these activities failed to fully compensate for the decline in traditional core commodities.

The recovery plan remained at the forefront of the company's efforts throughout the past year, focusing on reassessing efficiency across the entire organisation. Negotiations with suppliers regarding cost-saving opportunities and the disposal of surplus assets were among the daily tasks of the management. Unfortunately, the situation also affected employment levels. Several changes to the organisational structure were implemented, and we parted ways with 585 employees, representing more than 15 per cent of the workforce. Two social programmes implemented at the end of the year contributed significantly to this outcome. However, the company took the unpopular step of reducing its workforce only after careful consideration of multiple factors, as the priority remained and continues to be ensuring the long-term stabilisation of the company during a period of adverse market developments.

A major change in the organisational structure was the implementation of an action plan for changes at rolling stock maintenance and repair workplaces, which resulted from detailed analyses and audits. The objective is to build a modern, efficient, and financially sustainable maintenance model that will ensure reliable operational support as well as services for external customers. In this area, the construction of a new paint shop in Košice was successfully completed last year, with its commissioning scheduled for the first quarter of 2026.



A further step was the adoption of a safety enhancement action plan, initiated by the Ministry of Transport. This followed two serious railway accidents that occurred in Jablonov and Pezinok. The plan primarily concerns modernisation and a further series of measures aimed at implementing the advanced ETCS (European Train Control System) signalling technology.

A notable success in 2025 was securing CEF (Connecting Europe Facility) funding for equipping the Series 363 locomotives with the ETCS signalling system; furthermore, by exercising an option, the company implemented the modernisation of a third batch of ten Series 742 diesel locomotives.

Last year also saw the continuation of the rolling stock fleet modernisation process, culminating in November with the signing of a contract with the tender winner for the lease of fifteen new Vectron locomotives, the first five of which are to be delivered by 31 March 2026.

Regarding the settlement of property rights between the state-owned railway companies, the first phase was successfully implemented, resulting in an additional non-monetary contribution to our company's equity. Together with the settlement of property rights for the Container Terminal in Bratislava, this leads to their consolidation, enabling more efficient management of these assets – including the potential sale of any portions identified by the company's management as redundant.

At the beginning of December, our company obtained a certificate confirming that it has implemented and maintains an environmental management system for rail freight transport. This means that ZSSK CARGO monitors energy, waste, and resource consumption, identifies savings opportunities, and has crisis and emergency plans in place.

The year 2025 demonstrated that rail freight transport in Europe continues to face ongoing challenges. Overcapacity, shifting transport demand, and market uncertainty driven by geopolitical and economic factors continue to impact our operations. Nevertheless, we strive to respond flexibly to changes and ensure the stability and required quality of our services.

The experience of our employees represents immense value; their expertise and commitment enable us to meet the goals of the state-owned rail carrier. We continue to develop our working environment and attract young talent to ensure the continuity and quality of our services. We look to the future with confidence, believing that together we can face even the most demanding challenges and reinforce our company's position as a reliable and prosperous partner in the rail freight market.

We enter 2026 with a clear strategy: to meet the objectives of the recovery plan by strengthening commercial activities, diversifying our portfolio, and optimising the company's cost structure across all areas.

Jaroslav DANIŠKA

Chairman of the Board of Directors and CEO of Železničná spoločnosť Cargo Slovakia, a.s.

LIST OF USED ABBREVIATIONS

AVV	General Contract for the Use of Wagons (Allgemeiner Vertrag für die Verwendung von Güterwagen)
BTS	BULK TRANSSHIPMENT SLOVAKIA, a. s.
CEF	Connecting Europe Facility
DNSH	"Do No Significant Harm" principle
ECM	Entity in Charge of Maintenance
EIR	Effective Interest Rate
ETCS	European Train Control System
EURIBOR	Euro Interbank Offered Rate
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICT	Information and Communication Technologies
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
ISA	International Standards on Auditing
ISO	International Organization for Standardisation
IT	Information technology
KPI	Key performance indicator
MPU	Motive Power Unit
MT SR	Ministry of Transport of the Slovak Republic
NACE	Nomenclature of Economic Activities in the European Community (Nomenclature statistique des Activités économiques dans la Communauté Européenne)
OHS	Occupational Health and Safety
PGV	Regulation on the Use of Wagons in International Carriage of Goods by Rail

RIV	Agreement Governing the Exchange and Use of Wagons between Railway Undertakings (Regolamento Internazionale Veicoli)
SKAU	Slovak Chamber of Auditors (Slovenská komora audítorov)
STN	Slovak Technical Standard (Slovenská technická norma)
UDVA	Auditing Oversight Authority (Úrad pre dohľad nad výkonom auditu)
VAT	Value Added Tax
ZSSK	Železničná spoločnosť Slovensko, a.s.
ZSSK CARGO	Železničná spoločnosť Cargo Slovakia, a.s.
ŽS	Železničná spoločnosť, a.s.
ŽSR	Železnice Slovenskej republiky

MILESTONES

- Securing a 10-year lease agreement for 15 interoperable multi-system Vectron locomotives, to be delivered in 2026 and 2027, with an option to lease an additional 15 units.
- Delivery of 8 modernised Series 742.71 locomotives, converted from the original Series 742.
- Securing a contract for the implementation of the ETCS Level 2 signalling technology on 23 Series 363 locomotives, to be carried out between 2026 and 2029.
- Securing a non-repayable financial contribution from the CEF fund to implement ETCS Level 2 on 23 Series 363 locomotives.
- Continued optimisation of the number of locomotives maintained in the ZSSK CARGO portfolio in an operable condition with respect to the realised shipments, which most affected the locomotives of Series 199, 240, 742, 751, 752 and 773.8.
- Revitalisation of the energy consumption metering system on 68 electric locomotives.
- Continuation of the project to convert Series 773.8 locomotives to standard gauge.
- Implementation of an audio and video signal recording system and an evaluation system for 5 locomotives of Series 363.
- Continuation of the optimisation of the freight wagon fleet leased from the subsidiary Cargo Wagon, a.s., in line with the ZSSK CARGO Wagon Fleet Development Concept for 2025–2030, reflecting rail freight market developments and the needs of ZSSK CARGO.
- Approval of the sale of 202 redundant Series Lgs wagons by the sole shareholder.
- Implementation of the necessary steps to prepare for the modernisation of the Dobrá Combined Transport Terminal.
- Window replacement in the repair shop located at the Haniska pri Košiciach locomotive depot, aimed at increasing operational energy efficiency and improving thermal comfort for employees performing locomotive repairs.
- Modernisation of the sewage system at the Spišská Nová Ves locomotive depot to contribute to groundwater protection and reduce sewage operating costs.
- Reconstruction of the heating systems in 3 halls at the Spišská Nová Ves locomotive depot (HARD Hall, EM/EV Hall, and EH Hall), continuing the heating system modernisation projects carried out at the depot in previous years to reduce facility heating costs and improve working conditions for employees.
- Reconstruction of the heat exchanger station in the Remíza Hall at the Bratislava - východ locomotive depot, aimed at reducing operational heating costs.
- Reconstruction of the water distribution network at the Bratislava - východ locomotive depot, aimed at reducing the incidence of breakdowns and lowering operational costs.
- Reconstruction of the Western Remíza roof at the Zvolen locomotive depot and wagon repair shop.
- Approval of the State Aid Scheme for the procurement of new freight wagons under the Slovakia Programme.
- Implementation of measures to enhance ZSSK CARGO's cybersecurity.
- In response to declining transport volumes, internal projects continued to focus on streamlining operational and administrative processes and increasing productivity.
- Drafting of the Company's Recovery Plan up to 2030 in response to decreased performance and financial losses, with the implementation of the identified measures aimed at gradually eliminating losses and financially stabilising the company.
- As part of the recovery measures, two voluntary redundancy programmes aimed at downsizing were already implemented at the end of 2025, and preparations for collective redundancies began in the first half of 2026.



FREIGHT TRANSPORT

In 2025, ZSSK CARGO transported 22.296 million tonnes of goods, achieving a transport performance of over 4,271 million net tonne-kilometres and an average haul distance of 191.6 km. Compared to the figures for 2024, we recorded a decrease of -1.723 million tonnes and -450 million net tonne-kilometres, while the average haul distance dropped by 4.9 km.

The most significant drop in shipments compared to the previous year was recorded in the iron ore commodity (-0.794 million tonnes), which practically mirrored the unfavourable downturn in the European steel industry, including a decline in shipments of its output within the metals commodity (-0.290 million tonnes). The decline in the building materials commodity (-0.347 million tonnes) was decisively driven by the slowdown in the construction of the Paks nuclear power plant in Hungary; this led to a reduction in the transport of both cement for its construction and slag from metallurgical plants to cement factories.

Through intensive commercial activity, we succeeded in securing new shipments as well as increasing the volumes of existing ones. The highest year-on-year growth was recorded in the petroleum products commodity (+0.463 million tonnes). We also recorded successes in other commodities (such as hard coal shipments from the Czech Republic, food transit from the Balkans to the Czech Republic/Germany, automotive exports from Trnava, and others); however, these were unable to compensate for the major volume shortfalls in the steel industry.

Freight transport by commodities

In thousands of tonnes	2025	2024	2023	2022	2021	2025/2024
Iron ore	7,691	8,485	10,171	10,523	12,351	0.91
Coal	2,922	2,869	3,127	3,294	3,699	1.02
Petroleum products	2,694	2,231	2,446	2,684	2,447	1.21
Metals	2,536	2,826	3,215	3,489	4,049	0.90
Building materials	2,469	2,816	2,496	2,812	2,948	0.88
Timber	1,323	1,461	1,277	1,955	2,052	0.91
Chemical products	889	1,190	930	1,433	1,959	0.75
Non-specified	794	914	972	845	902	0.87
Intermodal transport	575	674	616	824	776	0.85
Foodstuffs	403	553	1,101	992	202	0.73
Total	**22,296**	**24,019**	**26,351**	**28,851**	**31,385**	**0.93**

Freight transport by transport modes

Domestic	2025	2024	2023	2022	2021	2025/2024
Transported goods (in thousands of tonnes)	3,119	3,137	3,269	3,614	3,570	0.99
Operation performance (in mil. net tkm)	653	713	667	729	674	0.92
Import	**2025**	**2024**	**2023**	**2022**	**2021**	**2025/2024**
Transported goods (in thousands of tonnes)	9,345	10,212	11,672	12,357	13,395	0.92
Operation performance (in mil. net tkm)	1,330	1,539	1,739	2,065	2,188	0.86
Export	**2025**	**2024**	**2023**	**2022**	**2021**	**2025/2024**
Transported goods (in thousands of tonnes)	5,713	6,215	6,333	7,141	7,941	0.92
Operation performance (in mil. net tkm)	807	887	907	986	1,103	0.91
Transit	**2025**	**2024**	**2023**	**2022**	**2021**	**2025/2024**
Transported goods (in thousands of tonnes)	4,119	4,455	5,077	5,739	6,479	0.92
Operation performance (in mil. net tkm)	1,481	1,582	1,872	2,081	2,386	0.94
Freight transport in total	**2025**	**2024**	**2023**	**2022**	**2021**	**2025/2024**
Transported goods (in thousands of tonnes)	22,296	24,019	26,351	28,851	31,385	0.93
Operation performance (in mil. net tkm)	4,271	4,721	5,185	5,861	6,351	0.90

STRUCTURE OF MPUS

Inventory status of ZSSK CARGO MPUs as at 31 December 2025

	Total	Up to 15 years	Up to 30 years	Over 30 years
Electric locomotives	216	-	6	210
Diesel locomotives	202	44	45	113
Diesel coaches	1	-	-	1
Total	**419**	**44**	**51**	**324**

FREIGHT WAGONS

Age structure of ZSSK CARGO freight wagons fleet

	Total	0-5 years	6-10 years	11-15 years	16-20 years	21-25 years	26-30 years	Over 30 years
Covered wagons	150	-	-	-	150	-	-	-
Open wagons	363	-	-	55	301	-	-	7
Flat wagons	1,286	-	-	450	302	295	225	14
Other freight wagons	17	-	-	-	-	-	-	17
Freight wagons in total	**1,816**	**-**	**-**	**505**	**753**	**295**	**225**	**38**

Besides the above-mentioned wagons in full ownership, ZSSK CARGO rented other wagons by way of operating lease, in particular from Cargo Wagon, a.s., which is a joint venture of ZSSK CARGO.

Structure of ZSSK CARGO freight wagons fleet

	2025	2024	2023	2022	2021
Covered wagons	150	150	151	161	161
Open wagons	363	363	363	363	363
Flat wagons	1,286	1,286	1,286	1,291	1,292
Other freight wagons	17	17	17	17	17
Freight wagons in total	**1,816**	**1,816**	**1,817**	**1,832**	**1,833**

Age structure of ZSSK CARGO freight wagons fleet by wagon series as at 31 December 2025

Series	Spolu	0-5 years	6-10 years	11-15 years	16-20 years	21-25 years	26-30 years	Over 30 years
E – open high-sided wagon of regular construction	163	-	-	-	156	-	-	7
F – open wagon of specific construction	200	-	-	55	145	-	-	-
G – covered wagon of regular construction	-	-	-	-	-	-	-	-
H – covered wagon of specific construction	150	-	-	-	150	-	-	-
K – flat wagon of regular construction	-	-	-	-	-	-	-	-
L – flat wagon of specific construction	202	-	-	200	2	-	-	-
R – flat bogie wagon of regular construction	309	-	-	-	-	295	-	14
S – flat bogie wagon of specific construction	775	-	-	250	300	-	225	-
T – wagon with opening roof	-	-	-	-	-	-	-	-
Z – tank wagon	1	-	-	-	-	-	-	1
U – wagons of special construction	16	-	-	-	-	-	-	16
Total	**1.816**	**-**	**-**	**505**	**753**	**295**	**225**	**38**



CAPITAL INVESTMENTS OF ZSSK CARGO

(accounting balance as at 31 December 2025 in EUR)

Company	Number of shares (pcs)	Type	Share (%)	Value of capital investments
Intercontainer - Interfrigo s. c. Brussels, Belgium	385	paper form	0.03	7,610.33
Bureau Central de Clearing s. c. r. l. Brussels, Belgium	4	paper form	2.96	2,974.72
BULK TRANSSHIPMENT SLOVAKIA, a. s.	435,904	paper form	40	10,617,938.40
Cargo Wagon, a.s.	101	paper form	34	17,247,410.52
ZSSK CARGO Intermodal, a.s.	25	paper form	100	17,874.00
Depo Services, a. s.	25	paper form	100	25,029.00
				27,918,836.97

INTEGRATED MANAGEMENT SYSTEM

Our external and internal customers' satisfaction regarding the quality of the transport process is one of the most important goals of the company's top management. The company constantly undertakes activities to ensure a satisfactory level of employees' occupational health and safety with a view to minimising the risk of bodily injuries suffered by employees or of damage or losses occasioned by industrial diseases, as well as mitigating the negative environmental impacts of the company's operations.

The Integrated Management System, compliant with ISO 9001, ISO 45001, and ISO 14001 standards, is an indispensable tool for the company's management in ensuring objectives in the areas of quality of services provided to our customers, occupational health and safety, as well as environmental protection and sustainable development.

In order to provide more comprehensive services for our customers, the main and supporting processes and activities in our company were adjusted, resulting in the integration of multiple certified products. This integration ensures more flexible fulfilment of individual customer requirements, while simultaneously maintaining compliance with occupational health and safety and environmental protection standards.

In the 4th quarter of 2025, the independent certification company TÜV SÜD Slovakia checked the functionality of the integrated management system and confirmed that the management system certificates were rightfully awarded pursuant to ISO 9001 and ISO 45001.

During the same period, following a successful certification audit, ZSSK CARGO was awarded an Environmental Management System certificate in accordance with the ISO 14001 standard.

ZSSK CARGO holds certificates:

according to STN EN ISO 9001:2016 for the following products:

- Rail freight transport and transportation.
- Rolling stock maintenance and repairs, storage and distribution of goods.
- Ensuring professional qualification and education of employees.

according to STN EN ISO 45001:2024:

- Managerial system of work safety and health protection at work.

according to STN EN ISO 14001:2016:

- Environmental protection in rail freight transport.

HUMAN RESOURCES

The company employed 3,762 employees as at 31 December 2024. Within external mobility, 47 employees were hired from available resources on the labour market, while employment contracts were terminated with 596 employees. Owing to mobility and optimisation of operations, the headcount recorded by the company as at 31 December 2025 was 3,209 employees.

This represents a registered headcount decrease of 553 employees (-14.74%), compared to 2024.

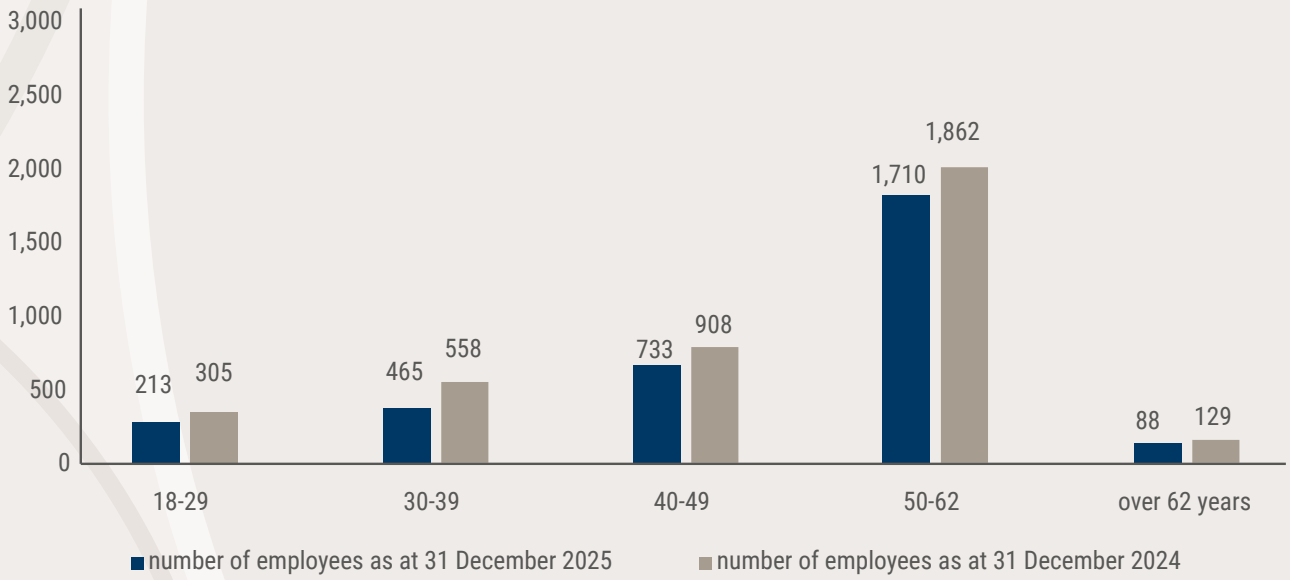
Structure of employees by sex as at 31 December 2025

Male	2,421	75.44%
Female	788	24.56%
Total	**3,209**	**100.00%**

Structure of employees by type of work as at 31 December 2025

Administrative employees	486	15.14%
Technical-economic employees in operations and workers	2,723	84.86%
Total	**3,209**	**100.00%**

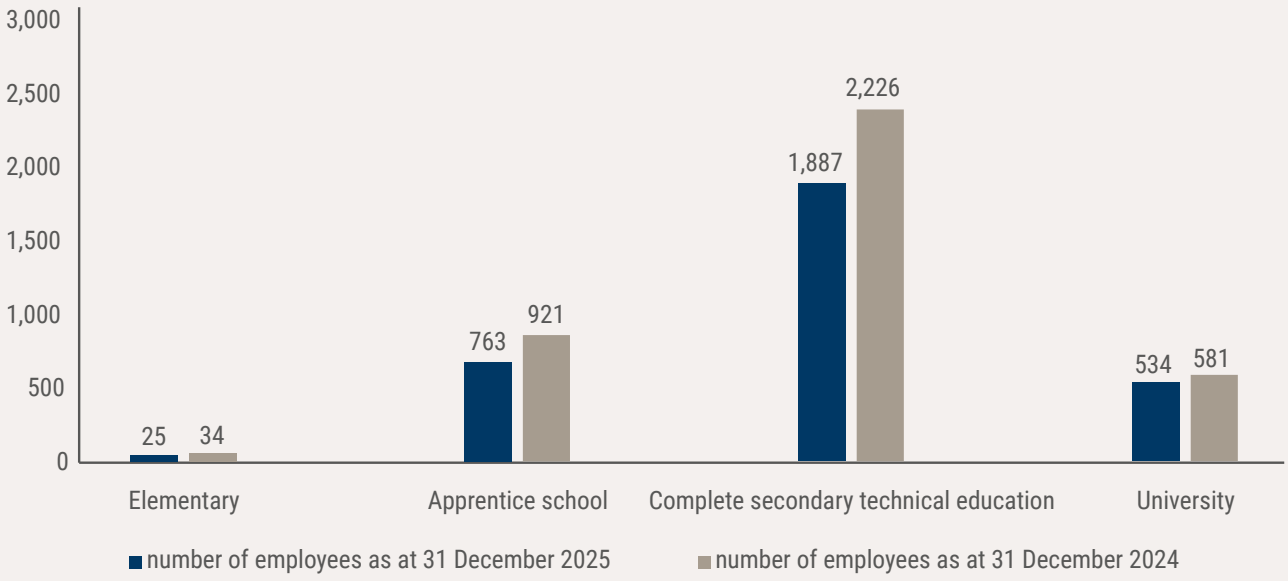
Age structure of employees



With respect to the employee structure by age, the largest decrease in the number of employees was seen in the age category 40–49 years (-175 employees). The largest number of employees (1,710) is recorded in the category of employees aged 50–62.

The average age of employees as at 31 December 2025 was **48.85 years**.

Education structure of employees



With respect to the employee structure by education, the largest decrease in the number of employees was in the category "Employees with complete secondary vocational education" (-339 employees). At the same time, this category accounts for the highest headcount (1,887 employees).

Remuneration

The average wage in 2025 was EUR 1,653, which represents a 3.57% increase compared to 2024.

As to training and education, on the basis of the decision of the Ministry of Transport of the Slovak Republic, the company carries out in-house vocational training for operating professions using the services of its own lecturers.

We cooperate with schools by way of excursions, internships and events organised by schools as part of the presentation of employers to students.

Selected periodic professional training is conducted via e-learning.

In the area of occupational health and safety, we have implemented an OHS Management System in accordance with ISO 45001 standards across all workplaces, leading to a reduction in occupational diseases and workplace accidents, minimisation of costs associated with workplace incidents, and a lower probability of penalties for regulatory non-compliance. The company holds the Managerial system of work safety and health protection at work certificate.

As part of the benefits for selected operational professions, we provide reconditioning stays in spa facilities as well as above-standard periodic medical examinations beyond the statutory scope.

Furthermore, we offer reduced working hours, paid sick day (treated as time worked), time off with wage compensation in case of personal obstacles to work beyond the scope of the Labour Code, bonuses for work and life anniversaries, rewards for multiple blood donations, and retirement bonuses.

A moral ministerial award is given for excellent work achievements, participation in the development of the company or for the accomplishment of a meritorious act.

The employer allows participation in the pension savings third pillar.

The company had a collective agreement with 11 trade union headquarters.

RISKS

- The transport portfolio is heavily concentrated on commodities linked to the metallurgical sector. The decline in production and demand fluctuations within this industry in 2025 were directly reflected in reduced transport volumes compared to the previous period, highlighting the risk of insufficient commodity base diversification.
- The rail freight segment faces intense price and performance competition from both road hauliers and foreign rail carriers. At the same time, there is a lack of sufficient systemic support for rail freight transport, particularly in the single wagonload segment, in the context of the objectives set out in the 2011 White Paper on Transport, the Paris Agreement, and the European Green Deal initiative. Consequently, compared to some neighbouring countries, the competitiveness of the domestic rail freight sector is being undermined.
- The company has long faced a high level of fixed costs (personnel, technological, and infrastructure), which constitute a significant part of the total cost structure. In the event of a decline in transport volumes, it is not possible to optimise these costs operationally without fundamental organisational and technological interventions.
- Changes in national and European legislation in 2025 generated an additional financial and administrative burden, which was reflected in growing operating expenses and increased regulatory complexity of the business.
- Price volatility of traction electricity represents a significant risk to the profitability of individual transport routes. Rising energy prices negatively affect the competitiveness of rail freight against road transport.
- The increasing prices of gas, electricity, and heating significantly impact the costs of facility management, building maintenance, and the operation of service workshops.
- The implementation of consolidation tools (e.g. transaction tax and other fiscal measures) represents an additional financial burden that reduces the company's available resources for investment and modernisation.
- The ongoing preparation of a new railway infrastructure charging model poses a risk of increased track access charges, which could have a direct negative impact on the cost efficiency and price competitiveness of transport operations.
- The high average age of motive power units (MPUs) results in reduced operational reliability, higher failure rates, and rising maintenance and repair costs. At the same time, it is necessary to maintain an increased number of standby vehicles, which further drives up fixed costs.
- The significant growth in spare parts prices, as well as their gradual unavailability for older types of MPUs, increases material costs and extends MPU downtime.
- Low productive utilisation of the freight wagon fleet. A persistent decline in transport volumes, a broad and age--unbalanced portfolio of wagon types, and a mismatch between part of the fleet and current market demands lead to a low rate of productive asset utilisation and increased unit costs.
- The mandatory implementation of the on-board European Train Control System (ETCS) on selected corridor lines requires additional investment in MPU modernisation and represents a significant capital expenditure.
- The traction power supply conversion in the Žilina railway hub is changing the structure of MPU requirements. A surplus capacity of Series 131 locomotives is expected, along with a simultaneous increase in the need for interoperable Series 363 and 383 locomotives, creating pressure for fleet optimisation and potential modernisation.

EXPECTED FUTURE DEVELOPMENT

In 2026, ZSSK CARGO's business environment is expected to remain significantly influenced by external macroeconomic and geopolitical factors. The persistent recession in Germany, as a key trading partner of the Slovak Republic, coupled with the overall slowdown in industrial production across the EU – particularly in energy-intensive industries – will continue to dampen demand for rail freight transport. The stagnation of the metallurgical industry, which represents one of the company's main transport segments, remains a major risk factor.

Negative impacts on performance will be further exacerbated by domestic factors, notably the effects of public finance consolidation measures in the Slovak Republic, which may constrain investment activity and industrial production. The outlook is also made uncertain by potential changes in trade and political relations between the European Union and the USA, as well as the ongoing armed conflict in Ukraine, which affects logistical flows, energy prices, and the availability of certain commodities. The military conflict in the Persian Gulf and any other newly emerging military conflicts could negatively impact energy input costs, which play a significant role in maintaining the competitiveness of rail freight transport.

Under these conditions, the company does not expect signifi-

cant year-on-year growth in transport volumes in 2026. However, cautious optimism persists based on the assumption of a gradual stabilisation of the metallurgical sector, which could have a positive effect on transport volumes. Given the sub-par performance in this segment in the previous period, there is room for a slight recovery, albeit without a major growth impulse.

A continued decline or stagnation in transport volumes will lead to a deepening of competitive pressure in the rail freight market, particularly in the Central European region. An oversupply of locomotives and freight wagons on the market will increase pressure on carriers' prices and margins. In response to this situation, ZSSK CARGO will continue to optimise its capacity utilisation in 2026, planning to direct surplus capacities from the domestic market primarily into international transport and higher value-added logistics solutions. Part of this strategy will also include actively leasing out redundant wagons, or rationalising the leased fleet, including returning wagons to the maximum possible extent in accordance with contractual terms.

In the area of cost management, the company will continue to implement measures aimed at increasing labour productivity, enhancing internal process efficiency, and optimising the utilisation of personnel and technical capacities. However, the cost environment will remain uncertain in 2026, driven primarily by energy price fluctuations, persistently high interest rates, rising personnel costs, and increasing prices for external services. The availability of selected materials and spare parts also remains a risk, which could impact the maintenance and operational readiness of the fleet.

A strategic priority for the company will be the preservation and further development of the single wagonload system as a key component of network-wide serviceability. Despite its operational and economic complexity, this segment represents an important element of the state's transport infrastructure, and its long-term sustainability will continue to be conditional upon adequate support from public sources.

In the area of investment, ZSSK CARGO will continue to prioritise the modernisation and renewal of strategic series of locomotives, as well as the implementation of projects aimed at reducing operating costs, meeting regulatory requirements, increasing rail freight safety and cybersecurity, and improving the working environment. At the same time, the company will implement measures resulting from its fleet development concepts, with an emphasis on efficiency and interoperability.

The utilisation of external sources, particularly European Union funds, will remain a significant element in financing development activities in 2026. The company will focus on high value-added projects, such as the implementation of the European Train Control System (ETCS) and the procurement of modern multimodal freight wagons, which will contribute to increasing the safety, competitiveness, and environmental sustainability of rail freight transport.

In line with the aforementioned facts, ZSSK CARGO will continue to implement the measures defined in its business plan in 2026, aiming to stabilise its financial position, increase operational efficiency, and strengthen its position in the rail freight market amid increased competition and persistent uncertainty in the external environment.



SPECIAL INFORMATION FOR 2025

In 2025, relatively high capital expenditures continued, even though the full process of more significant asset renewal and development had not yet been launched. The value of capital expenditures reached EUR 38.2 million, making it the second highest in recent years. The growth in capital expenditures is primarily related to the continued deliveries of modernised Series 742 locomotives. In 2025, another 8 modernised motive power units were added out of a total contracted number of 30 units, which at least partially launched the fleet renewal in accordance with the internal concept. A total of 23 modernised MPUs were delivered by 31 December 2025.

Uncertainty about the future, triggered by the ongoing armed conflict in Ukraine, global geopolitical tensions, a decline in industrial production, and lower transport volumes, prevented the launch of more substantial investments and the renewal of the outdated fleet. Therefore, 2025 focused on fixed cost optimisation processes, seeking new business opportunities, and refining internal setups, with the primary objective of mitigating the negative impacts of revenue shortfalls and reducing the generated loss. The entire year of 2025 was marked by uncertainty and declines against expected transport volumes. The highest shortfalls were recorded in commodities such as iron ore, metals, and chemicals. As the negative trend did not reverse during the year, the company recorded a historical low in transport volumes. Compared to an already weak 2024, this represented a further year-on-year decline of more than 1.7 million tonnes (7%) and resulted in a heavy loss due to high fixed costs.

Large capital expenditure projects according to the medium-term capital expenditure plan and concepts for the development of the fleets of wagons and MPUs are expected only in the future once the situation in the rail freight market improves and stabilises, and financial stability increases. The individual projects will be aimed at increasing labour productivity and efficiency in the use of available assets, streamlining operational activities and reducing costs, which should ensure the generation of sufficient cash flows to repay them while meeting monitored financial indicators.

In 2025, the company did not expend any research and development costs.

The company does not have any business units abroad.

In 2025, the company did not acquire any treasury shares, temporary certificates, equity interests and shares, or temporary certificates and equity interests in the parent company.

No events have occurred subsequent to the end of the financial year as of 31 December 2025 that would significantly affect the fair presentation of facts disclosed in the attached financial statements.

It will be proposed to the statutory body that a recognised accounting loss of EUR 28,103 thousand for 2025 should be reclassified to accumulated losses from previous years.

SELECTED ECONOMIC INDICATORS

(ACCORDING TO THE DATA OF CONSOLIDATED FINANCIAL STATEMENTS)

In thousands of EUR	2025	2024
Total assets	484,571	523,965
Non-current tangible assets	223,372	214,400
Equity	84,234	112,393
Loans (short-term + long-term)	141,066	100,522
Revenues	253,679	282,652
Costs	(273,768)	(284,152)
Profit (Loss) from financial operations	(11,743)	(11,014)
Share of the profit of the joint venture and associated company	2,733	4,552
Income tax	(52)	(68)
Profit (Loss) for the period	**(29,151)**	**(7,993)**
Other comprehensive income for the period	992	96
Total comprehensive income for the period	**(28,159)**	**(7,897)**

KEY PERFORMANCE INDICATORS ACCORDING TO THE EU TAXONOMY

Based on the significant events of 2015 and 2016 (the adoption of a new global sustainable development framework: The 2030 Agenda and the UN Framework Convention on Climate Change: the Paris Agreement), the European Council adopted conclusions on climate change in 2019. These represent a key step towards the objective of achieving a climate-neutral European Union by 2050. The commitment of the EU and its Member States to the implementation of the 2030 Agenda in a full, coherent, comprehensive, integrated and effective manner was translated into the communication "European Green Deal", which was published in December 2019.

The main objective set out in the action plan on financing sustainable growth is to reorient capital flows towards sustainable investment and the implementation of the European Green Deal. Regulation requiring transparency will ensure that providers of financial resources can evaluate the sustainability of business. The introduction of the EU Taxonomy will, among other things, ensure the standardisation and classification of economic activities, investment activities in terms of environmental sustainability and sets six environmental objectives.

Železničná spoločnosť Cargo Slovakia, a.s. (hereinafter referred to as "ZSSK CARGO") is required by Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (hereinafter referred to as the "Taxonomy Regulation" or the "EU Taxonomy") to assess and disclose information for 2025 regarding the proportion of revenues, capital and operating expenditures that are associated with eligible economic activities or economic activities that are consistent with the EU Taxonomy.

For the financial year 2025, our company is required to assess and disclose, in accordance with Article 8 of the Taxonomy Regulation, the required information on economic activities under the Taxonomy Regulation and the relevant delegated regulations listed below:

- Commission Delegated Regulation (EU) 2021/2139 (the so-called Climate Delegated Regulation), which contains a classification of economic activities that significantly contribute to the climate objectives of climate change mitigation and/or climate change adaptation. Economic activities falling under this Delegated Regulation are to be assessed not only for their eligibility but also for their compliance with the EU Taxonomy, i.e. the relevant technical assessment criteria are also taken into account.
- Commission Delegated Regulation (EU) 2022/1214 (the so-called Supplementary Delegated Regulation), which determines the conditions for economic activities in certain energy sectors.
- Commission Delegated Regulation (EU) 2021/2178 (the so-called Disclosure Delegated Regulation) setting out the scope and content of information to be disclosed by companies regarding environmentally sustainable economic activities, as well as the methodology for fulfilling that disclosure obligation.
- Commission Delegated Regulation (EU) 2023/2486 (the so-called Environmental Delegated Regulation), which contains a classification of economic activities that significantly contribute to at least one of the remaining environmental objectives of the Taxonomy: pollution, water and marine resources, biodiversity and ecosystems and/or circular economy.
- Commission Delegated Regulation (EU) 2023/2485 amending Delegated Regulation (EU) 2021/2139 establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives.
- Commission Delegated Regulation (EU) 2026/73 of 4 July 2025, amending Delegated Regulations (EU) 2021/2178, (EU) 2021/2139 and (EU) 2023/2486 by simplifying the content and presentation of information to be disclosed in relation to environmentally sustainable activities and by simplifying certain technical screening criteria.

In accordance with Commission Delegated Regulation (EU) 2026/73 of 4 July 2025, ZSSK CARGO applies a transitional option when reporting information for the financial year 2025 and discloses information in accordance with the EU Taxonomy under the rules applicable until 31 December 2025.

Based on valid EU regulations, including the EU Taxonomy, ZSSK CARGO processed three key performance indicators (KPIs) – KPI related to turnover, KPI related to capital expenditure and KPI related to operating expenditure.

Financial data and indicators are based on IFRS consolidated financial statements for 2025. Where applicable, the figures from the statements were directly allocated to individual economic activities. In the case of using the percentage allocation of input data, more detailed information and the accounting policy are given for individual KPIs.

In compliance with the EU Taxonomy, the following three economic activities were identified by the company as eligible for the annual report for the financial year 2025:

Turnover, capital expenditure and operating expenditure from other activities that are not directly or indirectly related to the mentioned activities are classified as non-EU

Table 1 – Eligible economic activities of ZSSK CARGO under the EU Taxonomy

Economic activity	Description	Significant contribution to the environmental objective	Indicator proportion	NACE code
6.2. Rail freight transport	Purchase, financing, leasing, rental and operation of freight transport on mainline rail networks as well as short line freight railroads.	Climate change mitigation	Turnover, Capital Expenditure, Operating Expenditure	H49.20
3.19. Manufacture of rail rolling stock constituents	Manufacture, installation, technical consulting, retrofitting, upgrade, repair, maintenance, and repurposing of products, equipment, systems, and software related to the rail constituents.	Climate change mitigation	Turnover, Capital Expenditure, Operating Expenditure	C30.2 C27.1 C27.9
6.14. Infrastructure for rail transport	Construction, modernisation, operation and maintenance of railways and subways as well as bridges and tunnels, stations, terminals, rail service facilities, safety and traffic management systems including the provision of architectural services, engineering services, drafting services, building inspection services and surveying and mapping services and the like as well as the performance of physical, chemical and other analytical testing of all types of materials and products.	Climate change mitigation	Turnover, Capital Expenditure, Operating Expenditure	F42.12 F42.13 M71.12 M71.20 F43.21 H52.21

Taxonomy-eligible.

To assess the compliance of the economic activity with the EU Taxonomy, we conducted an analysis based on the requirements of Article 3 of the EU Taxonomy Regulation. We assessed whether the individual economic activities meet the technical screening criteria set by the European Commission in accordance with the regulations, namely that the activity:

- contributes substantially to one or more of the environmental objectives set out in the Regulation;
- does not significantly harm any of the environmental objectives (DNSH principle);
- is carried out in compliance with the minimum social safeguards laid down in the Regulation.

1. Turnover-related KPI

The definition of net turnover according to the EU Taxonomy corresponds to revenues as recognised in the Statement of Comprehensive Income in the amount of EUR 253,679 thousand (Notes 3 and 4 to the financial statements). This value represents the denominator in the KPI calculation.

6.2. Rail freight transport

Of the total net turnover, EUR 244,373 thousand (96.3%) was allocated to economic activity 6.2 and classified as EU Taxonomy-eligible. The turnover value includes transport revenues achieved by means of electric and diesel-electric MPUs, revenues for the use of freight wagons, rolling stock rental, operations, shunting revenues, and other transport-related revenues.

Of the Taxonomy-aligned turnover value, EUR 167,691 thousand (66.1% of the total net turnover, 68.6% of the turnover derived from activity 6.2) meets the technical criteria for the assessment of a significant contribution to climate change mitigation. With respect to the given activity, the company assessed the technical criteria set out in the Climate Delegated Regulation, where trains and wagons meet the conditions of zero direct CO2 exhaust emissions in freight transport carried out by electric traction. At the same time, these trains and wagons are not designed to transport fossil fuels.

The technical criteria for the assessment of a significant contribution also address the so-called “do no significant harm” principle, which should ensure that the economic

Table 2 Turnover-related KPI for the financial year 2025

Economic activities	Code	Turnover for 2025	Proportion of turnover for 2025	Significant contribution criteria: Climate change mitigation	Climate change adaptation	Water	Environmental pollution
		in thou. of EUR	%	"Yes/No/ non-eligible"	"Yes/No/ non-eligible"	"Yes/No/ non-eligible"	"Yes/No/ non-eligible"
A. TAXONOMY-ELIGIBLE ACTIVITIES							
A.1 Environmentally sustainable activities (Taxonomy-aligned)							
Rail freight transport	6.2	167,691	66.1%	Yes	No	No	No
Manufacture of rail rolling stock constituents	3.3	3,803	1.5%	Yes	No	No	No
Infrastructure for rail transport	6.14	545	0.2%	Yes	No	No	No
Turnover from environmentally sustainable activities (A.1)		**172,040**	**67.8%**	**67.8%**	**-**	**-**	**-**
of which supporting		**172,040**	**67.8%**	**67.8%**	**-**	**-**	**-**
of which transitional		**-**	**-**	**-**	**-**	**-**	
				eligible / non-eligible	eligible / non-eligible	eligible / non-eligible	eligible / non-eligible
A.2 Taxonomy-eligible activities but not environmentally sustainable (not aligned with the Taxonomy)							
Rail freight transport	6.2	76,682	30.2%	non-eligible	eligible	eligible	non-eligible
Manufacture of rail rolling stock constituents	3.19	2,772	1.1%	non-eligible	eligible	eligible	non-eligible
Infrastructure for rail transport	6.14	0	0.0%	non-eligible	eligible	eligible	eligible
Turnover from Taxonomy-eligible activities but not environmentally sustainable (not aligned with the Taxonomy) (A.2)		**79,453**	**31.3%**	**0.0%**	**-**	**-**	**-**
Total (A.1) + (A.2)		**251,493**	**99.1%**	**67.8%**	**-**	**-**	**-**
B. TAXONOMY NON-ELIGIBLE ACTIVITIES							
Turnover from Taxonomy non-eligible activities (B)		**2,186**	**0.9%**				
Total (A) + (B)		**253,679**	**100.0%**				

activity does not have a significant negative impact on the environment and does not do harm to the fulfilment of any other environmental objective set out in Article 9 of Regulation (EU) 2020/852:

- **Climate change adaptation**

  For this activity, it is necessary that the company should meet the criteria set out in Appendix A of the Climate Delegated Regulation, according to which an assessment of climate risks, their materiality and an assessment of adaptation solutions that can mitigate the identified physical climate risk while taking into account the lifetime of the given activity are required.

  The company's core business activity is the provision of transport services on the existing rail infrastructure. Rail transport, mainly powered by electricity, is the most sustainable mode of transport with a low impact on climate change and the potential threat of climate risks.

  The assessment of the ability of individual economic activities to adapt to climate change is primarily based on existing internal analyses, operational regulations, permits and decisions resulting from valid legislation, which define the way relevant facilities are operated. In its operational activities, the company acts exclusively within the framework of valid legislative requirements which are implemented in the company's guidelines with the aim of preventing possible climate risks.

- **Sustainable use and protection of water resources**

  Within economic activity 6.2, the given objective is not applied.

- **Transition to a circular economy**

  On the basis of internal guidelines, the company has measures in place to manage waste in accordance with the waste management hierarchy that meet all legislative requirements.

- **Pollution prevention and control**

  Within the framework of this objective, "significant harm" is caused only by engines used to drive motor traction railway vehicles that do not meet the emission limits set out in Annex II to Regulation (EU) 2016/1628. For electric rail vehicle engines, these limits are not violated.

a		Criteria related to “do no significant harm” principle							
Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of turnover aligned with the 2024 Taxonomy
"Yes/No/ non-eligible"	"Yes/No/ non-eligible"	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%
No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	66.7%
No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1.6%
No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.2%
-	-								**68.6%**
-	-								
-	-								
eligible / non-eligible	eligible / non-eligible								
eligible	eligible								
eligible	eligible								
eligible	eligible								
-	-								**30.0%**
-	-								**98.6%**

- **Protection and restoration of biodiversity and ecosystems**

  Within economic activity 6.2, the given objective is not applied.

The economic activity is carried out in accordance with the minimum safeguards defined in Article 18(a) of the EU Taxonomy. The company did not record any incidents of human rights violations during the financial year 2025 nor historically. To ensure this objective, the company has adopted the Code of Ethics. According to public financial management databases, the company has a reliable tax reliability index.

Non-Taxonomy-aligned turnover (not environmentally sustainable) in the amount of EUR 76,682 thousand (30.2% of the total net turnover, 31.4% of the turnover derived from activity 6.2) includes the achieved revenues from the transport of fossil fuels (coal, coke, natural gas, crude oil and petroleum products according to nomenclature 2710) and related revenues, and the turnover achieved by motor (diesel) traction. The amount of turnover achieved by motor traction was determined based on the transport performance of diesel traction (according to gross tonne-kilometres).

3.19. Manufacture of rail rolling stock constituents

Of the total net turnover, EUR 6,575 thousand (2.6%) was allocated to economic activity 3.19 and classified as EU Taxonomy-eligible.

The net turnover includes revenues from the repair and maintenance of freight wagons and rolling stock, including subcontracting and related services.

Of the Taxonomy-aligned turnover value, EUR 3,803 thousand (1.5% of the total net turnover, 57.8% of the turnover derived from activity 3.19) meets the technical criteria for the assessment of a significant contribution to climate change mitigation (trains and wagons with zero direct CO2 exhaust emissions).

The technical criteria for the assessment of a significant contribution also address the so-called “do no significant harm” principle, which should ensure that the economic activity does not have a significant negative impact on the environment and does not do harm to the fulfilment of

Table 3 Turnover-related KPI for the financial year 2024

Economic activities	Code	Turnover for 2024	Proportion of turnover for 2024	Significant contribution criteri: Climate change mitigation	Climate change adaptation	Water	Environmental pollution
		in thou. of EUR	%	"Yes/No/ non-eligible"	"Yes/No/ non-eligible"	"Yes/No/ non-eligible"	"Yes/No/ non-eligible"
A. TAXONOMY-ELIGIBLE ACTIVITIES							
A.1 Environmentally sustainable activities (Taxonomy-aligned)							
Rail freight transport	6.2	188,653	66.7%	Yes	No	No	No
Manufacture of rail rolling stock constituents	3.19	4,441	1.6%	Yes	No	No	No
Infrastructure for rail transport	6.14	671	0.2%	Yes	No	No	No
Turnover from environmentally sustainable activities (A.1)		**193,765**	**68.6%**	**68.6%**	-	-	-
of which supporting		**193,765**	**68.6%**	**68.6%**	-	-	-
of which transitional		-	-	-	-	-	
				eligible / non-eligible	eligible / non-eligible	eligible / non-eligible	eligible / non-eligible
A.2 Taxonomy-eligible activities but not environmentally sustainable (not aligned with the Taxonomy)							
Rail freight transport	6.2	81,925	29.0%	non-eligible	eligible	eligible	non-eligible
Manufacture of rail rolling stock constituents	3.19	2,879	1.0%	non-eligible	eligible	eligible	non-eligible
Infrastructure for rail transport	6.14	0	0.0%	non-eligible	eligible	eligible	eligible
Turnover from Taxonomy-eligible activities but not environmentally sustainable (not aligned with the Taxonomy) (A.2)		**84,804**	**30.0%**	**0.0%**	-	-	-
Total (A.1) + (A.2)		**278,569**	**98.6%**	**68.6%**	-	-	-
B. TAXONOMY NON-ELIGIBLE ACTIVITIES							
Turnover from Taxonomy non-eligible activities (B)		**4,082**	**1.4%**				
Total (A) + (B)		**282,651**	**100.0%**				

any other environmental objective set out in Article 9 of Regulation (EU) 2020/852:

- **Climate change adaptation**

  For this activity, it is necessary that the company should meet the criteria set out in Appendix A of the Climate Delegated Regulation, according to which an assessment of climate risks, their materiality and an assessment of adaptation solutions that can mitigate the identified physical climate risk while taking into account the lifetime of the given activity are required.

  The company's core business activity is the provision of transport services on the existing rail infrastructure. Rail transport, mainly powered by electricity, is the most sustainable mode of transport with a low impact on climate change and the potential threat of climate risks.

  The assessment of the ability of individual economic activities to adapt to climate change is primarily based on existing internal analyses, operational regulations, permits and decisions resulting from valid legislation, which define the way relevant facilities are operated. In its operational activities, the company acts exclusively within the framework of valid legislative requirements which are implemented in the company's guidelines with the aim of preventing possible climate risks.

- **Sustainable use and protection of water resources**

  For this activity, it is necessary that the company should meet the criteria set out in Appendix B of Annex I of the Climate Delegated Regulation. Assessments of the impact on the environment and water are normally carried out by the Company in accordance with applicable legislation.

- **Transition to a circular economy**

  The company has measures in place to recycle and reuse remanufactured spare parts to eliminate waste generation.

- **Pollution prevention and control**

  This activity meets the criteria set out in Appendix C to this Annex.

- **Protection and restoration of biodiversity and ecosystems**

  The company must meet the criteria set out in Appendix D of the Climate Delegated Regulation, according to which an

a		Criteria related to “do no significant harm” principle							
Circular economy	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Environmental pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of turnover aligned with the 2023 Taxonomy**
"Yes/No/ non-eligible"	"Yes/No/ non-eligible"	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%
No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	67.9%
No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1.8%
No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.2%
-	-								**69.8%**
-	-								
-	-								
eligible / non-eligible	eligible / non-eligible								
eligible	eligible								
eligible	eligible								
eligible	eligible								
-	-								**28.8%**
-	-								**98.6%**

environmental impact assessment shall be carried out in accordance with Directive 2011/92/EU. Activities that meet the threshold values set out by Act 24/2006 are subject to such an assessment. The company submits any activities or intentions in this regard for environmental impact assessment in full compliance with legislative requirements.

The economic activity is carried out in compliance with the minimum safeguards. The company did not record any incidents of human rights violations during the financial year 2025 nor historically. To ensure this objective, the company has adopted the Code of Ethics.

Non-Taxonomy-aligned turnover (not environmentally sustainable) in the amount of EUR 2,772 thousand (1.1% of the total net turnover, 42.2% of the turnover derived from activity 3.19) includes the achieved revenues from repairs of freight wagons (primarily tanks) for the carriage of products according to nomenclature 2710 and repairs of motor (diesel-electric) MPUs.

6.14. Infrastructure for rail transport

Of the total net turnover, EUR 545 thousand (0.2%) was allocated to economic activity 6.14 and classified as EU Taxonomy-eligible.

The net turnover includes revenues from the rental and operation of terminals and emergency aid equipment.

Of the Taxonomy-aligned turnover value, EUR 545 thousand (100% of the turnover according to 6.14) meets the technical criteria for the assessment of a significant contribution to climate change mitigation.

The technical criteria for the assessment of a significant contribution also address the so-called “do no significant harm” principle, which should ensure that the economic activity does not have a significant negative impact on the environment and does not do harm to the fulfilment of any other environmental objective set out in Article 9 of Regulation (EU) 2020/852:

- **Climate change adaptation**

  For this activity, it is necessary that the company should meet the criteria set out in Appendix A of the Climate Delegated Regulation, according to which an assessment of climate risks, their materiality and an assessment of adap-

tation solutions that can mitigate the identified physical climate risk while taking into account the lifetime of the given activity are required.

The company's core business activity is the provision of transport services on the existing rail infrastructure. Rail transport, mainly powered by electricity, is the most sustainable mode of transport with a low impact on climate change and the potential threat of climate risks.

The assessment of the ability of individual economic activities to adapt to climate change is primarily based on existing internal analyses, operational regulations, permits and decisions resulting from valid legislation, which define the way relevant facilities are operated. In its operational activities, the company acts exclusively within the framework of valid legislative requirements which are implemented in the company's guidelines with the aim of preventing possible climate risks.

- **Sustainable use and protection of water resources**

  For this activity, it is necessary that the company should meet the criteria set out in Appendix B of Annex I of the Climate Delegated Regulation. Assessments of the impact on the environment and water are normally carried out by the company in accordance with applicable legislation.

- **Transition to a circular economy**

  On the basis of internal guidelines, the company has measures in place to manage waste in accordance with the waste management hierarchy that meet all legislative requirements.

- **Pollution prevention and control**

  As part of this objective, the company has implemented measures to reduce emissions of noise, dust and pollutants during operational activities in accordance with the applicable legislation.

Table 4 Capital expenditure-related KPI for the financial year 2025

Economic activities	Code	Capital expenditure for 2025	Proportion of capital expenditure for 2025	Significant contribution criteria: Climate change mitigation	Climate change adaptation	Water	Environmental pollution
		in thou. of EUR	%	"Yes/No/ non-eligible"	"Yes/No/ non-eligible"	"Yes/No/ non-eligible"	"Yes/No/ non-eligible"
A. TAXONOMY-ELIGIBLE ACTIVITIES							
A.1 Environmentally sustainable activities (Taxonomy-aligned)							
Rail freight transport	6.2	24,595	61.9%	Yes	No	No	No
Manufacture of rail rolling stock constituents	3.19	3,738	9.4%	Yes	No	No	No
Infrastructure for rail transport	6.14	750	1.9%	Yes	No	No	No
Capital expenditure for environmentally sustainable activities (A.1)		**29,082**	**73.3%**	**73.3%**			
of which supporting		**29,082**	**73.3%**	**73.3%**			
of which transitional		**-**	**-**	**-**			
				eligible / non-eligible	eligible / non-eligible	eligible / non-eligible	eligible / non-eligible
A.2 Taxonomy-eligible activities but not environmentally sustainable (not aligned with the Taxonomy)							
Rail freight transport	6.2	7,282	18.3%	non-eligible	eligible	eligible	non-eligible
Manufacture of rail rolling stock constituents	3.19	33	0.1%	non-eligible	eligible	eligible	non-eligible
Infrastructure for rail transport	6.14	0	0.0%	non-eligible	eligible	eligible	eligible
Capital expenditure for Taxonomy-eligible activities but not environmentally sustainable (not aligned with the Taxonomy) (A.2)		**7,314**	**18.4%**	**0.0%**	**-**	**-**	**-**
Total (A.1) + (A.2)		**36,397**	**91.7%**	**73.3%**	**-**	**-**	**-**
B. TAXONOMY NON-ELIGIBLE ACTIVITIES							
Capital expenditure for Taxonomy non-eligible activities (B)		**3,305**	**8.3%**				
Total (A) + (B)		**39,702**	**100.0%**				

- **Protection and restoration of biodiversity and ecosystems**

  The company must meet the criteria set out in Appendix D of the Climate Delegated Regulation, according to which an environmental impact assessment shall be carried out in accordance with Directive 2011/92/EU. Activities that meet the threshold values set out by Act 24/2006 are subject to such an assessment. The company submits any activities or intentions in this regard for environmental impact assessment in full compliance with legislative requirements.

The economic activity is also carried out in compliance with the minimum safeguards. The company did not record any incidents of human rights violations during the financial year 2024 nor historically. To ensure this objective, the company has adopted the Code of Ethics.

For all the identified economic activities, of the net turnover for 2025, EUR 251,493 thousand (99.1%) is EU Taxonomy-eligible and a turnover of EUR 172,040 thousand (67.8%) is EU Taxonomy-aligned and, therefore, also environmentally sustainable in terms of the assessment of a significant contribution to climate change mitigation as shown in the following table.

Table 2 – Turnover-related KPI for the financial year 2025

Table 3 – Turnover-related KPI for the financial year 2024.

2. KPI related to capital expenditure

For the purposes of the EU Taxonomy, capital expenditure includes additions to long-term (non-current) intangible and tangible assets as well as additions to the right to use an asset.

For the year 2025, ZSSK CARGO recognised total additions to long-term assets in the amount of EUR 39,702 thousand, of which intangible assets amount to EUR 1,555 thousand, tangible assets EUR 36,628 thousand, and the right to use an asset EUR 1,520 thousand (Notes 12, 13 and 14

a		Criteria related to “do no significant harm” principle							
Circular economy	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Environmental pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of capital expenditure aligned with the 2024 Taxonomy**
"Yes/No/ non-eligible"	"Yes/No/ non-eligible"	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%
No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	70.9%
No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	17.9%
No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1.6%
									90.4%
eligible / non-eligible	eligible / non-eligible								
eligible	eligible								
eligible	eligible								
eligible	eligible								
-	-								**6.4%**
-	-								**96.8%**

Table 5 Capital expenditure-related KPI for the financial year 2024

Economic activities	Code	Capital expenditure for 2024	Proportion of capital expenditure for 2024	Significant contribution criteria: Climate change mitigation	Climate change adaptation	Water	Environmental pollution
		in thou. of EUR	%	"Yes/No/ non-eligible"	"Yes/No/ non-eligible"	"Yes/No/ non-eligible"	"Yes/No/ non-eligible"
A. TAXONOMY-ELIGIBLE ACTIVITIES							
A.1 Environmentally sustainable activities (Taxonomy-aligned)							
Rail freight transport	6.2	55,806	70.9%	Yes	No	No	No
Manufacture of rail rolling stock constituents	3.19	14,087	17.9%	Yes	No	No	No
Infrastructure for rail transport	6.14	1,279	1.6%	Yes	No	No	No
Capital expenditure for environmentally sustainable activities (A.1)		**71,172**	**90.4%**	**90.4%**			
of which supporting		**71,172**	**90.4%**	**90.4%**			
of which transitional		**-**	**-**	**-**			
				eligible / non-eligible	eligible / non-eligible	eligible / non-eligible	eligible / non-eligible
A.2 Taxonomy-eligible activities but not environmentally sustainable (not aligned with the Taxonomy)							
Rail freight transport	6.2	3,109	3.9%	non-eligible	eligible	eligible	non-eligible
Manufacture of rail rolling stock constituents	3.19	1,907	2.4%	non-eligible	eligible	eligible	non-eligible
Infrastructure for rail transport	6.14	0	0.0%	non-eligible	eligible	eligible	eligible
Capital expenditure for Taxonomy-eligible activities but not environmentally sustainable (not aligned with the Taxonomy) (A.2)		**5,016**	**6.4%**	**0.0%**	**-**	**-**	**-**
Total (A.1) + (A.2)		**76,188**	**96.8%**	**90.4%**	**-**	**-**	**-**
B. TAXONOMY NON-ELIGIBLE ACTIVITIES							
Capital expenditure for Taxonomy non-eligible activities (B)		**2,534**	**3.2%**				
Total (A) + (B)		**78,722**	**100.0%**				

to the financial statements). This value represents the denominator in the KPI calculation.

6.2. Rail freight transport

Of the total capital expenditure, additions in the amount of EUR 31,876 thousand (80.3%) were allocated to economic activity 6.2 and qualify as EU Taxonomy-eligible. The most significant additions include capitalised periodic repairs (major repairs) and modernisation of MPUs and revision repairs of freight wagons.

Of the Taxonomy-aligned capital expenditure, EUR 24,595 thousand (61.9%) of the total capital expenditure, (77.2% of the additions in activity 6.2) meets the technical criteria for the assessment of a significant contribution to climate change mitigation. With respect to the given activity, the company assessed the technical criteria set out in the Climate Delegated Regulation, where trains and wagons meet the conditions of zero direct CO2 exhaust emissions in freight transport carried out by electric traction.

When assessing the activity from the point of view of the "do no significant harm" principle, the impact on all environmental objectives was taken into account (see the assessment in the section – KPI related to turnover).

Non-Taxonomy-aligned capital expenditure (not environmentally sustainable) in the amount of EUR 7,282 thousand (18.3% of the total capital expenditure, 22.8% of the additions in activity 6.2) was defined according to the possibility of its real usage for the carriage of fossil fuels and the costs of diesel-electric MPUs. In the case of additions linked to MPUs, the allocation was made according to the achieved net tonne-kilometres in the transport of fossil fuels in proportion to the total transport volume. The allocation of the impact of diesel-electric MPUs was calculated on the basis of their proportion to the total transport volume

a		Criteria related to “do no significant harm” principle							
Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of capital expenditure aligned with the 2023 Taxonomy
"Yes/No/ non-eligible"	"Yes/No/ non-eligible"	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%
No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	87.2%
No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	5.8%
No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.0%
									93.0%
eligible / non-eligible	eligible / non-eligible								
eligible	eligible								
eligible	eligible								
eligible	eligible								
-	-								**4.9%**
-	-								**97.9%**

(according to gross tonne-kilometres). In the case of capital additions to freight wagons, the possibility of their real usage for the carriage of fossil fuels (tanks, high-sided wagons) was also taken into account.

3.19. Manufacture of rail rolling stock constituents

Of the total capital expenditure, additions in the amount of EUR 3,771 thousand (9.5%) were allocated to economic activity 3.19 and qualify as EU Taxonomy-eligible. The main additions are the modernisation and reconstruction of repair facilities, including heating and track yards. Other significant additions are technical and technological equipment for workshops, halls and warehouses, including shunting equipment. From the point of view of the Taxonomy, additions to real estate are considered to be fully Taxonomy-aligned, as they serve to maintain the operable condition of the economic activity, lead to the reduction of greenhouse gases, and do not harm other environmental objectives. ZSSK CARGO plans to continue reducing the energy consumption of buildings in the future.

Of the Taxonomy-aligned capital expenditure, EUR 3,738 thousand (9.4% of the total capital expenditure, 99.1% of the additions in activity 3.19) meets the technical criteria for the assessment of a significant contribution to climate change mitigation (trains and wagons with zero direct CO2 exhaust emissions). When assessing the activity from the point of view of the “do no significant harm” principle, the impact on all environmental objectives was taken into account (see the assessment in the section – KPI related to turnover).

Non-Taxonomy-aligned capital expenditure (not environmentally sustainable) in the amount of EUR 33 thousand (0.1% of the total capital expenditure, 0.9% of the additions in activity 3.19) was defined according to volumes of goods carried by transport means used for the carriage of

fossil fuels and according to volumes of goods transported by diesel-electric MPUs. When allocating additions to those which are not Taxonomy-aligned, we used the proportion of services performed for internal and external purposes, as well as the proportion of these repair services on transport means (MPUs, freight wagons) used for the carriage of fossil fuels. When assessing the "do no significant harm" criteria in motor traction, the allocation is based on the proportion of repair services in motor traction to total repair services.

6.14. Infrastructure for rail transport

Of the total capital expenditure, additions in the amount of EUR 750 thousand (1.9% of the total capital expenditure) were allocated to economic activity 6.14 and qualify as EU Taxonomy-eligible. The expenditure was related to construction modifications in connection with the reconstruction of platforms. All capital expenditures meet the technical criteria and the "do no significant harm" criteria (see the assessment in the section – KPI related to turnover) and, therefore, qualify as Taxonomy-aligned and environmentally sustainable.

Of the total capital expenditure for 2025, EUR 3,305 thousand (8.3%) is considered non-Taxonomy-eligible.

For all the identified economic activities, of the capital expenditure for 2025, EUR 36,397 thousand (91.7%) is EU Taxonomy-eligible and EUR 29,082 thousand (73.3%) is EU Taxonomy-aligned and, therefore, also environmentally sustainable in terms of the assessment of a significant contribution to climate change mitigation as shown in the following table.

Table 4 – Capital expenditure-related KPI for the financial year 2025

Table 5 – Capital expenditure-related KPI for the financial year 2024

Table 6 Operating expenditure-related KPI for the financial year 2025

Economic activities	Code	Operating expenditure for 2025	Proportion of operating expenditure for 2025	Significant contribution criteri			
				Climate change mitigation	Climate change adaptation	Water	Environmental pollution
		in thou. of EUR	%	"Yes/No/ non-eligible"	"Yes/No/ non-eligible"	"Yes/No/ non-eligible"	"Yes/No/ non-eligible"
A. TAXONOMY-ELIGIBLE ACTIVITIES							
A.1 Environmentally sustainable activities (Taxonomy-aligned)							
Rail freight transport	6.2	14,270	53.8%	No	No	No	No
Manufacture of rail rolling stock constituents	3.19	1,532	5.8%	No	No	No	No
Infrastructure for rail transport	6.14	55	0.2%	No	No	No	No
Operating expenditure for environmentally sustainable activities (A.1)		**15,857**	**59.8%**	**59.8%**			
of which supporting		**15,857**	**59.8%**	**59.8%**			
of which transitional		**-**	**-**	**-**			
				eligible / non-eligible	eligible / non-eligible	eligible / non-eligible	eligible / non-eligible
A.2 Taxonomy-eligible activities but not environmentally sustainable (not aligned with the Taxonomy)							
Rail freight transport	6.2	8,706	32.9%	non-eligible	eligible	eligible	non-eligible
Manufacture of rail rolling stock constituents	3.19	1,441	5.4%	non-eligible	eligible	eligible	non-eligible
Infrastructure for rail transport	6.14	0	0.0%	non-eligible	eligible	eligible	eligible
Operating expenditure for Taxonomy-eligible activities but not environmentally sustainable (not aligned with the Taxonomy) (A.2)		**10,148**	**38.3%**	**0.0%**			
Total (A.1) + (A.2)		**26,005**	**98.1%**	**59.8%**			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES							
Operating expenditure for Taxonomy non-eligible activities (B)		**495**	**1.9%**				
Total (A) + (B)		**26,500**	**100.0%**				

3. KPI related to operating expenditure

For EU Taxonomy purposes, operating expenditure includes short-term rentals, repairs, maintenance and other direct costs associated with ensuring the continuous and efficient functioning of assets used in economic activities. Identified expenditures form a subset of the expenditures listed in Notes 5 and 6 to the financial statements.

The assignment of costs to individual economic activities is based on the same principle as for capital expenditures, i.e. relevant operating costs are linked to the operation of assets that are primarily used in the given economic activity. The total operating expenditure identified for Taxonomy purposes amounted to EUR 26,500 thousand in 2025. This value represents the denominator in the KPI calculation.

6.2. Rail freight transport

Of the total operating expenditure, an amount of EUR 22,976 thousand (86.7%) was allocated to economic activity 6.2 and qualifies as EU Taxonomy-eligible. The operating expenditure includes the primary costs of maintaining the operable condition of MPUs and freight wagons, i.e. selected material consumption (excluding liquids) for routine maintenance performed internally, personnel costs of employees performing routine maintenance, cleaning, purchased repairs and maintenance of rolling stock and short-term rentals.

Of the Taxonomy-aligned operating expenditure, EUR 14,270 thousand (53.8%) of the total operating expenditure (62.1% of the expenditure for activity 6.2) meets the technical criteria for the assessment of a significant contribution to climate change mitigation. With respect to the given activity, the company assessed the technical criteria set out in the Climate Delegated Regulation, where trains and wagons meet the conditions of zero direct CO2 exhaust emissions in freight transport carried out by electric traction.

The same allocation principle as for capital expenditure

a		Criteria related to “do no significant harm” principle							
Circular economy	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Environmental pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of operating expenditure aligned with the 2024 Taxonomy**
"Yes/No/ non-eligible"	"Yes/No/ non-eligible"	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%
No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	59.1%
No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	6.2%
No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.1%
									65.4%
eligible / non-eligible	eligible / non-eligible								
eligible	eligible								
eligible	eligible								
eligible	eligible								
									32.7%
									98.1%

Table 7 Operating expenditure-related KPI for the financial year 2024

Economic activities	Code	Operating expenditure for 2024	Proportion of operating expenditure for 2024	Significant contribution criteri: Climate change mitigation	Climate change adaptation	Water	Environmental pollution
		in thou. of EUR	%	"Yes/No/ non-eligible"	"Yes/No/ non-eligible"	"Yes/No/ non-eligible"	"Yes/No/ non-eligible"
A. TAXONOMY-ELIGIBLE ACTIVITIES							
A.1 Environmentally sustainable activities (Taxonomy-aligned)							
Rail freight transport	6.2	16,362	59.1%	No	No	No	No
Manufacture of rail rolling stock constituents	3.19	1,705	6.2%	No	No	No	No
Infrastructure for rail transport	6.14	37	0.1%	No	No	No	No
Operating expenditure for environmentally sustainable activities (A.1)		**18,104**	**65.4%**	**65.4%**			
of which supporting		**18,104**	**65.4%**	**65.4%**			
of which transitional		**-**	**-**	**-**			
				eligible / non-eligible	eligible / non-eligible	eligible / non-eligible	eligible / non-eligible
A.2 Taxonomy-eligible activities but not environmentally sustainable (not aligned with the Taxonomy)							
Rail freight transport	6.2	8,009	28.9%	non-eligible	eligible	eligible	non-eligible
Manufacture of rail rolling stock constituents	3.19	1,047	3.8%	non-eligible	eligible	eligible	non-eligible
Infrastructure for rail transport	6.14	0	0.0%	non-eligible	eligible	eligible	eligible
Operating expenditure for Taxonomy-eligible activities but not environmentally sustainable (not aligned with the Taxonomy) (A.2)		**9,056**	**32.7%**	**0.0%**			
Total (A.1) + (A.2)		**27,160**	**98.1%**	**65.4%**			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES							
Operating expenditure for Taxonomy non-eligible activities (B)		**527**	**1.9%**				
Total (A) + (B)		**27,687**	**100.0%**				

was used to determine the amount of environmentally non-compliant operating expenditure when taking into account the technical criteria for the assessment of a significant contribution to climate change mitigation. When assessing the activity from the point of view of the "do no significant harm" principle, the impact on all environmental objectives was taken into account (see the assessment in the section – KPI related to turnover).

The allocation to environmentally unsustainable expenditure was carried out according to the achieved net tonne-kilometres of transportation of fossil fuels in proportion to the total transport volume, and in the case of expenditure tied to diesel-electric MPUs, the proportion was calculated on the basis of the total transport services performed (according to "loco" kilometres). The amount of environmentally unsustainable operating expenditure reached EUR 8,706 thousand (32.9% of the total operating expenditure, 37.9% of the expenditure for activity 6.2).

3.19. Manufacture of rail rolling stock constituents

In the framework of activity 3.19, operating expenditure primarily represents the costs of repairs, maintenance and cleaning of buildings and tracks in repair compounds, material consumption and personnel costs for internal repairs of property and equipment, including revision activities. Of the total operating expenditure, EUR 2,973 thousand was allocated to activity 3.19 (11.2%) and qualifies as eligible.

Out of this amount, EUR 1,532 thousand (5.8% of the total operating expenditure; 51.5% of the expenditure for activity 3.19.) is EU Taxonomy-aligned as it meets the technical criteria and the "do no significant harm" criteria. When assessing the activity from the point of view of the "do no significant harm" principle, the impact on all environmental objectives was taken into account (see the assessment in the section – KPI related to turnover).

Similar to capital expenditure, the allocation was made on

a		Criteria related to “do no significant harm” principle							
Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of operating expenditure aligned with the 2023 Taxonomy
"Yes/No/ non-eligible"	"Yes/No/ non-eligible"	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%
No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	59.8%
No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	6.1%
No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.2%
									66.0%
eligible / non-eligible	eligible / non-eligible								
eligible	eligible								
eligible	eligible								
eligible	eligible								
									32.4%
									98.4%

the basis of the breakdown of repair services for external customers and the internal customer ZSSK CARGO, with consideration being additionally given to the proportion of repairs made to rolling stock used for the carriage of fossil fuels and the proportion of repairs made to motor traction MPUs (allocation according to the proportion of repairs to the respective MPUs and freight wagons to the total repairs or according to the achieved revenues from repairs). Eligible but environmentally unsustainable operating expenditure amounted to EUR 1,441 thousand (5.4% of the total operating expenditure, 48.5% of the expenditure for activity 3.19).

6.14. Infrastructure for rail transport

Of the total operating expenditure, an amount of EUR 55 thousand (0.2%) was allocated to economic activity 6.14 and qualifies as eligible and aligned with the EU Taxonomy. The expenditure primarily includes the costs of terminal maintenance and repairs, material consumption and personnel costs for routine maintenance of emergency aid equipment performed internally.

The same method as for capital expenditure was used to determine the amount of environmentally non-compliant operating expenditure when taking into account the technical criteria for the assessment of a significant contribution to climate change mitigation. When assessing the activity from the point of view of the “do no significant harm” principle, the impact on all environmental objectives was taken into account (see the assessment in the section – KPI related to turnover).

Of the total operating expenditure for 2025, EUR 495 thousand (1.9%) is considered Taxonomy non-eligible.

Table 6 – Operating expenditure-related KPI for the financial year 2025

Table 7 – Operating expenditure-related KPI for the financial year 2024

Table 8 Summary of KPIs with environmental objectives for the financial year 2025

Proportion of turnover to total turnover	Taxonomy-aligned by objective	Taxonomy-eligible by objective
Climate change mitigation	67.8%	99.1%
Climate change adaptation	-	-
Water	-	-
Environmental pollution	-	-
Circular economy	-	-
Biodiversity	-	-

Proportion of capital expenditure to total capital expenditure	Taxonomy-aligned by objective	Taxonomy-eligible by objective
Climate change mitigation	73.3%	91.7%
Climate change adaptation	-	-
Water	-	-
Environmental pollution	-	-
Circular economy	-	-
Biodiversity	-	-

Proportion of operating expenditure to total operating expenditure	Taxonomy-aligned by objective	Taxonomy-eligible by objective
Climate change mitigation	59.8%	98.1%
Climate change adaptation	-	-
Water	-	-
Environmental pollution	-	-
Circular economy	-	-
Biodiversity	-	-

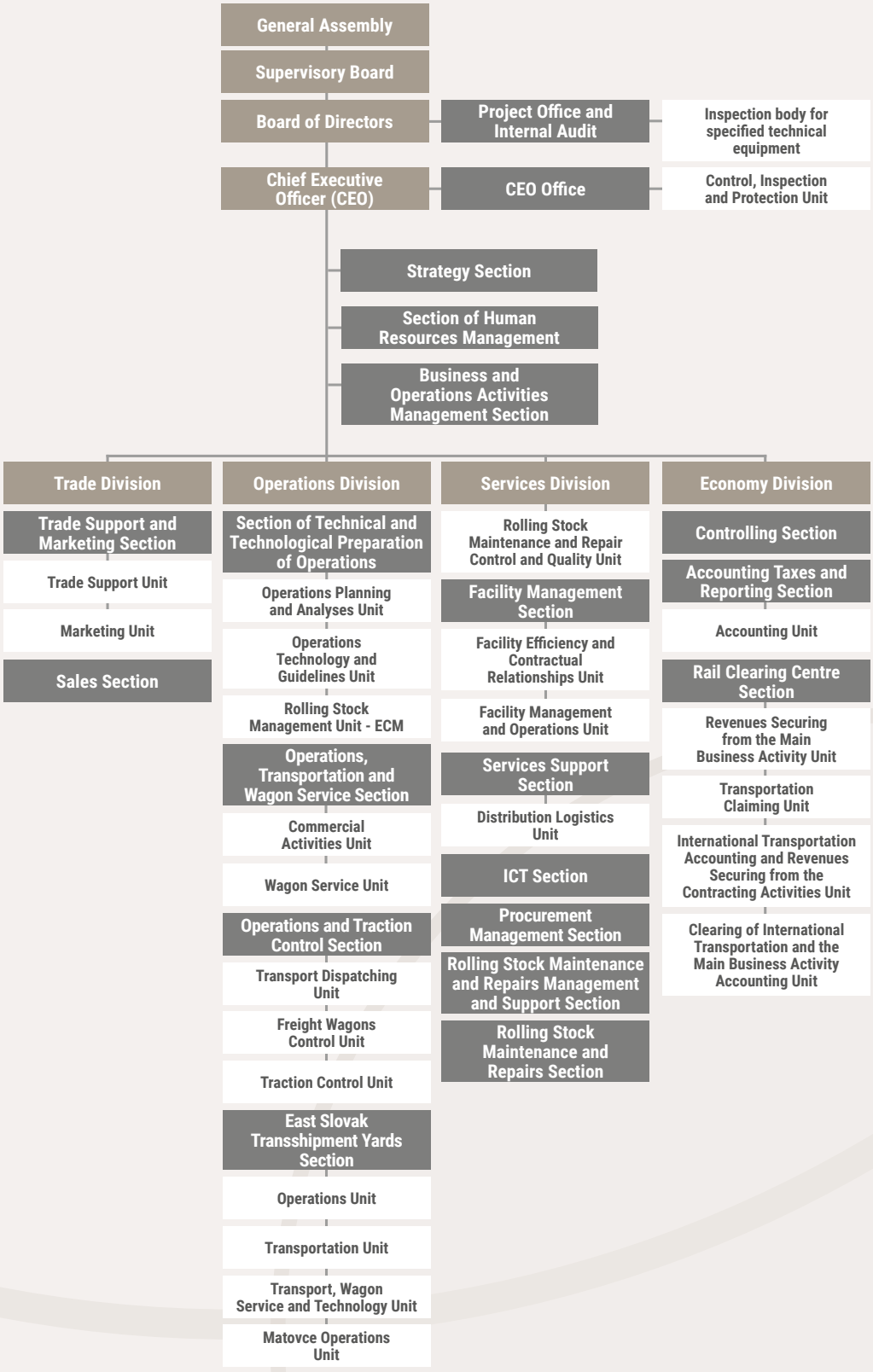
Table 9 Summary of KPIs with environmental objectives for the financial year 2024

Proportion of turnover to total turnover	Taxonomy-aligned by objective	Taxonomy-eligible by objective
Climate change mitigation	68.6 %	98.6 %
Climate change adaptation	-	-
Water	-	-
Environmental pollution	-	-
Circular economy	-	-
Biodiversity	-	-

Proportion of capital expenditure to total capital expenditure	Taxonomy-aligned by objective	Taxonomy-eligible by objective
Climate change mitigation	90.4 %	96.8 %
Climate change adaptation	-	-
Water	-	-
Environmental pollution	-	-
Circular economy	-	-
Biodiversity	-	-

Proportion of operating expenditure to total operating expenditure	Taxonomy-aligned by objective	Taxonomy-eligible by objective
Climate change mitigation	65.4 %	98.1 %
Climate change adaptation	-	-
Water	-	-
Environmental pollution	-	-
Circular economy	-	-
Biodiversity	-	-

ORGANISATIONAL STRUCTURE AS AT 31 DECEMBER 2025





SEPARATE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRS ACCOUNTING STANDARDS (INTERNATIONAL FINANCIAL REPORTING STANDARDS) AS ADOPTED BY THE EUROPEAN UNION AND INDEPENDENT AUDITOR'S REPORT

YEAR ENDED 31 DECEMBER 2025

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Independent Auditor's Report

To the Shareholder, Supervisory Board and Board of Directors of Železničná spoločnosť Cargo Slovakia, a.s.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Železničná spoločnosť Cargo Slovakia, a.s. (the Company), which comprise the statement of financial position as at 31 December 2025, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards (International Financial Reporting Standards) as adopted by the European union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) as adopted by the Slovak Chamber of Auditors (Code of Ethics for Auditors), including the ethical requirements of the Act No. 423/2015 on Statutory Audit and on the amendments and supplements to the Act on Accounting No. 431/2002, as amended (Act on Statutory Audit), that are relevant to our audits of the financial statements in the Slovak republic. We have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Auditors and the ethical requirements of the Act on Statutory Audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter
We draw attention to Note 22 Provisions to the financial statements. The Company recorded provisions of EUR 12,531 thousand as at 31 December 2025 (EUR 14,988 thousand as at 31 December 2024) for the remediation of environmental burdens. Estimates of the future costs relating to environmental burdens are sensitive to changes of laws and regulatory requirements on the environment field, methods, timing and extent of corrective action. Any changes in these parameters could materially affect the carrying amount of the provision, and related costs could have a significant impact on the Company's financial results in future accounting periods.

Our opinion is not modified in respect of this matter.

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Spoločnosť zo skupiny Ernst & Young Global Limited
Ernst & Young Slovakia, spol. s r.o., IČO: 35 840 463, zapísaná v Obchodnom registri Mestského súdu Bratislava III, oddiel: Sro, vložka číslo: 27004/B a v zozname audítorov vedenom Slovenskou komorou audítorov pod č. 257.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS accounting standards (International Financial Reporting Standards) as adopted by the European union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Report on Information Disclosed in the Annual Report

Management is responsible for the information disclosed in the annual report, prepared based on requirements of the Act on Accounting No 431/2002 Coll., as amended by later legislation ("the Act on Accounting"). Our opinion on the financial statements expressed above does not apply to other information contained in the annual report.

In connection with audit of the financial statements it is our responsibility to understand the information disclosed in the annual report and to consider whether such information is not materially inconsistent with audited financial statements or our knowledge about the Company and its situation obtained in the audit of the financial statements, or otherwise appears to be materially misstated.

We considered whether the Company's annual report contains information, disclosure of which is required by the Act on Accounting.

Based on procedures performed during the audit of financial statements, in our opinion:

- Information disclosed in the annual report prepared for 2025 is consistent with the financial statements for the relevant year,
- The annual report contains information based on the Act on Accounting.

Additionally, based on our understanding of the Company and its situation, obtained in the audit of the financial statements, we are required to disclose whether material misstatements were identified in the annual report, which we received prior to the date of issue of this auditor's report. In this regard, there are no findings which we should disclose.

28 April 2026
Bratislava, Slovak Republic

Ernst & Young Slovakia, spol. s r.o.
SKAU Licence No. 257



Ing. Tomáš Baláž, statutory auditor
UDVA Licence No. 1265

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

In thousands of EUR	Note	31 December 2025	31 December 2024 (restated)
Revenues			
Transportation and related revenues	3	236,534	263,617
Other revenues	4	17,145	19,035
		253,679	**282,652**
Costs and expenses			
Consumables and services	5	(104,095)	(115,713)
Staff costs	6	(101,373)	(99,228)
Depreciation, amortisation and impairment of property, plant	12, 13, 14	(74,376)	(73,017)
Other operating revenues (expenses), net	7	6,076	3,807
		(273,768)	**(284,151)**
Finance costs			
Interest expense	8	(11,708)	(11,025)
Other finance revenues (costs), net	9	(35)	11
Share of profit (loss) of joint ventures and associates	9	2,788	4,531
		(8,955)	**(6,483)**
Profit (Loss) before tax		**(29,044)**	**(7,982)**
Income tax	11	(51)	(67)
Profit (Loss) for the period		**(29,096)**	**(8,049)**
Components of other comprehensive income that will not be subsequently reclassified to profit or loss:			
Actuarial gains (losses) from defined benefit pension plans		992	96
Other comprehensive income for the period		**992**	**96**
Total comprehensive income for the period		**(28,103)**	**(7,953)**

The accounting policies and notes form an integral part of the financial statements.

Approved by Ing. Jaroslav Daniška and Ing. Miroslav Hopta on behalf of the Board of Directors on 28 April 2026.

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED AS AT 31 DECEMBER 2025

In thousands of EUR	NOTE	31 December 2025	31 December 2024 (restated)	1 January 2024 (restated)
ASSETS				
Non-current assets				
Property, plant and equipment	13	223,372	214,400	186,251
Intangible assets	12	6,377	6,740	7,415
Right-of-use assets	14	174,595	221,899	248,771
Investment in joint ventures and associates	15	27,876	28,062	28,165
Investment in subsidiaries	15	43	44	46
Other non-current assets	10	450	43	107
		432,713	**471,188**	**470,755**
Current assets				
Inventories	16	10,572	11,059	12,282
Trade and other receivables	17	41,209	41,559	53,079
Cash and cash equivalents	18	76	102	3,093
		51,857	**52,720**	**68,454**
TOTAL ASSETS		**484,570**	**523,908**	**539,209**
EQUITY AND LIABILITIES				
Shareholder's equity				
Share capital	19	414,958	414,958	401,646
Legal reserve fund	19	778	778	730
Other funds	19	1,228	1,228	1,228
Accumulated losses	19	(332,730)	(304,627)	(296,624)
Total equity		**84,234**	**112,337**	**106,980**
Non-current liabilities				
Interest-bearing loans and borrowings	20	55,385	41,877	25,275
Employee benefits	21	6,819	7,685	8,798
Provisions	22	17,783	22,812	24,844
Lease liabilities	24	141,007	185,127	209,277
Other non-current liabilities	23	96	218	217
		221,090	**257,719**	**268,411**
Current liabilities				
Interest-bearing loans and borrowings	20	85,681	58,645	62,748
Employee benefits	21	819	983	852
Provisions	22	2,619	2,780	2,023
Trade and other payables	23	48,333	49,475	55,463
Lease liabilities	24	41,794	41,969	42,732
		179,246	**153,852**	**163,818**
Total liabilities		**400,336**	**411,571**	**432,229**
TOTAL EQUITY AND LIABILITIES		**484,570**	**523,908**	**539,209**

The accounting policies and notes form an integral part of the financial statements.

Approved by Ing. Jaroslav Daniška and Ing. Miroslav Hopta on behalf of the Board of Directors on 28 April 2026.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED AS AT 31 DECEMBER 2025

In thousands of EUR	Share capital	Legal reserve fund	Other funds	Accumulated losses	Total
At 1 January 2024 (restated)	**401,646**	**730**	**1,228**	**(296,624)**	**106,980**
Profit (Loss) for the period	-	-	-	(8,049)	(8,049)
Other comprehensive income	-	-	-	96	96
Total comprehensive income	-	-	-	(7,953)	(7,953)
Share capital increase	13,312	-	-	-	13,312
Revaluation of investments in subsidiaries	-	-	-	(2)	(2)
Legal reserve fund	-	48	-	(48)	-
At 31 December 2024 (restated)	**414,958**	**778**	**1,228**	**(304,627)**	**112,337**
Profit (Loss) for the period	-	-	-	(29,096)	(29,096)
Other comprehensive income	-	-	-	992	992
Total comprehensive income	-	-	-	(28,103)	(28,103)
Revaluation of investments in subsidiaries	-	-	-	(1)	(1)
At 31 December 2025	**414,958**	**778**	**1,228**	**(332,730)**	**84,234**

As at 17 December 2024, the Company increased its share capital by subscribing new shares in the amount of EUR 13,311,785.00 based on the decision of the sole shareholder dated 17 December 2024, in the form of notarial deed No. N575/2024, NZ 60930/2024, NCRIs 61940/2024. This increase in share capital was realized in the form of a non-monetary contribution. The subject of the contribution were buildings and land. The increase was registered into the Commercial Register only after the date for which the financial statements are prepared, with an update date of 18 February 2025.

The accounting policies and notes form an integral part of the financial statements.

Approved by Ing. Jaroslav Daniška and Ing. Miroslav Hopta on behalf of the Board of Directors on 28 April 2026.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED AS AT 31 DECEMBER 2025

In thousands of EUR	Note	31 December 2025	31 December 2024 (restated)
Cash flows from operating activities:			
Profit (Loss) before tax		(29,044)	(7,982)
Adjustments for:			
Non-cash items			
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		74,361	73,017
Gain on sale of property, plant and equipment	12, 13, 14	(2,142)	(2,897)
Allowance of receivables and inventories	16, 17	(647)	356
Interest expense	8	11,708	11,025
Interest income and shares of profits	15	(2,975)	(4,634)
Movements in provisions and employee benefits	21, 22	(5,524)	(2,498)
Change in share of profit (loss) of subsidiaries, joint venture and associate		187	103
		45,924	**66,490**
Working capital changes:			
Decrease (Increase) in inventories		843	1,110
Decrease (Increase) in trade and other receivables		234	11,341
Increase (Decrease) in trade and other payables		(1,265)	(5,991)
Cash flows from operating activities		**45,736**	**72,950**
Income tax paid	11	(51)	(78)
Net cash flows from operating activities		**45,685**	**72,872**
Cash flows from investing activities:			
Purchase of property, plant and equipment	12, 13	(38,183)	(40,843)
Proceeds from sale of property, plant and equipment		2,243	2,924
Dividends received	15	2,975	4,634
Net cash flows from investing activities		**(32,965)**	**(33,285)**
Cash flows from financing activities:			
Proceeds from loans and borrowings	20	47,911	35,884
Repayment of loans and borrowings	20	(9,923)	(18,710)
Interest paid	8	(4,093)	(4,439)
Payments of lease liabilities	24	(49,197)	(50,638)
Net cash flows from financing activities		**(15,302)**	**(37,903)**
Net (decrease) increase in cash and cash equivalents		(2,582)	1,684
Cash and cash equivalents at 1 January	18	(20,051)	(21,735)
Cash and cash equivalents at 31 December	18	**(22,633)**	**(20,051)**

The accounting policies and notes form an integral part of the financial statements.

Approved by Ing. Jaroslav Daniška and Ing. Miroslav Hopta on behalf of the Board of Directors on 28 April 2026.

1.GENERAL INFORMATION

Information on Reporting entity

Železničná spoločnosť Cargo Slovakia, a.s. ("ZSSK CARGO" or "the Company"), a joint stock company registered in the Slovak Republic, was founded on 1 January 2005 as one of two successor companies to Železničná spoločnosť, a.s. ("ŽS"). ZSSK CARGO was incorporated within the Commercial Register of the Municipal Court Bratislava III, Section Sa, Insert No. 3496/B at the date of its establishment, Company ID 35 914 921, Tax Identification Number 20 219 200 65.

The Slovak Republic is the sole shareholder of the Company through the Ministry of Transport of the Slovak Republic ("MT") with its registered office on Námestie slobody 6, 811 05 Bratislava.

ZSSK CARGO will prepare and issue consolidated financial statements for the year end 31 December 2025. Those consolidated financial statements are issued separately and are not annexed to those separate financial statements of the Company. For a better understanding of the consolidated financial position of the Company and its financial results, it is necessary to study the consolidated financial statements for the year ended 31 December 2025.

The Company is not an unlimited liability partner in any other company.

The Company's predecessor, ŽS, was founded on 1 January 2002 through the demerger of Železnice Slovenskej Republiky ("ŽSR") and assumed responsibility for the provision of freight and passenger rail transport and traffic services within Slovakia, while ŽSR retained responsibility for the operation of the traffic routes. ŽS was dissolved without liquidation effective 31 December 2004 and replaced, following a second demerger, by two newly established successor companies: Železničná spoločnosť Slovensko, a.s. ("ZSSK") for passenger transportation and traffic services and ZSSK CARGO for freight transportation and traffic services.

Principal activities

ZSSK CARGO's main business is the provision of freight transportation and related services. Additionally, the Company rents properties and provides repair and maintenance, cleaning and other support services to ZSSK and other external customers. The Company is organized and managed as a single business unit and is viewed as a single operating unit by the Board of Directors for the purposes of resource allocation and assessing performance.

The registered office of ZSSK CARGO

Tomášikova 28B
821 01 Bratislava – city district Ružinov
Slovakia
These separate financial statements are filed at the Company's registered address and at the Commercial Register of the Municipal Court Bratislava III, Medená 22, 811 02 Bratislava, Slovakia.

2.1 BASIS OF PREPARATION AND MEASUREMENT

These separate financial statements were approved and authorized for issue by the Board of Directors on 28 April 2026. The General Meeting held on 30 June 2025 approved the Company's financial statements for the previous accounting period.

These financial statements constitute the statutory accounts of ZSSK CARGO, prepared in accordance with Article 17a (6) of Slovak Act No. 431/2002 Coll. on Accounting for the accounting period from 1 January 2025 to 31 December 2025.

The financial statements were prepared using the going concern assumption that the Company will continue its operations for the foreseeable future.

The Government of the Slovak Republic approved the resolution No. 390/2013 on 10 July 2013 which sets measures to consolidate rail freight transport and its implementation should allow an economic consolidation and further development of the Company. The measures compensate a late introduction of a new regulatory framework for rail freight companies in the form of reduced fees for the use of railway infrastructure in the years 2014-2016 and also allow the Company to establish three subsidiaries in the sector of management of wagons, intermodal transport and repair and maintenance of locomotives and wagons and subsequently allow qualified and reputable partners to enter into those subsidiaries.

The Company established two subsidiaries Cargo Wagon, a.s. and ZSSK CARGO Intermodal, a.s. in 2013. The Company signed a sale and purchase of shares contract with AAE Wagon a. s. (member of VTG/AAE Group), the winner of the international tender on 5 March 2015. According to the contract, AAE Wagon a. s. acquired 66% of share capital of Cargo Wagon, a.s. A shareholders' agreement governing relations between both shareholders AAE and ZSSK CARGO has been also signed.

After an approval from Antimonopoly authorities, registering transfer of shares and the fulfillment of other conditional clauses the final transaction documents were signed in May 2015 – Agreement on transfer of movable assets for consideration and subsequent lease back of means of transport (Agreement on sale of 12,342 railway carriages and lease back of 8,216 railway carriages) and Bank loan agreement between financing banks and Cargo Wagon, a.s. used to finance the purchase of railway carriages. The whole transaction was completed on 10 July 2015, when ZSSK CARGO received a payment for the sale of carriages in amount of EUR 216.6 million (incl. VAT) which was used to decrease the Company ´s debt. The Company began to lease a significant part of its freight wagons. The purpose of establishing of the two companies is to decrease the Company's debt as well as gradual achieving of balanced economic results in the mid-term, while at the same time implementing further internal measures to increase productivity and effectivity of internal processes. In 2021, an amendment to lease agreement No. 11 was signed with Cargo Wagon, a.s. to adjust the number and extend the lease of railway wagons until 2029 under favorable conditions compared to the original contract.

Regarding ZSSK CARGO Intermodal, a.s. the Company has closed an international tender without selecting a qualified partner in 2015. The Company will support activities of intermodal transportation within ZSSK CARGO and the future of ZSSK CARGO Intermodal, a.s. will be determined in near period.

The successful future rail freight transport consolidation, with an aim of achieving balanced results in the mid-term while continuing to implement internal measures, which should increase the productivity and effectivity of internal processes, considering a decreasing transport and increasing competition, will depend on additional supporting measures and a new regulatory framework for rail freight transporters and fees set for usage of rail infrastructure after year 2025. In 2026, with outlook for 2027-2028, the support for rail freight transport in Slovakia continues in form of reduced network fees.

The company Depo Services, a. s., which is to provide maintenance and repair activities was registered in the Commercial Register as at 18 January 2023. The contribution of part of the Company to the 100% subsidiary, necessary for the launch of operations had not been made and is not expected in the near future as at 31 December 2025.

The financial statements and accompanying notes are presented in thousands of EUR.

The Company's financial year is the same as calendar year.

Statement of compliance

These financial statements have been prepared in accordance with IFRS accounting standards (International Financial Reporting Standards) as adopted by the European Union. IFRS accounting standards comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

At this time, due to the endorsement process of the European Union and the nature of the Company's activities, there is no difference between the IFRS policies applied by the Company and IFRS accounting standards (International Financial Reporting Standards) as adopted by the European Union.

Military conflict in Ukraine

In February 2022, a military conflict broke out in Ukraine, which is still ongoing at the time of compiling the financial statements. In connection with this, business in Ukraine and Russia was affected, among others, either as a result of the war or as a result of economic sanctions. At the same time, there was an unforeseen increase in the market prices of raw materials, fuels and energy and increased volatility of currency rates. It is difficult to estimate the further development of market prices and key macroeconomic indicators. The Company has analysed the possible impact of changing micro and macroeconomic conditions on the Company's performance, financial situation and operations and has not identified any uncertainty related to going concern.

Current economic situation

The current economic situation is reflected by a decrease in performance in many industrial sectors in Slovakia and also in Europe, which is reflected in the decrease Company's economy.

The Company is taking mitigation measures, whether on the costs or revenues side, which should significantly eliminate the negative impacts on Company's economy in the short to medium term.

The Company has also analysed the possible impact of the current economic situation on the performance, financial situation and activities of the Company and has not identified any uncertainty regarding the continued continuation of its activities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Issued standards, interpretations and amendments to standards that the Company applied for the first time in 2025:

- IAS 21 The Effects of Changes in Foreign Exchange Rates: Amendment related to lack of exchangeability (effective for annual reporting periods beginning on or after 1 January 2025). This amendment does not have a significant impact on the Company's financial statements.

Issued standards, interpretations and amendments to standards that were issued and that are not yet effective as at 31 December 2025:

- IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Amendments related to the classification and measurement of financial instruments (effective for annual reporting periods beginning on or after 1 January 2026). These amendments do not have a significant impact on the Company's financial statements.
- IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Amendments related to contracts referencing nature-dependent electricity (effective for annual reporting periods beginning on or after 1 January 2026). These amendments do not have a significant impact on the Company's financial statements.
- Annual Improvements to IFRS Accounting Standards – Volume 11: These amendments do not have a significant impact on the Company's financial statements.

The Company has not opted for early adoption of any standard, interpretation or amendment that has been published but has not yet entered into force. The Company is currently assessing the impact of the above standards on its financial statements.

Issued standards, interpretations and amendments to standards that have not yet been endorsed by the European Union as at 31 December 2025 and are not yet effective:

- IFRS 18 Presentation and Disclosure in Financial Statements: Amendment related to changes in the disclosure of income, expenses and management-defined performance measures (effective for annual reporting periods beginning on or after 1 January 2027).
- IFRS 19 Subsidiaries without Public Accountability: Disclosures: Amendment related to changes in mandatory disclosure requirements for subsidiaries without public accountability (effective for annual reporting periods beginning on or after 1 January 2027).
- IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency: Amendment related to translation into a hyperinflationary presentation currency (effective for annual reporting periods beginning on or after 1 January 2027).
- Amendments in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Amendment related to sale or contribution of assets between an investor and its associate or joint venture (the IASB has indefinitely postponed the effective date pending completion of its research project on the equity method).

The effective dates above have been set in standards published by the IASB. The actual dates of adoption of these standards in the EU may differ from the dates set out in the standards and will be notified as soon as they are approved for application in the EU.

2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Critical judgments in applying accounting policies

In the process of applying accounting policies, management has made certain judgments that have a significant effect on the amounts recognised in the financial statements (apart from those involving estimates, which are dealt with below). These are detailed in the respective notes, however the most significant judgments relate to the following:

Environmental matters

Existing regulations, especially environmental legislation, do not specify the extent of remediation work required or the technology to be applied in resolving environmental damage. Management uses the work of specialists, its previous experience and its own interpretations of the relevant regulations in determining the need for environmental provisions.

Sources of estimate uncertainty

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the amounts reported in the financial statements and the notes thereto. Although these estimates are based on management's best knowledge of current events, actual results may differ from these estimates. These issues are detailed in the respective notes, however, the most significant estimates comprise the following:

Legal cases

The Company is party to a number of legal proceedings arising in the ordinary course of business. Management uses the work of specialists and its previous experience of similar actions in making an assessment of the most likely outcome of these actions and of the need for legal provisions.

Quantification and timing of environmental liabilities

Management makes estimations as to the future cash outflows associated with environmental liabilities using comparative prices, analogies to previous similar work and other assumptions. Furthermore, the timing of these cash outflows reflects management's current assessment of priorities, technical capabilities and the urgency of such obligations. The estimates made and the assumptions upon which these estimates are made are reviewed at each balance sheet date.

Impairment of property, plant and equipment

The Company determines at each reporting date whether there is an indication that items of property, plant and equipment are impaired. Where such indications exist, the Company makes an estimate as to the recoverable amount of the assets concerned or of the cash-generating unit to which the assets are allocated. In determining value-in-use the Company is required to make an estimate of expected future cash flows and to choose a suitable discount rate in order to calculate the present value of those cash flows, while net selling price is determined by reference to market developments in Slovakia and other central European countries.

Actuarial estimates applied for calculation of retirement benefit obligations

The cost of defined benefit plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality or fluctuation rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Depreciable useful lives and residual values of property, plant and equipment

Management assigns depreciable lives and residual values to items of property, plant and equipment by reference to the organisation's latest strategic objectives. Management determines at each reporting date whether the assumptions applied in making such assignations continue to be appropriate.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Functional and presentation currency

These separate financial statements are presented in euro, which is the Company's functional currency.
Foreign currency transactions are translated into EUR using the reference foreign exchange rate pertaining in the day preceding the transaction, as determined and published by the European Central Bank or the National Bank of Slovakia. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction.

Property, plant and equipment

Property, plant and equipment is measured at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. When parts of an item of property, plant and equipment need to be regularly replaced, they are accounted for as separate items (major components) of property, plant and equipment with a specific useful life and depreciation. Also, general overhaul repairs are measured at cost, if measurement criteria are met.

Ongoing repairs, maintenance and minor renewals are expensed as incurred. Depreciation is calculated on a straight-line basis over the useful life of an asset (8-50 years for buildings, 3-40 years for machines, equipment and other assets). Land is not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss in the year the asset is derecognised.

When items of property, plant and equipment meets the criteria to be classified as held for sale, they are measured at the lower of their carrying amount and fair value less costs to sell.

The Company measures an item of property, plant and equipment that ceases to be classified as held for sale at the lower of:

a) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation and amortisation that would have been recognised had the asset not been classified as held for sale, and

b) its recoverable amount at the date of the subsequent decision not to sell.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed and adjusted, if appropriate, at each financial year end.

Intangible assets

Intangible assets are measured at cost, less accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated on a straight-line basis over the useful life of the assets (3-8 years).

Intangible assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit and loss in the year the asset is derecognised.

The residual values, useful lives and amortisation methods of intangible assets are reviewed and adjusted, if appropriate, at each financial year end.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the statement of comprehensive income within depreciation, amortisation and impairment of property, plant and equipment and intangible assets.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost includes the purchase price of inventory and exp enses related to the acquisition of inventory (including transportation costs, insurance and customs duties) and are accounted for using the weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Allowances for old, obsolete and slow-moving items are booked to reduce the carrying value of these items to net realisable value.

Joint venture, associate and subsidiaries

In 2025, the company Železničná spoločnosť Cargo Slovakia, a.s. changed its accounting policy for the reporting of investment s in the joint venture Cargo Wagon, a.s., the associate BULK TRANSSHIPMENT SLOVAKIA, a. s., and in its subsidiaries.

Until 31 December 2024, these investments were reported at cost. The acquisition cost of securities and shares is defined as the price paid to acquire ownership of the shares or interests.

Starting from 1 January 2025, the Company reports its investments in the joint venture and associate using the equity method in accordance with IAS 28, and its investments in subsidiaries in accordance with IAS 27.

The change in accounting policy was applied retrospectively in accordance with IAS 8 and IAS 1, paragraph 40A.

The Company's management believes that the application of the equity method provides more reliable and relevant information regarding the Company's financial position and performance, as it better reflects the economic substance of the investments i n associates.

The impact of the change in accounting policy on the Company's financial statements is presented in the following tables.

In thousands of EUR	Cargo Wagon, a.s.	BULK TRANSSHIPMENT SLOVAKIA, a. s.	Total
Carrying amount of investment (at cost)	3,403	6,660	10,063
Share of net assets	17,558	10,493	28,051
Investment value adjustment	14,156	3,833	17,988
Carrying amount of investment after policy change (equity method)	**17,558**	**10,493**	**28,051**

The above adjustment was recognized against retained earnings as of 1 January 2025.

Movements in investments during 2025 are as follows:

In thousands of EUR	Cargo Wagon, a.s.	BULK TRANSSHIPMENT SLOVAKIA, a. s.	Total
At 1 January 2025	17,558	10,493	28,051
Share of profit (loss)	2,664	125	2,789
Dividends received	(2,975)	-	(2,975)
At 31 December 2025	**17,247**	**10,618**	**27,865**

The impact on the statement of financial position as of 31 December 2025 is as follows:

In thousands of EUR	Previously reported	Adjustment	As restated
Investments in joint ventures and associates	10,063	17,803	27,865
Accumulated losses	(350,520)	17,791	(332,730)

The impact on the statement of profit or loss for the year 2025 is as follows:

In thousands of EUR	Previously reported	Adjustment	As restated
Other financial income (expenses), net	2,940	(2,975)	(35)
Share of profit (loss) of joint ventures and associates	-	2,788	2,788
Profit before tax	(28,857)	(187)	(29,044)
Net profit for the period	(28,909)	(187)	(29,096)

Dividend income from the joint venture and associate, previously recognized in profit or loss, is reported as a reduction in the carrying amount of the investment following the application of the equity method.

Financial assets

Initial recognition and classification of financial assets

A financial asset is recognised in the statement of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument. Financial assets within the scope of IFRS 9 - Financial Instruments are classified as financial assets subsequently measured at amortised cost, financial assets measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss, depending on the Company´s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets. Financial assets can be designated as hedging instruments in an effective hedging relationship, as appropriate.

The Company determines the classification of its financial assets at initial recognition.

The Company accounts for contracts to buy or sell non-financial items that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, in line with IFRS 9 - Financial Instruments. Contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are outside the scope of this standard.

Except for trade receivables, at initial recognition, the Company measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs of financial asset carried at fair value through profit or loss are expensed in profit or loss. At initial recognition, the Company measures trade receivables that do not contain a significant financing component at their transaction price.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and short-term deposits, trade and other receivables, quoted and unquoted financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification at initial recognition as follows:

- Financial assets measured at amortised cost

A financial asset is classified as measured at amortised cost if the objective of the Company is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest rate method ("EIR"), less impairment. Amortised cost is calculated by taking into account the fees paid or received between the contractual parties that are an integral part of the EIR, transaction costs and all other premiums and discounts. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement. This category includes cash and cash equivalents, trade and other receivables and other current and non-current assets.

- Financial assets measured at fair value through other comprehensive income

A financial asset is classified as measured at fair value through other comprehensive income if the Company´s business model objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When

the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. This category includes equity securities which are not held for trading.

- Financial assets measured at fair value through profit or loss

Financial assets that do not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

Financial assets measured at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

After the initial recognition, financial assets at fair value through profit or loss are carried in the balance sheet at fair value with changes in fair value recognised in the income statement.

Impairment of financial assets

The Company considered a loss allowance for expected credit losses on a financial asset that is measured at amortised cost or at fair value through other comprehensive income, a lease receivable, a contract asset, a loan commitment or a financial guarantee contract to which the impairment requirements apply in accordance with IFRS 9 - Financial Instruments.

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. For trade and lease receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised since initial recognition of the receivables.

For all financial assets other than trade receivables and lease receivables, the Company applies the general approach under IFRS 9, based on the assessment of a significant increase in credit risk since initial recognition. Under such approach, loss allowance on financial assets is recognised at an amount equal to the lifetime expected credit losses, if the credit risk on those financial assets has increased significantly, since initial recognition, considering all reasonable and supportable information, including also forward-looking inputs. If at the reporting date, the credit risk on financial assets has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses. Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument.

As at 31 December 2025 and 2024, the Company recognised allowance for doubtful debts only in respect of trade and lease receivables. There has been no significant increase in credit risk identified for other financial assets recognised in the balance sheet, nor have any historical credit losses been experienced for other financial assets, except for the trade receivables.

The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as at the balance sheet date in line with IFRS 9 - Financial Instruments. The loss allowance for the financial assets measured at fair value through other comprehensive income is recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position.

Financial assets together with the related allowance are written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The contractual rights to the cash flows from the financial asset expire;
- The Company has transferred the financial asset and the transfer qualifies for derecognition in line with requirements of IFRS 9 - Financial Instruments.

Financial liabilities

Initial recognition and measurement

A financial liability is recognised in the statement of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss, financial guarantee contracts, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, commitments to provide a loan at a below-market interest rate and contingent consideration recognised by an acquirer in a business combination in scope of IFRS 3 - Business Combinations.

The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities may be designated as hedging instruments in a hedging relationship.

The Company accounts for contracts to buy or sell non-financial items that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, in line with IFRS 9 Financial instruments. Contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are outside the scope of IFRS 9.

At initial recognition, the Company measures a financial liability at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Company's financial liabilities include trade and other payables, loans and borrowings, and derivative financial instruments.

Subsequent measurement

After initial recognition, the financial liabilities are measured according to their classification determined at initial recognition. Reclassifications of financial liabilities are not permitted in any circumstances. The Company classified its financial liabilities as financial liabilities at fair value through profit or loss and financial liabilities subsequently measured at amortised costs.

- Financial liabilities at fair value through profit or loss statement

Financial liabilities at fair value through profit or loss statement include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

- Financial liabilities measured at amortised cost

This category includes loans and borrowings, finance lease payables, trade and other payables. Amortised cost of a financial liability is the amount at which the financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount. The calculation of EIR includes the fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. The EIR amortisation is recognised in finance cost in the income statement.

Derecognition

A financial liability is derecognised when it is extinguished, i.e. when the obligation under the liability is discharged or cancelled or expires.

A substantial modification of the terms of an existing financial liability or a part of it is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. In accordance with IAS 32, Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities, the right to offset must not be contingent on a future event and it has to be legally enforceable both in the normal course of business and in case of default, insolvency or bankruptcy.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

Derivative financial instruments and hedging activities

The Company uses derivative financial instruments such as forwards, options and swaps to hedge its risks related to foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of comprehensive income as finance income or costs.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

An embedded derivative is separated from the host contract and accounted for as a derivative if all of the following conditions are met:

- The economic characteristics and the risks of the embedded derivative are not closely related to the economic characteristics of the host contract.
- A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.
- A hybrid (combined) instrument is not measured at fair value with changes in fair value reported in current period net profit.

Hedging

Hedge accounting recognises the offsetting effects of changes in the fair values of the hedging instrument and the hedged item in profit/loss for the period. For the purpose of hedge accounting, hedges are classified as:

- Fair value hedge,
- Cash flow hedge.

At the inception of the hedge the Company formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and the method by which the Company will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedge is expected to be highly effective in achieving offsetting of changes in fair value or cash flows attributable to the hedged risk and is assessed on an ongoing basis to determine that it has been highly effective throughout the financial reporting periods for which it was designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Fair value hedge

Fair value hedge is a hedge of the Company's exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit/loss for the period.

The gain or loss from remeasuring the hedging instrument at fair value (for a derivative hedging instrument) or the foreign currency component of its carrying amount measured in accordance with IAS 21 (for a non-derivative hedging instrument) is recognised in profit/loss for the period. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognised in profit/loss for the period. The same method is used when the hedged item is an available-for-sale financial asset.

The adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortized to profit/loss for the period over the remaining term to maturity of the financial instrument. Amortization may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in fair value attributable to the risk being hedged.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit/loss for the period. The changes in the fair value of the hedging instrument are also recognised in profit/loss for the period.

The Company discontinues fair value hedge accounting if the hedging instrument expires, the hedging instrument is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Company revokes the designation.

Cash flow hedge

Cash flow hedge is a hedge of the Company's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit/loss for the period.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. The ineffective portion of the gain or loss on the hedging instrument is recognised in profit/loss for the period.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive income are reclassified from other comprehensive income to profit/loss in the same period or periods during which the asset acquired or liability assumed affects profit/loss for the period. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains and losses that were recognised in other comprehensive income are transferred to the initial cost or other carrying amount of the non-financial asset or liability.

As at 31 December 2025 and 2024, no financial liabilities have been designated as derivative financial instruments.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less and that are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Employee benefits

The Company makes contributions to the State health, retirement benefit and unemployment schemes at the statutory rates in force during the year, based on gross salary payments. The cost of these payments is charged to the statement of comprehensive income in the same period as the related salary cost. The Company has no obligation to contribute to these schemes beyond the statutory rates in force.

Also, the Company operates unfunded long-term defined benefit programmes comprising lump-sum post-employment, jubilee and disability benefits. The cost of providing these employee benefits is assessed separately for each programme using the projected unit credit method, by which the costs incurred in providing such benefits are charged to the statement of comprehensive income so as to spread the cost over the service lives of the Company's employees. The benefit obligation is measured as the present value of the estimated future cash outflows.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of comprehensive income when incurred. Amendments to these long-term defined benefit programmes are charged or credited to the statement of comprehensive income over the average remaining service lives of the related employees.

Termination payments

The employees of the Company are eligible, immediately upon termination due to organizational changes, for redundancy payments pursuant to the Slovak law and the terms of the Collective Agreement between the Company and its employees. The amount of such a liability is recorded as a provision in the balance sheet when the workforce reduction program is defined, announced and the conditions for its implementation are met.

Provisions

A provision is recognised if the Company has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. The amount of the provision is the present value of the risk adjusted expenditures expected to be required to settle the obligation, determined using the estimated risk-free interest rate as discount rate. Where discounting is used, the carrying amount of the provision increases in each period to reflect the unwinding of the discount by the passage of time. This increase is recognised as interest expense.

Environmental matters

Liabilities for environmental costs are recognised when environmental clean-ups are probable and the associated costs can be reliably estimated. Generally, the timing of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites. The amount recognised is the best estimate of the expenditure required.

Legal claims

Liabilities arising from litigation and disputes, which are calculated by using available information and assumptions, are recognised when an outflow of resources embodying economic benefits is probable and when such outflows can be reliably measured.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date. An arrangement is considered to contain a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

This applies when the Company has both of the following:

- the right to obtain substantially all of the economic benefits from use of the identified asset,
- the right to direct the use of the identified asset.

Company as a lessee

At the commencement date, the Company recognises a right-of-use asset and a lease liability. Right-of-use asset represents the Company's right to use an underlying asset for the lease term and is measured at cost.

The cost of the right-of-use asset comprises the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Company; and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

After the commencement date, the Company measures the right-of-use assets in a way consistent with the measurement of the assets owned by the Company. The depreciation policy for depreciable leased assets is also consistent with that for depreciable assets that are owned by the Company.

Company as a lessor

The Company classifies each of its leases as either an operating lease or a finance lease.

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Lease classification is made at the inception date and is reassessed only if there is a lease modification. Changes in estimates (e.g. economic life or residual value of the underlying asset) or changes in circumstances (e.g. default) do not give rise to a new classification of a lease.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes.

Revenue from transport and related services and from repair and maintenance and other such services is recognised in the period in which the services are provided, net of discounts and deductions.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are recognised as part of the cost of a given asset. Other related expenses are recognised as an expense in the period in which they are incurred.

Income tax

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

In accordance with Act No. 235/2012 Coll., on a Special Levy on Business in Regulated Industries and on the Amendment to and Supplementation of Certain Acts, the Company is obliged to pay a monthly special levy effective from September 2012. This levy is based on the profit before tax and is presented as a part of the current income tax pursuant to the IFRS requirements.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised directly in equity is recognised directly in equity and not in income.

3. TRANSPORTATION AND RELATED REVENUES

In thousands of EUR	31 December 2025	31 December 2024
Inland transport		
Transport of goods	37,359	37,133
Wagon deposition	6,507	10,524
Haulage fees	1,210	1,263
	45,076	**48,920**
International transport		
Import	90,625	108,206
Export	77,220	86,320
Transit	12,450	9,226
	180,295	**203,752**
Other transport related revenues		
Usage of wagons under RIV, PGV and AVV regimes	5.108	3.387
Wagon rentals	3.500	4.588
Cross-border services	1.559	1.749
Other	996	1.221
	11.163	**10.945**
	236.534	**263.617**

4. OTHER REVENUES

In thousands of EUR	31 December 2025	31 December 2024
Repairs and maintenance	6,575	7,320
Operational performance	1,252	1,102
Asset rentals	7,267	7,795
Other	2,051	2,818
	17,145	**19,035**

5. CONSUMABLES AND SERVICES

In thousands of EUR	31 December 2025	31 December 2024
Traction electricity	(22,827)	(23,174)
Foreign segments	(20,004)	(22,754)
Third party transhipment services	(11,446)	(14,030)
Network fees	(8,575)	(10,813)
Material	(8,003)	(8,674)
Traction diesel oil	(6,593)	(7,186)
IT services and telecommunication charges	(6,425)	(6,184)
Repair and maintenance	(4,440)	(5,465)
Other energy costs	(3,422)	(4,342)
Cross-border services	(2,492)	(2,790)
Security services	(1,601)	(1,315)
Travelling and representation expenses	(1,517)	(1,581)
Rentals	(1,363)	(1,359)
Wagon rentals	(1,192)	(1,619)
Cleaning of cars, property, waste disposal	(558)	(607)
Advisory and consultancy fees	(454)	(621)
Training	(300)	(538)
Medical care	(226)	(213)
Other	(2,657)	(2,448)
	(104,095)	**(115,713)**

Consumables and services include amounts charged by ŽSR of EUR 36,336 thousand (2024: EUR 38,729 thousand), primarily relating to the usage of ŽSR's network (the Company has a one-year contract with ŽSR which specifies planned kilometres and charge rates for different types of transport) and to the purchase of traction energy (refer to Note 25).

6. STAFF COSTS

In thousands of EUR	31 December 2025	31 December 2024
Wages and salaries	(67,294)	(68,149)
Social security costs	(31,382)	(28,806)
Employee benefits (Note 21)	(242)	(346)
Termination payments (Note 22)	(2,455)	(1,927)
	(101,373)	**(99,228)**

Number of employees at 31 December 2025 was 3,209 (2024: 3,762), there of five were members of management (as members of the Board of Directors or directors of individual departments). Average number of employees as at 31 December 2025 were 3,232 (2024: 3,784).
The average salary in 2025 amounted to EUR 1,653 (2024: EUR 1,596).

7. OTHER OPERATING REVENUES (EXPENSES), NET

In thousands of EUR	31 December 2025	31 December 2024
Release (Creation) of provision for Environmental matters (Note 22)	2,400	2,038
Release (Creation) of provision for legal cases and other provisions (Note 22)	2,693	(131)
Release (Creation) of allowance for doubtful debts	137	(399)
Profit on sale of property, plant, equipment and inventories	2,689	3,560
Insurance of tangible fixed assets	(1,207)	(1,115)
Provision for future liabilities	-	12
Other	(636)	(158)
	6,076	**3,807**

The line 'Other' includes the financial transaction tax introduced from 1 April 2025.

8. INTEREST EXPENSE

In thousands of EUR	31 December 2025	31 December 2024
Interest on loans and borrowings	(4,068)	(4,407)
Interest charges on lease liabilities	(18)	(22)
Unwinding of discount on provisions and employee benefits (Note 21)	(296)	(337)
Interest expense on the right to use the asset	(7,319)	(6,249)
Other	(7)	(10)
	(11,708)	**(11,025)**

9. OTHER FINANCE REVENUES (COSTS), NET

In thousands of EUR	31 December 2025	31 December 2024
Foreign exchange gains (losses), net	(11)	37
Other revenues (costs), net	(24)	(26)
	(35)	**11**

In thousands of EUR	31 December 2025	31 December 2024 (restated)
Share of profit (loss) of joint venture and associate	2,788	4,531
	2,788	**4,531**

10. OTHER NON-CURRENT ASSETS

In thousands of EUR	31 December 2025	31 December 2024
Deferred expenses	450	43
	450	**43**

11. INCOME TAX

The reported income tax represents a withholding tax paid abroad and tax licence in the amount of EUR 51 thousand (2024: EUR 67 thousand).

A reconciliation between the reported income tax expense and the theoretical amount that would arise using the standard rates is as follows:

In thousands of EUR	31 December 2025	31 December 2024
Profit (Loss) before tax	(29,044)	(7,879)
Tax charge at statutory tax rate of 24% (2024: 21%)	6,970	1,655
Tax paid abroad	(47)	(63)
Minimal tax	(4)	(4)
Unrecognised deferred tax asset	7,106	6,833
Non-deductible expenses	(14,076)	(8,488)
Total income tax	**(51)**	**(67)**

Deferred tax assets and liabilities are related to the following (for the year ended 31 December 2025 an income tax rate of 24% applicable in current accounting period was used, for the year ended 31 December 2024: 21%):

In thousands of EUR	31 December 2025	31 December 2024
Deferred tax assets		
Tax loss carried forward	21,164	10,135
Provision for environmental matters	3,007	3,597
Provision for employee benefits	1,833	2,080
Allowance for trade and other receivables	629	699
Allowance for inventories	137	222
Provision for legal cases	1,300	1,946
Termination payments	589	599
Customer discounts	420	506
Other liabilities overdue over 3 years	12	9
Property, plant and equipment and intangible assets	13,665	15,334
Other	3,062	3,590
	45,820	**38,716**
Deferred tax liabilities		
Other	(13)	(15)
	(13)	**(15)**
Valuation allowance	**(45,807)**	**(38,701)**
Net deferred tax assets (liabilities)	**-**	**-**

A valuation allowance of EUR 45,807 thousand (2024: EUR 38,701 thousand) has been recognised for temporary deductible differences due to uncertainty as to the realization of tax benefits in future years. The Company will continue to assess the valuation allowance and, to the extent it is determined that such allowance is no longer required, the tax benefits of the remaining deferred tax assets will be recognised at that time.

Other tax liabilities as advances on employee income tax, property tax, etc. are reported under other liabilities in Note 23.

The Company reported a tax loss of EUR 45,957 thousand in 2025.

12. INTANGIBLE ASSETS

In thousands of EUR	Software	Assets under construction	Total
Acquisition cost			
At 1 January 2025	**40,182**	**98**	**40,280**
Additions	-	1,555	1,555
Disposals	(580)	-	(580)
Transfers	1,393	(1,393)	-
At 31 December 2025	**40,995**	**260**	**41,255**
Accumulated amortization			
At 1 January 2025	**(33,540)**	**-**	**(33,540)**
Charge for the period	(1,918)	-	(1,918)
Disposals	580	-	580
At 31 December 2025	**(34,878)**	**-**	**(34,878)**
Net book value at 31 December 2025	**6,117**	**260**	**6,377**

In thousands of EUR	Software	Assets under construction	Total
Acquisition cost			
At 1 January 2024	**39,862**	**60**	**39,922**
Additions	-	1,049	1,049
Disposals	(691)	-	(691)
Transfers	1,011	(1,011)	-
At 31 December 2024	**40,182**	**98**	**40,280**
Accumulated amortization			
At 1 January 2024	**(32,507)**	**-**	**(32,507)**
Charge for the period	(1,724)	-	(1,724)
Disposals	691	-	691
At 31 December 2024	**(33,540)**	**-**	**(33,540)**
Net book value at 31 December 2024	**6,642**	**98**	**6,740**

13. PROPERTY, PLANT & EQUIPMENT

In thousands of EUR	Land and buildings	Machines, equipment, other assets	Assets under construction	Total
Acquisition cost				
At 1 January 2025	**95,381**	**518,079**	**6,473**	**619,933**
Additions	-	440	36,188	36,628
Disposals	(1,751)	(4,421)	-	(6,172)
Transfers	4,800	37,450	(39,037)	3,213
At 31 December 2025	**98,430**	**551,548**	**3,624**	**653,602**
Accumulated amortization				
At 1 January 2025	**(37,640)**	**(367,893)**	**-**	**(405,533)**
Additions	(2,160)	(25,316)	-	(27,476)
Disposals	756	4,361	-	5,117
Impairment loss	(292)	(186)	-	(478)
Transfers	-	(1,860)	-	(1,860)
At 31 December 2025	**(39,336)**	**(390,894)**	**-**	**(430,230)**
Net book value at 31 December 2025	**59,094**	**160,654**	**3,624**	**223,372**

In thousands of EUR	Land and buildings	Machines, equipment, other assets	Assets under construction	Total
Acquisition cost				
At 1 January 2024	**80,217**	**492,550**	**4,812**	**577,579**
Additions	13,614	684	38,807	53,105
Disposals	(1,367)	(8,978)	(534)	(10,879)
Transfers	2,917	33,823	(36,612)	128
At 31 December 2024	**95,381**	**518,079**	**6,473**	**619,933**
Accumulated amortization				
At 1 January 2024	**(37,407)**	**(353,387)**	**(534)**	**(391,328)**
Additions	(1,966)	(23,742)	-	(25,708)
Disposals	1,296	8,741	-	10,037
Impairment loss	437	495	534	1,466
At 31 December 2024	**(37,640)**	**(367,893)**	**-**	**(405,533)**
Net book value at 31 December 2024	**57,741**	**150,186**	**6,473**	**214,400**

Land and buildings consist of halls used in the repair of locomotives and wagons, depots, stores, workshops and administrative building; machines, equipment and other assets include locomotives and wagons, cranes, trucks, cars and other vehicles, tools and equipment used in repair and maintenance, boilers and other heating equipment and office equipment, including computers, printers and other IT equipment.

Additions for 2024 include non-current assets (land and buildings) in amount EUR 13,312 thousand, which was contributed by a non-cash contribution (Note 19).

The Company recorded impairment losses on assets individually assessed as damaged or not capable for further use. The impairment losses were recorded to reflect the amount of actual damage, respectively, the net book value of an asset component at 31 December 2025.

The impairment test required by IAS 36 was performed by management of the Company as at 31 December 2025. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. The fair value less cost to sell of an asset was determined as its selling price adjusted for costs associated with the sale of the asset. The value in use of the asset was determined by discounted cash flows method. The Company was considered as whole. No impairment losses have been identified based on the impairment test when comparing the recoverable amounts of the assets and carrying values after considering impairment losses of selected assets.

The relevant cash flows were estimated based on the 2026 business plan updated to the latest available information at the balance sheet date and on forecasts of future periods based on best estimates using all available information. The future cash flows were estimated for the next 10 years which is an average remaining useful life of the Company 's assets. The cash flows include unavoidable investment expenditures required to maintain the ability of the Company to generate revenues and proceeds from scrap value at the end of the useful life. Discount rate of 10.00% used in the calculation was determined based on interest rates for incremental financing of fixed assets purchases by the Company as at the day of preparation of financial statements and was adjusted for factors of time, risk and liquidity.

As a result of the procedures described above, the Company has increased an impairment loss by EUR 478 thousand (2024: decrease in impairment loss by EUR 1,466 thousand) due to a higher usage of Company's assets and their market potential. As part of the tests, there is expected increase in net cash flows resulting mainly from the increase in the expected use of assets (especially in diesel traction) and the growth of transport performance in the following period was also taken into account.

Property, plant and equipment in the ownership of the Company with a total acquisition value of EUR 840 thousand (EUR 723 thousand at 31 December 2024) and with a net book value of EUR 440 thousand (EUR 343 thousand at 31 December 2024) is registered as heritage-protected areas, immovable cultural monuments or protective zones of immovable cultural monuments.

Since 1 January 2014 the Company´s property, plant and equipment and inventories have not been insured. Motor vehicles have third party and accident insurance cover, the cost of which is immaterial.

The gross carrying amount of any fully depreciated property, plant and equipment that is still in use, is EUR 17,963 thousand.

14. RIGHT-OF-USE ASSETS

With the application of IFRS 16 as of 1 January 2019, the Company recognised the right-of-use assets related to assets leased in the form of a lease.

The following table shows the amount of the right to use the leased assets in the years ended 31 December 2025 and 2024:

In thousands of EUR	Land and buildings	Wagons	Locomotives	Others	Total
Net book value at 1 January 2025	**4,364**	**189,793**	**27,093**	**649**	**221,899**
Additions	977	-	-	543	1,520
Modifications	(126)	(3,600)	998	-	(2,728)
Disposals	(830)	(374)	-	(5)	(1,209)
Transfers	-	-	(1,353)	-	(1,353)
Depreciation	(1,736)	(35,222)	(6,256)	(320)	(43,534)
Net book value at 31 December 2025	**2,649**	**150,597**	**20,482**	**867**	**174,595**

In thousands of EUR	Land and buildings	Wagons	Locomotives	Others	Total
Net book value at 1 January 2024	**5,883**	**209,614**	**32,588**	**686**	**248,771**
Additions	143	24,140	-	280	24,563
Modifications	44	(6,081)	920	34	(5,083)
Disposals	(2)	-	-	-	(2)
Transfers		-	-	(58)	(58)
Depreciation	(1,704)	(37,880)	(6,415)	(293)	(46,292)
Net book value at 31 December 2024	**4,364**	**189,793**	**27,093**	**649**	**221,899**

One of the contracts contain an extension option, which grants additional 4 years of lease term, with specified conditions. Lessor does not have such option. Since the Company cannot estimate future use of the option, the extended lease term beyond December 2029 is not included in Right-of-use asset. The option maturity date is 2 years prior to the end of lease period, i.e. December 2027. The Company has estimated that the full usage of option would result in additional liability from lease of EUR 105.211 million.

Other lease contracts, which were recorded as operating lease contracts in prior periods, do not contain lease term extension option. For all lease contracts, which were recorded as financial leasing contracts in prior periods, the Company plans to utilize options for purchase of underlying assets after the end of lease term.

15. INVESTMENT IN JOINT VENTURE, ASSOCIATE AND SUBSIDIARIES

The Company has a 40% share in BULK TRANSSHIPMENT SLOVAKIA, a. s. which is involved in the transhipment of iron ore in Čierna nad Tisou in the east of Slovakia. The shareholders of the company BULK TRANSSHIPMENT SLOVAKIA, a. s. signed a new shareholder agreement on 30 October 2019. Based on contractual arrangements with the other shareholder, the management of the Company decided to consider this investment as an associate.

The Company has 34% share in Cargo Wagon, a.s. This investment is presented as a joint venture based on the agreed conditions of shareholder agreement.

Values presented below are in accordance with IFRS accounting standards (International Financial Reporting Standards) as adopted by the European union.

Details of the Company's joint venture, associate and subsidiaries at 31 December 2025 are as follows:

Corporate name	Registration country	Ownership 2025	Carrying amount of investment 2025	Equity 2025	Profit (Loss) 2025
Investment in joint venture					
Cargo Wagon, a.s.	Slovakia	34 %	17,247	50,728	7,836
Investment in associate					
BULK TRANSSHIPMENT SLOVAKIA, a. s.	Slovakia	40 %	10,618	26,545	362
Total investments			**27,865**		
Investment in subsidiaries					
ZSSK CARGO Intermodal, a.s.	Slovakia	100 %	18	18	(1)
Depo Services, a. s.	Slovakia	100 %	25	25	0

Cargo Wagon, a.s. paid dividends to Company in the total amount EUR 2,975 thousand during 2025.

In 2025, the reporting method for interests in the joint venture, associate, and subsidiaries was changed to the equity method (further information on the impacts is provided in Note 2.4). In the case of subsidiaries, the total impact from the revaluation amounts to EUR 13 thousand.

Subsidiaries ZSSK CARGO Intermodal, a.s. and Depo Services, a.s., had no activity as at 31 December 2025.

Details of the Company's joint venture, associate and subsidiary at 31 December 2024 are as follows:

Corporate name	Registration country	Ownership 2024	Carrying amount of investment 2024	Equity 2024	Profit (Loss) 2024
Investment in joint venture					
Cargo Wagon, a.s.	Slovakia	34 %	17,558	51,641	8,684
Investment in associate					
BULK TRANSSHIPMENT SLOVAKIA, a. s.	Slovakia	40 %	10,493	26,233	3,997
Total investments			**28,051**		
Investment in subsidiaries					
ZSSK CARGO Intermodal, a.s.	Slovakia	100 %	19	19	(1)
Depo Services, a. s.	Slovakia	100 %	25	25	0

BULK TRANSSHIPMENT SLOVAKIA, a. s. paid dividends to Company in the total amount EUR 1,234 thousand during 2024 and Cargo Wagon, a.s. paid dividends to Company in the total amount EUR 3,400 thousand during 2024.

The remaining value represents interests in the international associations Bureau Central de Clearing s.c.r.l. Brussels (BCC) and Intercontainer-Interfrigo s.c. Brussels.

Assets, liabilities, revenues and expenses of the joint venture and associate were as follows:

2025 In thousands of EUR	Non-current assets	Current assets	**Total assets**	Equity	Non-current liabilities	Current liabilities	**Total liabilities**	Revenues	**Profit**
BULK TRANSSHIPMENT SLOVAKIA, a. s.*	36,397	6,404	**42,801**	26,545	11,046	5,210	**16,256**	17,558	**362**
Cargo Wagon, a.s.	63,393	46,496	**109,889**	50,728	42,925	16,201	**59,126**	36,035	**7,836**
Total	99,790	52,900	**152,690**	77,308	53,971	21,411	**75,382**	53,593	**8,198**

2024 In thousands of EUR	Non-current assets	Current assets	**Total assets**	Equity	Non-current liabilities	Current liabilities	**Total liabilities**	Revenues	**Profit**
BULK TRANSSHIPMENT SLOVAKIA, a. s.*	34,524	6,387	**40,911**	26,233	10,358	4,320	**14,678**	19,769	**3,997**
Cargo Wagon, a.s.	78,769	44,555	**123,324**	51,641	56,347	15,336	**71,683**	39,314	**8,684**
Total	113,293	50,942	**164,235**	77,874	66,705	19,656	**86,361**	59,083	**12,681**

*In accordance with IFRS 12 paragraph B15, the financial information of the associate is presented in accordance with Slovak accounting standards. As at the date of preparation of the separate financial statements, the associate does not prepare financial statements in accordance with IFRS and preparation on this basis would be impracticable or would cause disproportionate costs.

The Company sold 66% of shares in subsidiary Cargo Wagon, a.s., on 5 March 2015, to the winner of international competition, which was consequently completed in May 2015 after the approval from relevant regulators.

16. INVENTORIES

	At cost	At lower of cost or net realizable value	At cost	At lower of cost or net realizable value
In thousands of EUR	**2025**	**2025**	**2024**	**2024**
Machine and metal-working materials	6,451	6,175	6,858	6,378
Electrical materials	2,349	2,130	2,648	2,266
Chemicals and rubber	1,142	1,117	1,189	1,171
Diesel fuel	565	565	616	616
Protective tools	319	307	294	285
Other	316	278	380	343
Total	**11,142**	**10,572**	**11,985**	**11,059**

The Company expects to use up stocks amounted to EUR 18,770 thousand (2024: EUR 19,487 thousand) in a period of more than twelve months after the date of creation these financial statements.

17. TRADE AND OTHER RECEIVABLES

In thousands of EUR	31 December 2025	31 December 2024
Domestic trade receivables	33,360	33,097
Foreign trade receivables	6,415	7,125
VAT receivables	997	1,192
Other receivables	3,059	3,058
Allowance for impaired trade and other receivables	(2,622)	(2,913)
	41,209	**41,559**

At 31 December 2025 overdue receivables amounted to EUR 2,833 thousand (EUR 2,517 thousand at 31 December 2024).
Trade receivables are non-interest bearing and are generally due within 30-90 days.
For details of related party receivables, refer to Note 25.

As at 31 December, the ageing analysis of trade receivables is as follows:

			Past due but not impaired				
Year	**Total**	**Neither past due nor impaired**	**< 90 days**	**90 - 180 days**	**180 – 270 days**	**270 – 365 days**	**> 365 days**
2025	**41,209**	40,922	287	-	-	-	-
2024	**41,559**	40,908	651	-	-	-	-

18. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents comprise the following:

In thousands of EUR	31 December 2025	31 December 2024
Cash at banks and on hand and cash equivalents	76	102
Bank overdrafts	(22,709)	(20,153)
	(22,633)	**(20,051)**

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Bank overdrafts as of 31 December are as follows:

		2025		2024
In thousands of EUR	Overdraft limit	Drawn down	Overdraft limit	Drawn down
ING Bank N.V., pobočka z. b.	*20,000*	**14,079**	*20,000*	**7,665**
Slovenská sporiteľňa, a.s.	*15,000*	**4,588**	*15,000*	**4,657**
Tatra banka, a.s.	*35,000*	**1,699**	*35,000*	**1,522**
Československá obchodná banka, a.s.	*10,000*	**1,594**	*10,000*	**4,951**
Všeobecná úverová banka, a.s.	*22,500*	**749**	*22,500*	**1,358**
	102,500	**22,709**	*102,500*	**20,153**

19. SHAREHOLDER´S EQUITY

Share capital

Share capital represents the State's investment in the Company, held through MT, made through the contribution of certain assets and liabilities of the Company's predecessor, ŽS, and by 17 December 2024 included 121 registered ordinary shares, each with a nominal value of EUR 3,319,391.8874. All of these shares are issued and fully paid.

The Company increased its share capital by subscribing to new shares in the amount of EUR 13,311,785.00 as at 17 December 2024. The sole shareholder subscribed for 13 shares with a nominal value of EUR 1,000,000, 311 shares with a nominal value of EUR 1,000 and 1 share with a nominal value of EUR 785. The Company's share capital is increasing from value of EUR 401,646,418.3754 to value of EUR 414,958,203.3754. The newly subscribed shares were paid for by the sole shareholder with a non-cash contribution, the subject of which is real estate from the company Železnice Slovenskej Republiky specified in the Inventory of real estate intended for contribution to the share capital and valued by an expert. The difference between the value of the non-cash contribution and the issue price of all subscribed shares represents the share premium of EUR 0.70. The increased share capital was entered in the Commercial Register on 18 February 2025.

Legal reserve fund

On the Company's incorporation, in accordance with Slovak legislation, a legal reserve fund was established at 10% of the Company's registered capital, again through an in-kind contribution. Slovak legislation requires that the legal reserve fund will be increased by amounts of at least equal to 10% of annual net profit up to an amount equal to 20% of the Company's registered capital. Under the Company's Articles of Association, the legal reserve fund is not available for distribution and can only be used to cover losses or increase registered capital.

Based on the decision of the sole shareholder of 9 November 2010, the statutory reserve fund was utilized to cover the losses of the Company.

Other funds

Other funds represent the difference between the value of the assets and liabilities contributed by the State on the Company's incorporation and through an additional capital contribution made on 2 November 2005 and that of the Company's registered capital and legal reserve fund, adjusted by an amount of EUR 4,216 thousand to restate an error in the initial valuation of the assets contributed by the State identified in 2006.

During 2008 the Company received an additional capital contribution of EUR 12,149 thousand from MT, this being a previously unpaid part of the initial equity contribution made on the Company's incorporation. In addition, the Company was awarded penalty interest of EUR 8,830 thousand to compensate for the late payment of this contribution.

Distribution of profit from previous accounting period

The distribution of accounting loss of the 2024 statutory result was approved by the Company's General Meeting on 30 June 2025 and was transferred to accumulated losses.

20. INTEREST-BEARING LOANS AND BORROWINGS

In thousands of EUR	Maturity date	31 December 2025	31 December 2024
Long-term loans			
Secured			
Všeobecná úverová banka, a.s.	30 April 2028	7,380	12,300
Tatra-Leasing, s.r.o.	13 March 2030	38,832	29,834
Unsecured			
Tatra banka, a.s.	31 March 2031	20,520	7,110
Československá obchodná banka, a.s.	31 March 2027	625	1,125
Total		**67,357**	**50,369**
Short-term portion of loans		**11,972**	**8,492**
Long-term portion of loans		**55,385**	**41,877**
Short-term loans			
Unsecured			
Československá obchodná banka, a.s.		6,000	-
Tatra banka, a.s.		25,000	10,000
Secured			
Všeobecná úverová banka, a .s.		20,000	20,000
Total		**51,000**	**30,000**
Short-term portion of loans (see above)		**11,972**	**8,492**
Overdrafts (Note 18)		**22,709**	**20,153**
Short-term portion of loans		**85,681**	**58,645**
Total		**141,066**	**100,522**

Loans from ING Bank N.V., pobočka zahraničnej banky (foreign bank branch), Slovenská sporiteľňa, a.s., and Všeobecná úverová banka, a.s. are secured by promissory notes with a value of EUR 46,797 thousand (EUR 45,980 thousand at 31 December 2024), and with a nominal value of EUR 93,060 thousand (EUR 93,060 thousand as of 31 December 2024).

The long-term loan provided by Všeobecná úverová banka, a.s. is secured by three promissory notes (blank promissory note with a value EUR 9,020 thousand, blank promissory note with a value EUR 9,570 thousand and blank promissory note with a value EUR 8,470 thousand) as well as by a lien on 37 locomotives.

Long-term loan from Tatra-Leasing, s.r.o. is secured by a lien on 20 locomotives.

At 31 December 2025 and 2024, the Company complied with all financial and non-financial covenants arising from loan agreements. The fair value of interest-bearing loans and borrowings amounts to EUR 141,067 thousand (EUR 100,522 thousand at 31 December 2024).

All interest-bearing loans and borrowings bear floating interest which range from 2.422% p.a. to 3.600% p.a. (3.338% p.a. to 4.420% p.a. in 2024).

21. EMPLOYEE BENEFITS

In thousands of EUR	Retirement benefits	Jubilee payments	Disability benefits	Total
At 1 January 2025	**7,390**	**1,278**	**-**	8,668
Current service cost	260	44	-	304
Interest expense	252	44	-	296
Actuarial gains and losses	(992)	(62)	-	(1,054)
Utilization of benefits	(351)	(225)	-	(576)
Past service cost	-	-	-	-
At 31 December 2025	**6,559**	**1,079**	**-**	**7,638**
Current 31 December 2025	643	176	-	819
Non-current 31 December 2025	5,916	903	-	6,819
At 31 December 2025	**6,559**	**1,079**	**-**	**7,638**

In thousands of EUR	Retirement benefits	Jubilee payments	Disability benefits	Total
At 1 January 2024	**8,211**	**1,438**	**1**	**9,650**
Current service cost	310	49	-	359
Interest expense	287	50	-	337
Actuarial gains and losses	(96)	(23)	(1)	(120)
Utilization of benefits	(1,332)	(236)	-	(1,568)
Past service cost	10	-	-	10
At 31 December 2024	**7,390**	**1,278**	**-**	**8,668**
Current 31 December 2024	770	213	-	983
Non-current 31 December 2024	6,620	1,065	-	7,685
At 31 December 2024	**7,390**	**1,278**	**-**	**8,668**

The principal actuarial assumptions used were as follows:

	2025	2024
Discount rate (% p.a.)	4.06	3.41
Future salary increases (%)	3.00	5.00
Mortality probability (male) (%)	0.04 – 2.46	0.04 – 2.46
Mortality probability (female) (%)	0.02 – 0.10	0.02 – 0.10

Sensitivity analysis

A sensitivity analysis of the provision to changes in significant assumptions is shown in the table below:

In thousands of EUR	31 December 2025	Discount rate (1.00%)	Average income (1.00%)	Mortality (-10.00%)
Net liability from employee benefits	7,638	(544)	258	70

In thousands of EUR	31 December 2024	Discount rate (1.00%)	Average income (1.00%)	Mortality (-10.00%)
Net liability from employee benefits	8,668	(601)	278	74

22. PROVISIONS

In thousands of EUR	Environmental	Legal	Terminations	Other	Total
At 1 January 2025	**14,988**	**8,109**	**2,495**	**-**	**25,592**
Additions	-	298	2,455	-	2,753
Actuarial gains and losses	-	-	1,334	-	1,334
Release	(2,400)	(2,991)	-	-	(5,391)
Utilization	(57)	-	(3,829)	-	(3,886)
At 31 December 2025	**12,531**	**5,416**	**2,455**	**-**	**20,402**
Current 31 December 2025	164	-	2,455	-	2,619
Non-current 31 December 2025	12,367	5,416	-	-	17,783
At 31 December 2025	**12,531**	**5,416**	**2,455**	**-**	**20,402**

In thousands of EUR	Environmental	Legal	Terminations	Other	Total
At 1 January 2025	**17,203**	**7,978**	**1,673**	**12**	**26,866**
Additions	-	185	2,495	-	2,680
Actuarial gains and losses	-	-	(745)	-	(745)
Release	(2,038)	(54)	-	(12)	(2,104)
Utilization	(177)	-	(928)	-	(1,105)
At 31 December 2025	**14,988**	**8,109**	**2,495**	**-**	**25,592**
Current 31 December 2025	285	-	2,495	-	2,780
Non-current 31 December 2025	14,703	8,109	-	-	22,812
At 31 December 2025	**14,988**	**8,109**	**2,495**	**-**	**25,592**

Environmental matters

In 2025, the Company updated its analysis of potential breaches of environmental regulations at its various sites, with the support of an environment specialist, Centrum environmentálnych služieb, s.r.o. As a result of this analysis, and based on the findings of Centrum environmentálnych služieb, s.r.o., the Company has estimated that costs of EUR 12,531 thousand (EUR 14,988 thousand at 31 December 2024) are required to remedy the significant environmental issues relating to water, oil and fuel management identified in the past.

Their exact estimates are not necessarily accurate due to several uncertainties involving continuous development of laws and regulatory requirements in the areas of environment and methods, timing and extent of corrective actions which could have a potentially significant impact on the economic results of the company in future periods. A discount rate of 4.00 % p.a. was used in the calculation.

Legal cases

By its judgement dated 24 June 2025, the Supreme Administrative Court of the Slovak Republic amended the judgement of the Bratislava Regional Court dated 29 September 2021, remanding the case to the defendant (the Antimonopoly Office of the Slovak Republic) for administrative proceedings. This was on the grounds that the defendant, in its contested second-instance decision dated 14 November 2019, incorrectly assessed the expiration of the subjective period for imposing a sanction within the context of the provisions of the Civil Procedure Code and Act No. 136/2001 Coll.

23. TRADE AND OTHER PAYABLES, AND OTHER NON-CURRENT LIABILITIES

In thousands of EUR	31 December 2025	31 December 2024
Domestic trade payables	25,456	27,255
Foreign trade payables	4,335	4,514
Payables due to employees	7,808	8,285
Payables due to social institutions	4,336	4,489
Other payables	6,398	4,932
	48,333	**49,475**

At 31 December 2025 overdue trade payables amounted to EUR 855 thousand (EUR 333 thousand at 31 December 2024). For details of related party payables, refer to Note 25.
The social fund payable is included in other non-current liabilities. Movements in the social fund during the period are shown in the table below:

In thousands of EUR	2025	2024
At 1 January	**218**	**217**
Creation	590	619
Utilization	712	618
At 31 December	**96**	**218**

24. COMMITMENTS AND CONTINGENCIES

Lease liabilities

As at 31 December 2025, the Company has concluded fixed-term contracts that were previously reported as operating leases, mainly relating to the lease of wagons, road motor vehicles and other equipment. All leases are on a fixed repayment basis with floating interest rates derived from EURIBOR. Present value of net lease payments is as follows:

In thousands of EUR	31 December 2025	31 December 2024
Within one year	41,794	41,969
From one to five years	121,405	158,593
Over five years	19,602	26,534
Present value of lease payments	**182,801**	**227,096**

In valuing lease liabilities that were previously classified as operating leases, the Company used an incremental interest rate to discount. The weighted interest rate used was 3.56% as at 31 December 2025 (3.52% in 2024).

Note 26 summarizes the lease liabilities based on contractual undiscounted payments (according to repayment schedules) when summarizing the maturity of financial liabilities as at 31 December 2025.

Investing commitments

The Company's investment expenditure for the period from 1 January 2026 to 31 December 2026 (1 January 2025 to 31 December 2025) is as follows:

In thousands of EUR	31 December 2025	31 December 2024
Land and buildings	1,798	1,458
Machines, equipment and other assets	18,560	20,105
Intangible assets	-	-
	20,358	**21,563**

Expenditures of EUR 20,358 thousand (EUR 21,563 thousand at 31 December 2024) are committed under contractual arrangements.

25. RELATED PARTY DISCLOSURES

Related parties of the Company comprise of all companies under same ownership (meaning under the control of the State), the Company's joint venture, associate and the Board of Directors.

The following tables provide the total amount of transactions which have been entered into with related parties for the years ended 31 December 2025 and 2024:

In thousands of EUR	31 December 2025			
Related party	**Sales to related parties**	**Purchases from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
ŽSR	2,914	36,336	792	1,837
ZSSK	7,538	1,725	514	205
Slovenský plynárenský priemysel	-	158	-	-
Cargo Wagon, a.s., (joint venture)	4,278	27,600	87	2,766
BTS (associate)	2,290	11,704	472	2,927
Other related parties	945	777	20	4

In thousands of EUR	31 December 2024			
Related party	**Sales to related parties**	**Purchases from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
ŽSR	1,348	38,729	278	2,682
ZSSK	12,123	1,778	555	208
Slovenský plynárenský priemysel	-	2,335	-	470
Cargo Wagon, a.s., (joint venture)	4,568	29,582	44	3,169
BTS (associate)	3,121	14,362	322	2,619
Other related parties	899	761	13	5

The Company's major contractual relationships with ŽSR and ZSSK are for fixed one-year periods and are subject to an annual renewal process. Purchases from ŽSR include primarily network fees and traction electricity. Sales to ŽSR comprise of transport services, while sales to ZSSK include gains on sale of property, plant, equipment, the repair of passenger wagons and track vehicles and the sale of diesel.

Statutory and supervisory bodies

Members of the Company's statutory and supervisory bodies as registered in the Commercial Register at the Municipal Court Bratislava III at 31. December 2025 and 2024 are as follows:

Board of Directors:	Ing. Jaroslav Daniška, chairman of the board (since 15 November 2023)
	Mgr. Matej Hambálek, vice-chairman (since 15 May 2024)
	Ing. Miroslav Hopta, member (since 15 May 2024)
Supervisory Board:	Ing. Viera Šoltysová, chairman of the board (since 18 June 2024)
	Mgr. Lukáš Parízek, member (since 4 February 2021)
	Peter Pikna, member (since 1 January 2020)
	Peter Hevera, member (since 6 October 2024)
	JUDr. Denisa Žiláková, MBA, LL.M., member (since 24 February 2025)
	Ing. Ján Lupták, chairman of the board (since 12 October 2017 to 17 June 2024)
	Jozef Róbert Šmigalla, member (since 1 January 2020 to 6 July 2024)

Emoluments of the members of the Board of Directors and Supervisory Board

The Board of Directors' total remuneration approximated EUR 52 thousand (EUR 53 thousand in 2024). The total remuneration of members of the Supervisory Board amounted to EUR 29 thousand (EUR 37 thousand in 2024).

Loans granted

No loans have been granted to key management and members of the Board of Directors and Supervisory Board.

26. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise of interest-bearing loans and borrowings, overdrafts and trade payables. The main purpose of these financial liabilities is to raise financing for the Company's operations. The Company has various financial assets such as trade and other receivables and short-term deposits, which arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk and credit risk. The Board of Directors reviewed and agreed policies for managing each of these risks which are summarised below.

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates to the Company's long-term and short-term borrowings and overdrafts with floating interest rates. The Company has a broad portfolio of borrowings bearing a range of fixed and floating interest rates.

The following table demonstrates the sensitivity of the Company's profit before taxes for the period of 12 months after the reporting date to a reasonable change in interest rates of 50 basis points higher/lower, with all other variables held constant. There is no expected impact on the Company's equity.

In thousands of EUR	31 December 2025	31 December 2024
EURIBOR (+0.5 %)	611	545
EURIBOR (-0.5 %)	(611)	(545)

Liquidity risk

The Company's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate number of credit facilities to cover the liquidity risk in accordance with its financing strategy. The amounts available in the form of credit facilities as at 31 December 2025 and 2024 consist of the following:

In thousands of EUR	31 December 2025	31 December 2024
Long-term loan facilities available	2,900	29,814
Short-term loan facilities available	26,948	50,427
Total loan facilities available	**29,848**	**80,241**

As at 31 December 2025 and at 31 December 2024 the Company did not use any bank guarantee.

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2025 based on contractual undiscounted payments:

In thousands of EUR	On demand	Less than 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
Long-term loans	-	-	-	55,385	-	55,385
Trade and other payables	855	47,478	-	-	-	48,333
Obligations under leases	-	11,889	35,775	131,796	20,792	200,252
Short-term loans	-	7,313	64,289	14,079	-	85,681
	855	**66,680**	**100,064**	**201,260**	**20,792**	**389,651**

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2024 based on contractual undiscounted payments:

In thousands of EUR	On demand	Less than 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
Long-term loans	-	-	-	41,382	495	41,877
Trade and other payables	333	49,142	-	-	-	49,475
Obligations under leases	-	12,264	37,078	174,019	28,706	252,067
Short-term loans	-	23,481	35,165	-	-	58,646
	333	**84,887**	**72,243**	**215,401**	**29,201**	**402,065**

The following table summarizes the changes in financial obligations as at 31 December 2025:

In thousands of EUR	1 January 2025	Cash flows	Others	31 December 2025
Long-term loans	41,877	13,508	-	55,385
Obligations under leases	227,096	(49,215)	4,920	182,801
Short-term loans	58,645	27,036	-	85,681
	327,618	**(8,671)**	**4,920**	**323,867**

The following table summarizes the changes in financial obligations as at 31 December 2024:

In thousands of EUR	1 January 2024	Cash flows	Others	31 December 2024
Long-term loans	25,275	25,884	(9,282)	41,877
Obligations under leases	252,009	(50,638)	25,725	227,096
Short-term loans	62,748	(13,385)	9,282	58,645
	340,031	**(38,139)**	**25,725**	**327,618**

Credit risk

The Company provides a variety of customers with products and services, none of whom, based on volume and creditworthiness, present a significant credit risk, individually or in aggregate. The Company has three major customers: U. S. Steel Košice s.r.o., BUDAMAR LOGISTICS, a.s. and Railtrans International, a.s. (BUDAMAR LOGISTICS, a.s., U. S. Steel Košice, s.r.o. and Railtrans International, a.s.in 2024), sales to which represent 61 % of transport and related revenues (65 % in 2024), but management is confident, based on historic experience, projections for the future and contracts in place, that the Company is not overly exposed to credit risk in respect of these three customers. The Company's procedure is to ensure that sales are made to customers with appropriate credit histories and that acceptable credit limits are not exceeded.

The value of financial assets, recognised in the balance sheet reduced by impairment losses reflects the Company's maximum exposure to credit risk.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure, and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 31 December 2024.

The Company monitors indebtedness using a debt to equity ratio, by which debt consists of external interest-bearing loans and borrowings and excludes financial lease obligations, divided by total equity.

In thousands of EUR	31 December 2025	31 December 2024 (restated)
Long-term debt, net of current portion (excluding lease obligations)	55,385	41,877
Short-term debt, including current portion of long-term debt (excluding lease obligations)	85,681	58,645
Debt	**141,066**	**100,522**
Equity	**84,234**	**112,337**
Debt to equity ratio (%)	**167 %**	**89%**

27. EVENTS AFTER THE BALANCE SHEET DAY

No events occurred subsequent to 31 December 2025 that might have a material effect on the fair presentation of the matters disclosed in these financial statements.

Approved by Ing. Jaroslav Daniška and Ing. Miroslav Hopta on behalf of the Board of Directors on 28 April 2026.



CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRS ACCOUNTING STANDARDS (INTERNATIONAL FINANCIAL REPORTING STANDARDS) AS ADOPTED BY THE EUROPEAN UNION AND INDEPENDENT AUDITOR´S REPORT

YEAR ENDED 31 DECEMBER 2025

Ernst & Young Slovakia, spol. s r.o.
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Independent Auditor's Report

To the Shareholder, Supervisory Board and Board of Directors of Železničná spoločnosť Cargo Slovakia, a.s.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Železničná spoločnosť Cargo Slovakia, a.s. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS accounting standards (International Financial Reporting Standards) as adopted by the European union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) as adopted by the Slovak Chamber of Auditors (Code of Ethics for Auditors), including the ethical requirements of the Act No. 423/2015 on Statutory Audit and on the amendments and supplements to the Act on Accounting No. 431/2002, as amended (Act on Statutory Audit), that are relevant to our audits of the financial statements in the Slovak republic. We have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Auditors and the ethical requirements of the Act on Statutory Audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter
We draw attention to Note 22 Provisions to the consolidated financial statements. The Group recorded provisions of EUR 12,531 thousand as at 31 December 2025 (EUR 14,988 thousand as at 31 December 2024) for the remediation of environmental burdens. Estimates of the future costs relating to environmental burdens are sensitive to changes of laws and regulatory requirements on the environment field, methods, timing and extent of corrective action. Any changes in these parameters could materially affect the carrying amount of the provision, and related costs could have a significant impact on the Group's financial results in future accounting periods.

Our opinion is not modified in respect of this matter.

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Spoločnosť zo skupiny Ernst & Young Global Limited
Ernst & Young Slovakia, spol. s r.o., IČO: 35 840 463, zapísaná v Obchodnom registri Mestského súdu Bratislava III, oddiel: Sro, vložka číslo: 27004/B a v zozname audítorov vedenom Slovenskou komorou audítorov pod č. 257.

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Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS accounting standards (International Financial Reporting Standards) as adopted by the European union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT

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- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Report on Information Disclosed in the Consolidated Annual Report

Management is responsible for the information disclosed in the consolidated annual report, prepared based on requirements of the Act on Accounting No 431/2002 Coll., as amended by later legislation ("the Act on Accounting"). Our opinion on the consolidated financial statements expressed above does not apply to other information contained in the consolidated annual report.

In connection with audit of the consolidated financial statements it is our responsibility to understand the information disclosed in the consolidated annual report and to consider whether such information is not materially inconsistent with audited consolidated financial statements or our knowledge about the Group and its situation obtained in the audit of the consolidated financial statements, or otherwise appears to be materially misstated.

We considered whether the Group's consolidated annual report contains information, disclosure of which is required by the Act on Accounting.

Based on procedures performed during the audit of consolidated financial statements, in our opinion:

- Information disclosed in the consolidated annual report prepared for 2025 is consistent with the consolidated financial statements for the relevant year,
- The consolidated annual report contains information based on the Act on Accounting.

Additionally, based on our understanding of the Group and its situation, obtained in the audit of the consolidated financial statements, we are required to disclose whether material misstatements were identified in the annual report, which we received prior to the date of issue of this auditor's report. In this regard, there are no findings which we should disclose.

28 April 2026
Bratislava, Slovak Republic

Ernst & Young Slovakia, spol. s r.o.
SKAU Licence No. 257

Ing. Tomáš Baláž, statutory auditor
UDVA Licence No. 1265

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

In thousands of EUR	Note	31 December 2025	31 December 2024
Revenues			
Transportation and related revenues	3	236,534	263,617
Other revenues	4	17,145	19,035
		253,679	**282,652**
Costs and expenses			
Consumables and services	5	(104,095)	(115,714)
Staff costs	6	(101,373)	(99,228)
Depreciation, amortisation and impairment of property, plant and equipment	12, 13, 14	(74,376)	(73,017)
Other operating revenues (expenses), net	7	6,076	3,807
		(273,768)	**(284,152)**
Finance costs			
Interest expense	8	(11,708)	(11,025)
Other finance revenues (costs), net	9	(35)	11
Share of profit (loss) of joint ventures and associates	15	2,733	4,552
Profit (Loss) from subsidiaries		-	37
		(9,010)	**(6,425)**
Profit (Loss) before tax		**(29,099)**	**(7,925)**
Income tax	11	(52)	(68)
Profit (Loss) for the period		**(29,151)**	**(7,993)**
Components of other comprehensive income that will not be subsequently reclassified to profit or loss:			
Actuarial gains (losses) from defined benefit pension plans		992	96
Other comprehensive income for the period		**992**	**96**
Total comprehensive income for the period		**(28,159)**	**(7,897)**
Profit attributable to:			
Shareholder of the Company		(28.159)	(7.897)
Non-controlling interest of other owners of subsidiaries		-	-

The accounting policies and notes form an integral part of the financial statements.

Approved by Ing. Jaroslav Daniška and Ing. Miroslav Hopta on behalf of the Board of Directors on 28 April 2026.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED AS AT 31 DECEMBER 2025

In thousands of EUR	Note	31 December 2025	31 December 2024
ASSETS			
Non-current assets			
Property, plant and equipment	13	223,372	214,400
Intangible assets	12	6,377	6,740
Right-of-use assets	14	174,595	221,899
Investment in joint ventures and associates	15	27,876	28,118
Other non-current assets	10	450	43
		432,670	**471,200**
Current assets			
Inventories	16	10,572	11,059
Trade and other receivables	17	41,209	41,559
Cash and cash equivalents	18	120	147
		51,901	**52,765**
TOTAL ASSETS		**484,571**	**523,965**
EQUITY AND LIABILITIES			
Shareholder's equity			
Share capital	19	414,958	414,958
Legal reserve fund	19	778	778
Other funds	19	1,228	1,228
Accumulated losses	19	(332,730)	(304,571)
Total equity		**84,234**	**112,393**
Non-current liabilities			
Interest-bearing loans and borrowings	20	55,385	41,877
Employee benefits	21	6,819	7,685
Provisions	22	17,783	22,812
Lease liabilities	24	141,007	185,127
Other non-current liabilities	23	96	218
		221,090	**257,719**
Current liabilities			
Interest-bearing loans and borrowings	20	85,681	58,645
Employee benefits	21	819	983
Provisions	22	2,619	2,780
Trade and other payables	23	48,334	49,476
Lease liabilities	24	41,794	41,969
		179,247	**153,853**
Total liabilities		**400,337**	**411,572**
TOTAL EQUITY AND LIABILITIES		**484,571**	**523,965**

The accounting policies and notes form an integral part of the financial statements.

Approved by Ing. Jaroslav Daniška and Ing. Miroslav Hopta on behalf of the Board of Directors on 28 April 2026.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FORT HE YEAR ENDED AS AT 31 DECEMBER 2025

In thousands of EUR	Share capital	Legal reserve fund	Other funds	Accumulated losses	Total
At 1 January 2024	**401,646**	**730**	**1,228**	**(296,626)**	**106,978**
Profit (Loss) for the period	-	-	-	(7,993)	**(7,993)**
Other comprehensive income	-	-	-	96	**96**
Total comprehensive income	-	-	-	(7,897)	**(7,897)**
Revaluation of investments in subsidiaries	13,312	-	-	-	**13,312**
Legal reserve fund	-	48	-	(48)	**-**
At 31 December 2024	**414,958**	**778**	**1,228**	**(304,571)**	**112,393**
Profit (Loss) for the period	-	-	-	(29,151)	**(29,151)**
Other comprehensive income	-	-	-	992	**992**
Total comprehensive income	-	-	-	(28,159)	**(28,159)**
Revaluation of investments in subsidiaries	-	-	-	-	**-**
At 31 December 2025	**414,958**	**778**	**1,228**	**(332,730)**	**84,234**

As of 17 December 2024, the Group increased its share capital by subscription of new shares in the amount of EUR 13,311,785.00 on the basis of the decision of the sole shareholder of 17 December 2024 in the form of a notarial deed No. N575/2024, NZ 60930/2024, NCRIs 61940/2024. This increase in the registered capital was realized in the form of a non-monetary contribution. The subject of the deposit was buildings and land. The increase was entered in the Commercial Register only after the date on which the financial statements are prepared with the update date of 18 February 2025.

The accounting policies and notes form an integral part of the financial statements.

Approved by Ing. Jaroslav Daniška and Ing. Miroslav Hopta on behalf of the Board of Directors on 28 April 2026.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED AS AT 31 DECEMBER 2025

In thousands of EUR	Note	31 December 2025	31 December 2024
Cash flows from operating activities:			
Profit (Loss) before tax		(29,099)	(7,925)
Adjustments for:			
Non-cash items			
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		74,361	73,017
Gain on sale of property, plant and equipment	12, 13, 14	(2,142)	(2,897)
Allowance of receivables and inventories	16, 17	(647)	356
Interest expense	8	11,708	11,025
Interest income and shares of profits	15	(2,733)	(4,552)
Movements in provisions and employee benefits	21, 22	(5,524)	(2,498)
Other non-cash adjustments		-	-
		45,924	**66,526**
Working capital changes:			
Decrease (Increase) in inventories		843	1,110
Decrease (Increase) in trade and other receivables		234	11,341
Increase (Decrease) in trade and other payables		(1,265)	(6,029)
Cash flows from operating activities		**45,736**	**72,948**
Income tax paid	11	(52)	(78)
Net cash flows from operating activities		**45,684**	**72,870**
Cash flows from investing activities:			
Purchase of property, plant and equipment	12, 13	(38,183)	(40,843)
Proceeds from sale of property, plant and equipment		2,243	2,924
Dividends received	15	2,975	4,634
Net cash flows from investing activities		**(32,965)**	**(33,285)**
Cash flows from financing activities:			
Proceeds from loans and borrowings	20	47,911	35,884
Repayment of loans and borrowings	20	(9,923)	(18,710)
Interest paid	8	(4,093)	(4,439)
Payments of lease liabilities	24	(49,197)	(50,638)
Net cash flows from financing activities		**(15,302)**	**(37,903)**
Net (decrease) increase in cash and cash equivalents		**(2,583)**	**1,682**
Cash and cash equivalents at 1 January	18	**(20,006)**	**(21,688)**
Cash and cash equivalents at 31 December	18	**(22,589)**	**(20,006)**

The accounting policies and notes form an integral part of the financial statements.

Approved by Ing. Jaroslav Daniška and Ing. Miroslav Hopta on behalf of the Board of Directors on 28 April 2026.

1.GENERAL INFORMATION

Information on Reporting entity

Železničná spoločnosť Cargo Slovakia, a.s. ("ZSSK CARGO" or "the Company"), a joint stock company registered in the Slovak Republic, was founded on 1 January 2005 as one of two successor companies to Železničná spoločnosť, a.s. ("ŽS"). ZSSK CARGO was incorporated with the Commercial Register of the Municipal Court Bratislava III, Section Sa, Insert No. 3496/B at the date of its establishment, Company ID 35 914 921, Tax Identification Number 20 219 200 65.

The Slovak Republic is the sole shareholder of the Company through the Ministry of Transport of the Slovak Republic ("MT") with its registered office on Námestie slobody 6, 810 05 Bratislava. Until 31 December 2022 was valid the original name Ministry of Transport and Construction of the Slovak Republic ("MTC").

As of December 31, 2025, ZSSK CARGO provided consolidated financial data as a consolidated accounting unit to higher consolidation to the Ministry of Transport of the Slovak Republic, with registered office at Námestie slobody no. 6, 810 05 Bratislava. The highest accounting unit that consolidates ZSSK CARGO as of December 31, 2024 is the Ministry of Finance of the Slovak Republic.

The Company is not an unlimited liability partner in any other company.

The Company's predecessor, ŽS, was founded on 1 January 2002 through the demerger of Železnice Slovenskej Republiky ("ŽSR") and assumed responsibility for the provision of freight and passenger rail transport and traffic services within Slovakia, while ŽSR retained responsibility for the operation of the traffic routes. ŽS was dissolved without liquidation effective 31 December 2004 and replaced, following a second demerger, by two newly established successor companies: Železničná spoločnosť Slovensko, a.s. ("ZSSK") for passenger transportation and traffic services and ZSSK CARGO for freight transportation and traffic services.

Principal activities

ZSSK CARGO's main business is the provision of freight transportation and related services. Additionally, the Group rents properties and provides repair and maintenance, cleaning and other support services to ZSSK and other external customers. The Group is organized and managed as a single business unit and is viewed as a single operating unit by the Board of Directors for the purposes of resource allocation and assessing performance.

The registered office of ZSSK CARGO

Tomášikova 28B
821 01 Bratislava – city district Ružinov
Slovakia

The Group consists of the Company, joint venture, associate and a subsidiaries.

These consolidated financial statements are filed at the Company's registered address and at the Commercial Register of the Municipal Court Bratislava III, Medená 22, 811 02 Bratislava, Slovakia.

2.1 BASIS OF PREPARATION AND MEASUREMENT

These consolidated financial statements were approved and authorized for issue by the Board of Directors on 28 April 2026. The General Meeting held on 30 June 2025 approved the Group's financial statements for the previous accounting period.

These financial statements constitute the statutory accounts of ZSSK CARGO, prepared in accordance with Article 17a (6) of Slovak Act No. 431/2002 Coll. on Accounting for the accounting period from 1 January 2025 to 31 December 2025. Joint venture and associate are consolidated using the equity method and subsidiaries using the full consolidation method.

The consolidated financial statements of the Group have been prepared on a going concern basis.

The Government of the Slovak Republic approved the resolution No. 390/2013 on 10 July 2013 which sets measures to consolidate rail freight transport and its implementation should allow an economic consolidation and further development of the Group. The measures compensate a late introduction of a new regulatory framework for rail freight companies in the form of reduced fees for the use of railway infrastructure in the years 2014-2016 and also allow the Group to establish three subsidiaries in the sector of management of wagons, intermodal transport and repair and maintenance of locomotives and wagons and subsequently allow qualified and reputable partners to enter into those subsidiaries.

The Group established two subsidiaries Cargo Wagon, a.s. and ZSSK CARGO Intermodal, a.s. in 2013. The Group signed a sale and purchase of shares contract with AAE Wagon, a. s. (member of VTG/AAE Group), the winner of the international tender on 5 March 2015. According to the contract AAE Wagon, a. s. acquired 66% of share capital of Cargo Wagon, a.s. A shareholder`s agreement governing relations between both shareholders AAE and ZSSK CARGO has been also signed.

After an approval of the Antimonopoly authorities, registering transfer of share and the fulfillment of other conditional clauses the final transaction documents were signed in May 2015 – Agreement on transfer of movable assets for consideration and subsequent lease

back of means of transport (Agreement on sale of 12,342 railway carriages and lease back of 8,216 railway carriages) and Bank loan agreement between financing banks and Cargo Wagon, a.s. used to finance the purchase of railway carriages. Whole transaction was completed on 10 July 2015, when ZSSK CARGO received a payment for the sale of carriages of EUR 216.6 million (incl. VAT) which was used to decrease Group ´s debt. The Group began to lease a significant part of its freight wagons. The purpose of establishing of the two companies is to decrease the Company's debt as well as gradual achieving of balanced economic results in the mid-term, while at the same time implementing further internal measures to increase productivity and effectivity of internal processes. In 2021, an amendment to lease agreement No. 11 was signed with Cargo Wagon, a.s. to adjust the number and extend the lease of railway wagons until 2029 under favorable conditions compared to the original contract.

Regarding ZSSK CARGO Intermodal, a.s. the Group has closed the international tender without selecting a qualified partner in 2015. The Group will support intermodal activities within ZSSK CARGO and the future of ZSSK CARGO Intermodal, a.s. will be determined in near period.

The successful future rail freight transport consolidation, with the goal being the achievement of balanced results in the mid-term while continuing to implement internal measures, which should increase the productivity and effectivity of internal processes, considering the decreasing transports and fiercer competition will depend on additional supporting measures and a new regulatory framework for rail freight transporters and the fee set for the usage of rail infrastructure after the year 2025. In 2026 with outlook for 2027-2028 the support for rail freight transport in Slovakia continues in form of reduced network fees.

The company Depo Services, a. s., which is to provide maintenance and repair activities was registered in the Commercial Register as at 18 January 2023. The contribution of part of the Company to the 100% subsidiary, necessary for the launch of operations had not been made and is not expected in the near future as at 31 December 2025.

The consolidated financial statements and accompanying notes are presented in thousands of euro.

The Group's financial year is the same as the calendar year.

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (International Financial Reporting Standards) as adopted by the European Union. IFRS accounting standards comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

At this time, due to the endorsement process of the European Union and the nature of the Group's activities, there is no difference between the IFRS policies applied by the Group and IFRS Accounting Standards (International Financial Reporting Standards) as adopted by the European Union.

Military conflict in Ukraine

In February 2022, a military conflict broke out in Ukraine, which is still ongoing at the time of compiling the financial statements. In connection with this, business in Ukraine and Russia was affected, among others, either as a result of the war or as a result of economic sanctions. At the same time, there was an unforeseen increase in the market prices of raw materials, fuels and energy and increased volatility of currency rates. It is difficult to estimate the further development of market prices and key macroeconomic indicators. The Group has analysed the possible impact of changing micro and macroeconomic conditions on the Company's performance, financial situation and operations and has not identified any uncertainty related to going concern.

Current economic situation

The current economic situation is reflected by a decrease in performance in many industrial sectors in Slovakia and also in Europe, which is reflected in the decrease Group's economy.

The Group is taking mitigation measures, whether on the costs or revenues side, which should significantly eliminate the negative impacts on Group's economy in the short to medium term.

The Group has also analysed the possible impact of the current economic situation on the performance, financial situation and activities of the Company and has not identified any uncertainty regarding the continued continuation of its activities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Issued standards, interpretations and amendments to standards that the Company applied for the first time in 2025:

- IAS 21 The Effects of Changes in Foreign Exchange Rates: Amendment related to lack of exchangeability (effective for annual reporting periods beginning on or after 1 January 2025). This amendment does not have a significant impact on the Company's financial statements.

Issued standards, interpretations and amendments to standards that were issued and that are not yet effective as at 31 December 2025:

- IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Amendments related to the classification and measurement of financial instruments (effective for annual reporting periods beginning on or after 1 January 2026). These amendments do not have a significant impact on the Company's financial statements.
- IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Amendments related to contracts referencing nature-dependent electricity (effective for annual reporting periods beginning on or after 1 January 2026). These amendments do not have a significant impact on the Company's financial statements.
- Annual Improvements to IFRS Accounting Standards – Volume 11: These amendments do not have a significant impact on the Company's financial statements.

The Company has not opted for early adoption of any standard, interpretation or amendment that has been published but has not yet entered into force. The Company is currently assessing the impact of the above standards on its financial statements.

Issued standards, interpretations and amendments to standards that have not yet been endorsed by the European Union as at 31 December 2025 and are not yet effective:

- IFRS 18 Presentation and Disclosure in Financial Statements: Amendment related to changes in the disclosure of income, expenses and management-defined performance measures (effective for annual reporting periods beginning on or after 1 January 2027).
- IFRS 19 Subsidiaries without Public Accountability: Disclosures: Amendment related to changes in mandatory disclosure requirements for subsidiaries without public accountability (effective for annual reporting periods beginning on or after 1 January 2027).
- IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency: Amendment related to translation into a hyperinflationary presentation currency (effective for annual reporting periods beginning on or after 1 January 2027).
- Amendments in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Amendment related to sale or contribution of assets between an investor and its associate or joint venture (the IASB has indefinitely postponed the effective date pending completion of its research project on the equity method).

The effective dates above have been set in standards published by the IASB. The actual dates of adoption of these standards in the EU may differ from the dates set out in the standards and will be notified as soon as they are approved for application in the EU.

2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Critical judgments in applying accounting policies

In the process of applying accounting policies, management has made certain judgments that have a significant effect on the amounts recognised in the financial statements (apart from those involving estimates, which are dealt with below). These are detailed in the respective notes, however the most significant judgments relate to the following:

Environmental matters

Existing regulations, especially environmental legislation, do not specify the extent of remediation work required or the technology to be applied in resolving environmental damage. Management uses the work of specialists, its previous experience and its own interpretations of the relevant regulations in determining the need for environmental provisions.

Sources of estimate uncertainty

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the amounts reported in the financial statements and the notes thereto. Although these estimates are based on management's best knowledge of current events, actual results may differ from these estimates. These issues are detailed in the respective notes, however, the most significant estimates comprise the following:

Legal cases

The Group is party to a number of legal proceedings arising in the ordinary course of business. Management uses the work of specialists and its previous experience of similar actions in making an assessment of the most likely outcome of these actions and of the need for legal provisions.

Quantification and timing of environmental liabilities

Management makes estimations as to the future cash outflows associated with environmental liabilities using comparative prices, analogies to previous similar work and other assumptions. Furthermore, the timing of these cash outflows reflects management's current assessment of priorities, technical capabilities and the urgency of such obligations. The estimates made and the assumptions upon which these estimates are made are reviewed at each balance sheet date.

Impairment of property, plant and equipment

The Group determines at each reporting date whether there is an indication that items of property, plant and equipment are impaired. Where such indications exist, the Group makes an estimate as to the recoverable amount of the assets concerned or of the cash-generating unit to which the assets are allocated. In determining value-in-use the Group is required to make an estimate of expected future cash flows and to choose a suitable discount rate in order to calculate the present value of those cash flows, while net selling price is determined by reference to market developments in Slovakia and other central European countries.

Actuarial estimates applied for calculation of retirement benefit obligations

The cost of defined benefit plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality or fluctuation rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Depreciable useful lives and residual values of property, plant and equipment

Management assigns depreciable lives and residual values to items of property, plant and equipment by reference to the organisation's latest strategic objectives. Management determines at each reporting date whether the assumptions applied in making such assignations continue to be appropriate.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Functional and presentation currency

These separate financial statements are presented in euro, which is the Group's functional currency.
Foreign currency transactions are translated into EUR using the reference foreign exchange rate pertaining in the day preceding the transaction, as determined and published by the European Central Bank or the National Bank of Slovakia. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction.

Property, plant and equipment

Property, plant and equipment is measured at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. When parts of an item of property, plant and equipment need to be regularly replaced, they are accounted for as separate items (major components) of property, plant and equipment with a specific useful life and depreciation. Also, general overhaul repairs are measured at cost, if measurement criteria are met.

Ongoing repairs, maintenance and minor renewals are expensed as incurred. Depreciation is calculated on a straight-line basis over the useful life of an asset (8-50 years for buildings, 3-40 years for machines, equipment and other assets). Land is not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss in the year the asset is derecognised.

When items of property, plant and equipment meets the criteria to be classified as held for sale, they are measured at the lower of their carrying amount and fair value less costs to sell.

The Group measures an item of property, plant and equipment that ceases to be classified as held for sale at the lower of:

a) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation and amortisation that would have been recognised had the asset not been classified as held for sale, and

b) its recoverable amount at the date of the subsequent decision not to sell.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed and adjusted, if appropriate, at each financial year end.

Intangible assets

Intangible assets are measured at cost, less accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated on a straight-line basis over the useful life of the assets (3-8 years).

Intangible assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit and loss in the year the asset is derecognised.

The residual values, useful lives and amortisation methods of intangible assets are reviewed and adjusted, if appropriate, at each financial year end.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the statement of comprehensive income within depreciation, amortisation and impairment of property, plant and equipment and intangible assets.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost includes the purchase price of inventory and expenses related to the acquisition of inventory (including transportation costs, insurance and customs duties) and are accounted for using the weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Allowances for old, obsolete and slow-moving items are booked to reduce the carrying value of these items to net realisable value.

Joint venture, associate and subsidiaries

Joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A joint venture is included in the consolidated financial statements using the equity method from the date joint control is obtained until the date such control ceases.

An associate is an entity over which the Group has significant influence, but not control over its financial and operating policies. An associate is included in the consolidated financial statements using the equity method from the date significant influence arises until the date such influence ceases.

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

Financial assets

Initial recognition and classification of financial assets

A financial asset is recognised in the statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Financial assets within the scope of IFRS 9 - Financial Instruments are classified as financial assets subsequently measured at amortised cost, financial assets measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss, depending on the Group´s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets. Financial assets can be designated as hedging instruments in an effective hedging relationship, as appropriate.

The Group determines the classification of its financial assets at initial recognition.

The Group accounts for contracts to buy or sell non-financial items that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, in line with IFRS 9 - Financial Instruments. Contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are outside the scope of this standard.

Except for trade receivables, at initial recognition, the Group measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs of financial asset carried at fair value through profit or loss are expensed in profit or loss. At initial recognition, the Group measures trade receivables that do not contain a significant financing component at their transaction price.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables, quoted and unquoted financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification at initial recognition as follows:

- Financial assets measured at amortised cost

A financial asset is classified as measured at amortised cost if the objective of the Group is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest rate method ("EIR"), less impairment. Amortised cost is calculated by taking into account the fees paid or received between the contractual parties that are an integral part of the EIR, transaction costs and all other premiums and discounts. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement. This category includes cash and cash equivalents, trade and other receivables and other current and non-current assets.

- Financial assets measured at fair value through other comprehensive income

A financial asset is classified as measured at fair value through other comprehensive income if the Group´s business model objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. This category includes equity securities which are not held for trading.

- Financial assets measured at fair value through profit or loss

Financial assets that do not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

Financial assets measured at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

After the initial recognition, financial assets at fair value through profit or loss are carried in the balance sheet at fair value with changes in fair value recognised in the income statement.

Impairment of financial assets

The Group considered a loss allowance for expected credit losses on a financial asset that is measured at amortised cost or at fair value through other comprehensive income, a lease receivable, a contract asset, a loan commitment or a financial guarantee contract to which the impairment requirements apply in accordance with IFRS 9 - Financial Instruments.

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. For trade and lease receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised since initial recognition of the receivables.

For all financial assets other than trade receivables and lease receivables, the Group applies the general approach under IFRS 9, based on the assessment of a significant increase in credit risk since initial recognition. Under such approach, loss allowance on financial assets is recognised at an amount equal to the lifetime expected credit losses, if the credit risk on those financial assets has increased significantly, since initial recognition, considering all reasonable and supportable information, including also forward-looking inputs. If at the reporting date, the credit risk on financial assets has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses. Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument.

As at 31 December 2025 and 2024, the Group recognised allowance for doubtful debts only in respect of trade and lease receivables. There has been no significant increase in credit risk identified for other financial assets recognised in the balance sheet, nor have any historical credit losses been experienced for other financial assets, except for the trade receivables.

The Group recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as at the balance sheet date in line with IFRS 9 - Financial Instruments. The loss allowance for the financial assets measured at fair value through other comprehensive income is recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position.

Financial assets together with the related allowance are written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The contractual rights to the cash flows from the financial asset expire;
- The Group has transferred the financial asset and the transfer qualifies for derecognition in line with requirements of IFRS 9 - Financial Instruments.

Financial liabilities

Initial recognition and measurement

A financial liability is recognised in the statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss, financial guarantee contracts, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, commitments to provide a loan at a below-market interest rate and contingent consideration recognised by an acquirer in a business combination in scope of IFRS 3 - Business Combinations.

The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities may be designated as hedging instruments in a hedging relationship.

The Group accounts for contracts to buy or sell non-financial items that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, in line with IFRS 9 Financial instruments. Contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are outside the scope of IFRS 9.

At initial recognition, the Group measures a financial liability at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Group's financial liabilities include trade and other payables, loans and borrowings, and derivative financial instruments.

Subsequent measurement

After initial recognition, the financial liabilities are measured according to their classification determined at initial recognition. Reclassifications of financial liabilities are not permitted in any circumstances. The Group classified its financial liabilities as financial liabilities at fair value through profit or loss and financial liabilities subsequently measured at amortised costs.

- Financial liabilities at fair value through profit or loss statement

Financial liabilities at fair value through profit or loss statement include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

- Financial liabilities measured at amortised cost

This category includes loans and borrowings, finance lease payables, trade and other payables. Amortised cost of a financial liability is the amount at which the financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount. The calculation of EIR includes the fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. The EIR amortisation is recognised in finance cost in the income statement.

Derecognition

A financial liability is derecognised when it is extinguished, i.e. when the obligation under the liability is discharged or cancelled or expires.

A substantial modification of the terms of an existing financial liability or a part of it is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. In accordance with IAS 32, Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities, the right to offset must not be contingent on a future event and it has to be legally enforceable both in the normal course of business and in case of default, insolvency or bankruptcy.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

Derivative financial instruments and hedging activities

The Group uses derivative financial instruments such as forwards, options and swaps to hedge its risks related to foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of comprehensive income as finance income or costs.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

An embedded derivative is separated from the host contract and accounted for as a derivative if all of the following conditions are met:

- The economic characteristics and the risks of the embedded derivative are not closely related to the economic characteristics of the host contract.
- A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.
- A hybrid (combined) instrument is not measured at fair value with changes in fair value reported in current period net profit.

Hedging

Hedge accounting recognises the offsetting effects of changes in the fair values of the hedging instrument and the hedged item in profit/loss for the period. For the purpose of hedge accounting, hedges are classified as:

- Fair value hedge,
- Cash flow hedge.

At the inception of the hedge the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and the method by which the Group will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedge is expected to be highly effective in achieving offsetting of changes in fair value or cash flows attributable to the hedged risk and is assessed on an ongoing basis to determine that it has been highly effective throughout the financial reporting periods for which it was designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Fair value hedge

Fair value hedge is a hedge of the Group's exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit/loss for the period.

The gain or loss from remeasuring the hedging instrument at fair value (for a derivative hedging instrument) or the foreign currency component of its carrying amount measured in accordance with IAS 21 (for a non-derivative hedging instrument) is recognised in profit/loss for the period. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognised in profit/loss for the period. The same method is used when the hedged item is an available-for-sale financial asset.

The adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortized to profit/loss for the period over the remaining term to maturity of the financial instrument. Amortization may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in fair value attributable to the risk being hedged.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit/loss for the period. The changes in the fair value of the hedging instrument are also recognised in profit/loss for the period.

The Group discontinues fair value hedge accounting if the hedging instrument expires, the hedging instrument is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation.

Cash flow hedge

Cash flow hedge is a hedge of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit/loss for the period.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. The ineffective portion of the gain or loss on the hedging instrument is recognised in profit/loss for the period.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive income are reclassified from other comprehensive income to profit/loss in the same period or periods during which the asset acquired or liability assumed affects profit/loss for the period. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains and losses that were recognised in other comprehensive income are transferred to the initial cost or other carrying amount of the non-financial asset or liability.

As at 31 December 2025 and 2024, no financial liabilities have been designated as derivative financial instruments.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less and that are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Employee benefits

The Group makes contributions to the State health, retirement benefit and unemployment schemes at the statutory rates in force during the year, based on gross salary payments. The cost of these payments is charged to the statement of comprehensive income in the same period as the related salary cost. The Group has no obligation to contribute to these schemes beyond the statutory rates in force.

Also, the Group operates unfunded long-term defined benefit programmes comprising lump-sum post-employment, jubilee and disability benefits. The cost of providing these employee benefits is assessed separately for each programme using the projected unit credit method, by which the costs incurred in providing such benefits are charged to the statement of comprehensive income so as to spread the cost over the service lives of the Group's employees. The benefit obligation is measured as the present value of the estimated future cash outflows.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of comprehensive income when incurred. Amendments to these long-term defined benefit programmes are charged or credited to the statement of comprehensive income over the average remaining service lives of the related employees.

Termination payments

The employees of the Group are eligible, immediately upon termination due to organizational changes, for redundancy payments pursuant to the Slovak law and the terms of the Collective Agreement between the Group and its employees. The amount of such a liability is recorded as a provision in the balance sheet when the workforce reduction program is defined, announced and the conditions for its implementation are met.

Provisions

A provision is recognised if the Group has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. The amount of the provision is the present value of the risk adjusted expenditures expected to be required to settle the obligation, determined using the estimated risk-free interest rate as discount rate. Where discounting is used, the carrying amount of the provision increases in each period to reflect the unwinding of the discount by the passage of time. This increase is recognised as interest expense.

Environmental matters

Liabilities for environmental costs are recognised when environmental clean-ups are probable and the associated costs can be reliably estimated. Generally, the timing of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites. The amount recognised is the best estimate of the expenditure required.

Legal claims

Liabilities arising from litigation and disputes, which are calculated by using available information and assumptions, are recognised when an outflow of resources embodying economic benefits is probable and when such outflows can be reliably measured.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date. An arrangement is considered to contain a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

This applies when the Group has both of the following:

- the right to obtain substantially all of the economic benefits from use of the identified asset,
- the right to direct the use of the identified asset.

Group as a lessee

At the commencement date, the Group recognises a right-of-use asset and a lease liability. Right-of-use asset represents the Group's right to use an underlying asset for the lease term and is measured at cost.

The cost of the right-of-use asset comprises the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

After the commencement date, the Group measures the right-of-use assets in a way consistent with the measurement of the assets owned by the Group. The depreciation policy for depreciable leased assets is also consistent with that for depreciable assets that are owned by the Group.

Group as a lessor

The Group classifies each of its leases as either an operating lease or a finance lease.

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Lease classification is made at the inception date and is reassessed only if there is a lease modification. Changes in estimates (e.g. economic life or residual value of the underlying asset) or changes in circumstances (e.g. default) do not give rise to a new classification of a lease.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes.

Revenue from transport and related services and from repair and maintenance and other such services is recognised in the period in which the services are provided, net of discounts and deductions.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are recognised as part of the cost of a given asset. Other related expenses are recognised as an expense in the period in which they are incurred.

Income tax

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

In accordance with Act No. 235/2012 Coll., on a Special Levy on Business in Regulated Industries and on the Amendment to and Supplementation of Certain Acts, the Group is obliged to pay a monthly special levy effective from September 2012. This levy is based on the profit before tax and is presented as a part of the current income tax pursuant to the IFRS requirements.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised directly in equity is recognised directly in equity and not in income.

3. TRANSPORTATION AND RELATED REVENUES

In thousands of EUR	31 December 2025	31 December 2024
Inland transport		
Transport of goods	37,359	37,133
Wagon deposition	6,507	10,524
Haulage fees	1,210	1,263
	45,076	**48,920**
International transport		
Import	90,625	108,206
Export	77,220	86,320
Transit	12,450	9,226
	180,295	**203,752**
Other transport related revenues		
Usage of wagons under RIV, PGV and AVV regimes	5,108	3,387
Wagon rentals	3,500	4,588
Cross-border services	1,559	1,749
Other	996	1,221
	11,163	**10,945**
	236,534	

4. OTHER REVENUES

In thousands of EUR	31 December 2025	31 December 2024
Repairs and maintenance	6,575	7,320
Operational performance	1,252	1,102
Asset rentals	7,267	7,795
Other	2,051	2,818
	17,145	**19,035**

5. CONSUMABLES AND SERVICES

In thousands of EUR	31 December 2025	31 December 2024
Traction electricity	(22,827)	(23,174)
Foreign segments	(20,004)	(22,754)
Third party transhipment services	(11,446)	(14,030)
Network fees	(8,575)	(10,813)
Material	(8,003)	(8,674)
Traction diesel oil	(6,593)	(7,186)
IT services and telecommunication charges	(6,425)	(6,184)
Repair and maintenance	(4,440)	(5,465)
Other energy costs	(3,422)	(4,342)
Cross-border services	(2,492)	(2,790)
Security services	(1,601)	(1,315)
Travelling and representation expenses	(1,517)	(1,581)
Rentals	(1,363)	(1,359)
Wagon rentals	(1,192)	(1,619)
Cleaning of cars, property, waste disposal	(558)	(607)
Advisory and consultancy fees	(454)	(621)
Training	(300)	(538)
Medical care	(226)	(213)
Other	(2,657)	(2,448)
	(104,095)	**(115,713)**

Consumables and services include amounts charged by ŽSR of EUR 36,336 thousand (2024: EUR 38,729 thousand), primarily relating to the usage of ŽSR's network (the Company has a one-year contract with ŽSR which specifies planned kilometres and charge rates for different types of transport) and to the purchase of traction energy (refer to Note 25).

6. STAFF COSTS

In thousands of EUR	31 December 2025	31 December 2024
Wages and salaries	(67,294)	(68,149)
Social security costs	(31,382)	(28,806)
Employee benefits (Note 21)	(242)	(346)
Termination payments (Note 22)	(2,455)	(1,927)
	(101,373)	**(99,228)**

Number of employees at 31 December 2025 was 3,209 (2024: 3,762), there of five were members of management (as members of the Board of Directors or directors of individual departments). Average number of employees as at 31 December 2025 were 3,232 (2024: 3,784).
The average salary in 2025 amounted to EUR 1,653 (2024: EUR 1,596).

7. OTHER OPERATING REVENUES (EXPENSES), NET

In thousands of EUR	31 December 2025	31 December 2024
Release (Creation) of provision for Environmental matters (Note 22)	2,400	2,038
Release (Creation) of provision for legal cases and other provisions (Note 22)	2,693	(131)
Release (Creation) of allowance for doubtful debts	137	(399)
Profit on sale of property, plant, equipment and inventories	2,689	3,560
Insurance of tangible fixed assets	(1,207)	(1,115)
Provision for future liabilities	-	12
Other	(636)	(158)
	6,076	**3,807**

The line 'Other' includes the financial transaction tax introduced from 1 April 2025.

8. INTEREST EXPENSE

In thousands of EUR	31 December 2025	31 December 2024
Interest on loans and borrowings	(4,068)	(4,407)
Interest charges on lease liabilities	(18)	(22)
Unwinding of discount on provisions and employee benefits (Note 21)	(296)	(337)
Interest expense on the right to use the asset	(7,319)	(6,249)
Other	(7)	(10)
	(11,708)	**(11,025)**

9. OTHER FINANCE REVENUES (COSTS), NET

In thousands of EUR	31 December 2025	31 December 2024
Foreign exchange gains (losses), net	(11)	37
Other revenues (costs), net	(24)	(26)
	(35)	**11**

10. OTHER NON-CURRENT ASSETS

In thousands of EUR	31 December 2025	31 December 2024
Deferred expenses	450	43
	450	**43**

11. INCOME TAX

The reported income tax represents a withholding tax paid abroad and tax licence in the amount of EUR 52 thousand (2024: EUR 68 thousand).

A reconciliation between the reported income tax expense and the theoretical amount that would arise using the standard rates is as follows:

In thousands of EUR	31 December 2025	31 December 2024
Profit (Loss) before tax	(29,099)	(7,925)
Tax charge at statutory tax rate of 24% (2024: 21%)	6,984	1,664
Tax paid abroad	(47)	(63)
Minimal tax	(4)	(4)
Unrecognised deferred tax asset	7,106	6,833
Non-deductible expenses	(14,090)	(8,498)
Total income tax	**(52)**	**(68)**

Deferred tax assets and liabilities are related to the following (for the year ended 31 December 2025 an income tax rate of 24% applicable in current accounting period was used, for the year ended 31 December 2024: 21%):

In thousands of EUR	31 December 2025	31 December 2024
Deferred tax assets		
Tax loss carried forward	21,164	10,135
Provision for environmental matters	3,007	3,597
Provision for employee benefits	1,833	2,080
Allowance for trade and other receivables	629	699
Allowance for inventories	137	222
Provision for legal cases	1,300	1,946
Termination payments	589	599
Customer discounts	420	506
Other liabilities overdue over 3 years	12	9
Property, plant and equipment and intangible assets	13,665	15,334
Other	3,062	3,590
	45,820	**38,716**
Deferred tax liabilities		
Other	(13)	(15)
	(13)	**(15)**
Valuation allowance	**(45,807)**	**(38,701)**
Net deferred tax assets (liabilities)	**-**	**-**

A valuation allowance of EUR 45,807 thousand (2024: EUR 38,701 thousand) has been recognised for temporary deductible differences due to uncertainty as to the realization of tax benefits in future years. The Group will continue to assess the valuation allowance and, to the extent it is determined that such allowance is no longer required, the tax benefits of the remaining deferred tax assets will be recognised at that time.

Other tax liabilities as advances on employee income tax, property tax, etc. are reported under other liabilities in Note 23.

The Group reported a tax loss of EUR 45,957 thousand in 2025.

12. INTANGIBLE ASSETS

In thousands of EUR	Software	Assets under construction	Total
Acquisition cost			
At 1 January 2025	**40,182**	**98**	**40,280**
Additions	-	1,555	1,555
Disposals	(580)	-	(580)
Transfers	1,393	(1,393)	-
At 31 December 2025	**40,995**	**260**	**41,255**
Accumulated amortization			
At 1 January 2025	**(33,540)**	**-**	**(33,540)**
Charge for the period	(1,918)	-	(1,918)
Disposals	580	-	580
At 31 December 2025	**(34,878)**	**-**	**(34,878)**
Net book value at 31 December 2025	**6,117**	**260**	**6,377**

In thousands of EUR	Software	Assets under construction	Total
Acquisition cost			
At 1 January 2024	**39,862**	**60**	**39,922**
Additions	-	1,049	1,049
Disposals	(691)	-	(691)
Transfers	1,011	(1,011)	-
At 31 December 2024	**40,182**	**98**	**40,280**
Accumulated amortization			
At 1 January 2024	**(32,507)**	**-**	**(32,507)**
Charge for the period	(1,724)	-	(1,724)
Disposals	691	-	691
At 31 December 2024	**(33,540)**	**-**	**(33,540)**
Net book value at 31 December 2024	**6,642**	**98**	**6,740**

13. PROPERTY, PLANT & EQUIPMENT

In thousands of EUR	Land and buildings	Machines, equipment, other assets	Assets under construction	Total
Acquisition cost				
At 1 January 2025	**95,381**	**518,079**	**6,473**	**619,933**
Additions	-	440	36,188	36,628
Disposals	(1,751)	(4,421)	-	(6,172)
Transfers	4,800	37,450	(39,037)	3,213
At 31 December 2025	**98,430**	**551,548**	**3,624**	**653,602**
Accumulated amortization				
At 1 January 2025	**(37,640)**	**(367,893)**	**-**	**(405,533)**
Additions	(2,160)	(25,316)	-	(27,476)
Disposals	756	4,361	-	5,117
Impairment loss	(292)	(186)	-	(478)
Transfers	-	(1,860)	-	(1,860)
At 31 December 2025	**(39,336)**	**(390,894)**	**-**	**(430,230)**
Net book value at 31 December 2025	**59,094**	**160,654**	**3,624**	**223,372**

In thousands of EUR	Land and buildings	Machines, equipment, other assets	Assets under construction	Total
Acquisition cost				
At 1 January 2024	**80,217**	**492,550**	**4,812**	**577,579**
Additions	13,614	684	38,807	53,105
Disposals	(1,367)	(8,978)	(534)	(10,879)
Transfers	2,917	33,823	(36,612)	128
At 31 December 2024	**95,381**	**518,079**	**6,473**	**619,933**
Accumulated amortization				
At 1 January 2024	**(37,407)**	**(353,387)**	**(534)**	**(391,328)**
Additions	(1,966)	(23,742)	-	(25,708)
Disposals	1,296	8,741	-	10,037
Impairment loss	437	495	534	1,466
At 31 December 2024	**(37,640)**	**(367,893)**	**-**	**(405,533)**
Net book value at 31 December 2024	**57,741**	**150,186**	**6,473**	**214,400**

Land and buildings consist of halls used in the repair of locomotives and wagons, depots, stores, workshops and administrative building, machines, equipment and other assets include locomotives and wagons, cranes, trucks, cars and other vehicles, tools and equipment used in repair and maintenance, boilers and other heating equipment and office equipment, including computers, printers and other IT equipment.

The additions for 2024 also include fixed assets (land and buildings) worth EUR 13,312 thousand, which were deposited contribution (see Note 19).

The Group recorded impairment losses on assets individually assessed as damaged or not capable for further use. The impairment losses were recorded to reflect the amount of actual damage, respectively, the net book value of an asset component at 31 December 2025.

The impairment test required by IAS 36 was performed by management of the Group as at 31 December 2025. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. The fair value less cost to sell of an asset was determined as its selling price adjusted for costs associated with the sale of the asset. The value in use of the asset was determined by discounted cash flows method, with the Group being assessed as whole. No impairment losses have been identified based on the impairment test when comparing the recoverable amounts of the assets and carrying values after considering impairment losses of selected assets.

The relevant cash flows were estimated based on the 2026 business plan updated to the latest available information at the balance sheet date and on forecasts of future periods based on best estimates using all available information. The future cash flows were estimated for the next 10 years which is an average remaining useful life of the Group‘s assets. The cash flows include unavoidable investment expenditures required to maintain the ability of the Group to generate revenues and proceeds from scrap value at the end of the useful life. Discount rate of 10.00% used in the calculation was determined based on interest rates for incremental financing of fixed assets purchases by the Group as at the day of preparation of financial statements and was adjusted for factors of time, risk and liquidity.

As a result of the procedures described above, the Group has increased an impairment loss by EUR 478 thousand (2024: decrease in impairment loss by EUR 1,466 thousand) due to a lower usage of Group’s assets and their market potential. As part of the tests, there is expected increase in net cash flows resulting mainly from the increase in the expected use of assets (especially in diesel traction) and the growth of transport performance in the following period was also taken into account.

Property, plant and equipment in the ownership of the Group with a total acquisition value of EUR 840 thousand (EUR 723 thousand at 31 December 2024) and with a net book value of EUR 440 thousand (EUR 343 thousand at 31 December 2024) is registered as heritage-protected areas, immovable cultural monuments or protective zones of immovable cultural monuments.

Since 1 January 2014 the Group ´s property, plant and equipment and inventories have not been insured. Motor vehicles have third party and accident insurance cover, the cost of which is immaterial.

The gross carrying amount of any fully depreciated property, plant and equipment that is still in use, is EUR 17,963 thousand.

14. RIGHT-OF-USE ASSETS

With the application of IFRS 16 as of 1 January 2019, the Company recognised the right-of-use assets related to assets leased in the form of a lease.

The following table shows the amount of the right to use the leased assets in the years ended 31 December 2025 and 2024:

In thousands of EUR	Land and buildings	Wagons	Locomotives	Others	Total
Net book value at 1 January 2025	**4,364**	**189,793**	**27,093**	**649**	**221,899**
Additions	977	-	-	543	1,520
Modifications	(126)	(3,600)	998	-	(2,728)
Disposals	(830)	(374)	-	(5)	(1,209)
Transfers	-	-	(1,353)	-	(1,353)
Depreciation	(1,736)	(35,222)	(6,256)	(320)	(43,534)
Net book value at 31 December 2025	**2,649**	**150,597**	**20,482**	**867**	**174,595**

In thousands of EUR	Land and buildings	Wagons	Locomotives	Others	Total
Net book value at 1 January 2024	**5,883**	**209,614**	**32,588**	**686**	**248,771**
Additions	143	24,140	-	280	24,563
Modifications	44	(6,081)	920	34	(5,083)
Disposals	(2)	-	-	-	(2)
Transfers		-	-	(58)	(58)
Depreciation	(1,704)	(37,880)	(6,415)	(293)	(46,292)
Net book value at 31 December 2024	**4,364**	**189,793**	**27,093**	**649**	**221,899**

One of the contracts contain an extension option, which grants additional 4 years of lease term, with specified conditions. Lessor does not have such option. Since the Group cannot estimate future use of the option, the extended lease term beyond December 2029 is not included in Right-of-use asset. The option maturity date is 2 years prior to the end of lease period, i.e. December 2027. The Group has estimated that the full usage of option would result in additional liability from lease of EUR 105.211 million.

Other lease contracts, which were recorded as operating lease contracts in prior periods, do not contain lease term extension option. For all lease contracts, which were recorded as financial leasing contracts in prior periods, the Group plans to utilize options for purchase of underlying assets after the end of lease term.

15. INVESTMENT IN JOINT VENTURE, ASSOCIATE AND SUBSIDIARIES

The Group has a 40% share in BULK TRANSSHIPMENT SLOVAKIA, a. s. which is involved in the transhipment of iron ore in Čierna nad Tisou in the east of Slovakia. Based on contractual arrangements with the other shareholder, the management of the Group decided to consider this investment as an associate and is consolidated using the equity method.

The Group has 34% share in Cargo Wagon, a.s.. This investment is presented as a joint venture based on the agreed conditions of shareholder agreement and is consolidated using the equity method.

Assets and liabilities as at 31 December 2025 and 2024 and income and expenses for the years then ended of the BULK TRANSSHIPMENT SLOVAKIA, a. s. are as follows:

In thousands of EUR	31 December 2025	31 December 2024
Current assets	6,404	6,387
Non-current assets	36,397	34,524
Total assets	**42,801**	**40,911**
Current liabilities	5,210	4,320
Non-current liabilities	11,046	10,358
Total liabilities	**16,256**	**14,678**
Total equity	**26,545**	**26,233**
Investment value as the Group's share of equity	***10,618***	***10,493***

In thousands of EUR	31 December 2025	31 December 2024
Revenues	17,558	19,770
Costs	17,013	(15,616)
Profit before income tax	545	4,154
Income tax expense	(183)	(157)
Profit (Loss) for the period	**362**	**3,997**
Group share of profit (loss)	***145***	***1,599***

In accordance with IFRS 12 paragraph B15, the financial information of the associated company is presented according to Slovak accounting standards. As of the date of preparation of the individual financial statements, the associated company does not prepare financial statements according to IFRS standards and preparation on this basis would be impracticable or would cause disproportionate costs.

BULK TRANSSHIPMENT SLOVAKIA, a. s. paid dividends to Group in the total amount EUR 0 thousand (2024: EUR 1,234 thousand).

Assets and liabilities as at 31 December 2025 and 2024 and income and expenses for the years then ended of the Cargo Wagon, a.s. are as follows:

In thousands of EUR	31 December 2025	31 December 2024
Current assets	46,496	44,555
thereof Cash and cash equivalents	*42,606*	*38,465*
Non-current assets	63,393	78,769
Total assets	**109,889**	**123,324**
Current liabilities	16,200	15,336
Thereof Interest-bearing loans and borrowings	*12,622*	*7,071*
Non-current liabilities	42,925	56,347
Interest-bearing loans and borrowings	*37,767*	*50,386*
Total liabilities	**59,125**	**71,683**
Total equity	**50,728**	**51,641**
Investment value as the Group's share of equity	***17,247***	***17,558***

In thousands of EUR	31 December 2025	31 December 2024
Revenues	36,035	39,314
Costs	(25,942)	(27,377)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	*(23,676)*	*(23,554)*
Profit before income tax	**10,304**	**11,937**
Income tax expense	(2,469)	(3,252)
Profit (Loss) for the period	**7,836**	**8,685**
Group share of profit (loss)	***2,664***	***2,953***

Values presented above are in accordance with International Financial Reporting Standards.

Cargo Wagon, a.s. paid dividends to Company in the total amount EUR 2,975 during 2025 (2024: EUR 3,400 thousand).

In 2013 ZSSK CARGO Intermodal, a.s. was founded with registered capital of EUR 25 thousand which composes 100% of company shares held by the Group and is recognised as a subsidiary and consolidated through the full consolidation.

As of 31 December 2025, the company is dormant with no operation.

The Company founded the subsidiary Depo Services, a. s. in 2023 with share capital in amount of EUR 25 thousand which composes 100% of company shares held by the Group and is recognised as a subsidiary and consolidated through the full consolidation.

As of 31 December 2025, the company is dormant with no operation.

16. INVENTORIES

	At cost	At lower of cost or net realizable value	At cost	At lower of cost or net realizable value
In thousands of EUR	2025	2025	2024	2024
Machine and metal-working materials	6,451	6,175	6,858	6,378
Electrical materials	2,349	2,130	2,648	2,266
Chemicals and rubber	1,142	1,117	1,189	1,171
Diesel fuel	565	565	616	616
Protective tools	319	307	294	285
Other	316	278	380	343
Total	**11,142**	**10,572**	**11,985**	**11,059**

The Group expects to use up stocks amounted to EUR 18,770 thousand (2024: EUR 19,487 thousand) in a period of more than twelve months after the date of creation these financial statements.

17. TRADE AND OTHER RECEIVABLES

In thousands of EUR	31 December 2025	31 December 2024
Domestic trade receivables	33,360	33,097
Foreign trade receivables	6,415	7,125
VAT receivables	997	1,192
Other receivables	3,059	3,058
Allowance for impaired trade and other receivables	(2,622)	(2,913)
	41,209	**41,559**

At 31 December 2025 overdue receivables amounted to EUR 2,833 thousand (EUR 2,517 thousand at 31 December 2024).

Trade receivables are non-interest bearing and are generally due within 30-90 days.

For details of related party receivables, refer to Note 25.

As at 31 December, the ageing analysis of trade receivables is as follows:

			Past due but not impaired				
Year	Total	Neither past due nor impaired	< 90 days	90 - 180 days	180 – 270 days	270 – 365 days	> 365 days
2025	**41,209**	40,922	287	-	-	-	-
2024	**41,559**	40,908	651	-	-	-	-

18. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents comprise the following:

In thousands of EUR	31 December 2025	31 December 2024
Cash at banks and on hand and cash equivalents	120	147
Bank overdrafts	(22,709)	(20,153)
	(22,589)	**(20,006)**

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Bank overdrafts as of 31 December are as follows:

		2025		2024
In thousands of EUR	Overdraft limit	Drawn down	Overdraft limit	Drawn down
ING Bank N.V., pobočka z. b.	*20,000*	**14,079**	*20,000*	**7,665**
Slovenská sporiteľňa, a.s.	*15,000*	**4,588**	*15,000*	**4,657**
Tatra banka, a.s.	*35,000*	**1,699**	*35,000*	**1,522**
Československá obchodná banka, a.s.	*10,000*	**1,594**	*10,000*	**4,951**
Všeobecná úverová banka, a.s.	*22,500*	**749**	*22,500*	**1,358**
	102,500	**22,709**	*102,500*	**20,153**

19. SHAREHOLDER´S EQUITY

Share capital

Share capital represents the State's investment in the Group, held through MT, made through the contribution of certain assets and liabilities of the Group's predecessor, ŽS, and by 17 December 2024 included 121 registered ordinary shares, each with a nominal value of EUR 3,319,391.8874. All of these shares are issued and fully paid.

The Group increased its share capital by subscribing to new shares in the amount of EUR 13,311,785.00 as at 17 December 2024. The sole shareholder subscribed for 13 shares with a nominal value of EUR 1,000,000, 311 shares with a nominal value of EUR 1,000 and 1 share with a nominal value of EUR 785. The Group's share capital is increasing from value of EUR 401,646,418.3754 to value of EUR 414,958,203.3754. The newly subscribed shares were paid for by the sole shareholder with a non-cash contribution, the subject of which is real estate from the company Železnice Slovenskej Republiky specified in the Inventory of real estate intended for contribution to the share capital and valued by an expert. The difference between the value of the non-cash contribution and the issue price of all subscribed shares represents the share premium of EUR 0.70. The increased share capital was entered in the Commercial Register on 18 February 2025.

Legal reserve fund

On the Group's incorporation, in accordance with Slovak legislation, a legal reserve fund was established at 10% of the Group's registered capital, again through an in-kind contribution. Slovak legislation requires that the legal reserve fund will be increased by amounts of at least equal to 10% of annual net profit up to an amount equal to 20% of the Group's registered capital. Under the Group's Articles of Association, the legal reserve fund is not available for distribution and can only be used to cover losses or increase registered capital.

Based on the decision of the sole shareholder of 9 November 2010, the statutory reserve fund was utilized to cover the losses of the Group.

Other funds

Other funds represent the difference between the value of the assets and liabilities contributed by the State on the Group's incorporation and through an additional capital contribution made on 2 November 2005 and that of the Group's registered capital and legal reserve fund, adjusted by an amount of EUR 4,216 thousand to restate an error in the initial valuation of the assets contributed by the State identified in 2006.

During 2008 the Group received an additional capital contribution of EUR 12,149 thousand from MT, this being a previously unpaid part of the initial equity contribution made on the Group's incorporation. In addition, the Group was awarded penalty interest of EUR 8,830 thousand to compensate for the late payment of this contribution.

Distribution of profit from previous accounting period

The distribution of accounting loss of the 2024 statutory result was approved by the Company's General Meeting on 30 June 2025 and was transferred to accumulated losses.

20. INTEREST-BEARING LOANS AND BORROWINGS

In thousands of EUR	Maturity date	31 December 2025	31 December 2024
Long-term loans			
Secured			
Všeobecná úverová banka, a.s.	30 April 2028	7,380	12,300
Tatra-Leasing, s.r.o.	13 March 2030	38,832	29,834
Unsecured			
Tatra banka, a.s.	31 March 2031	20,520	7,110
Československá obchodná banka, a.s.	31 March 2027	625	1,125
Total		**67,357**	**50,369**
Short-term portion of loans		**11,972**	**8,492**
Long-term portion of loans		**55,385**	**41,877**
Short-term loans			
Unsecured			
Československá obchodná banka, a.s.		6,000	-
Tatra banka, a.s.		25,000	10,000
Secured			
Všeobecná úverová banka, a .s.		20,000	20,000
Total		**51,000**	**30,000**
Short-term portion of loans (see above)		**11,972**	**8,492**
Overdrafts (Note 18)		**22,709**	**20,153**
Short-term portion of loans		**85,681**	**58,645**
Total		**141,066**	**100,522**

Loans from ING Bank N.V., pobočka zahraničnej banky (foreign bank branch), Slovenská sporiteľňa, a.s., and Všeobecná úverová banka, a.s. are secured by promissory notes with a value of EUR 46,797 thousand (EUR 45,980 thousand at 31 December 2024), and with a nominal value of EUR 93,060 thousand (EUR 93,060 thousand as of 31 December 2024).

The long-term loan provided by Všeobecná úverová banka, a.s. is secured by a promissory note (blank promissory note with a value EUR 9,020 thousand, blank promissory note with a value EUR 9,570 thousand and blank promissory note with a value EUR 8,470 thousand) as well as by a lien on 37 locomotives.

Long-term loan from Tatra-Leasing, s.r.o. is secured by a lien on 20 locomotives.

At 31 December 2025 (and at 31 December 2024), the Group complied with all financial and non-financial covenants arising from loan agreements. The fair value of interest-bearing loans and borrowings amounts to EUR 141,067 thousand (EUR 100,522 thousand at 31 December 2024).

All interest-bearing loans and borrowings bear floating interest which range from 2.422% p.a. to 3.600% p.a. (3.338% p.a. to 4.420% p.a. in 2024).

21. EMPLOYEE BENEFITS

In thousands of EUR	Retirement benefits	Jubilee payments	Disability benefits	Total
At 1 January 2025	**7,390**	**1,278**	**-**	8,668
Current service cost	260	44	-	304
Interest expense	252	44	-	296
Actuarial gains and losses	(992)	(62)	-	(1,054)
Utilization of benefits	(351)	(225)	-	(576)
Past service cost	-	-	-	-
At 31 December 2025	**6,559**	**1,079**	**-**	**7,638**
Current 31 December 2025	643	176	-	819
Non-current 31 December 2025	5,916	903	-	6,819
At 31 December 2025	**6,559**	**1,079**	**-**	**7,638**

In thousands of EUR	Retirement benefits	Jubilee payments	Disability benefits	Total
At 1 January 2024	**8,211**	**1,438**	**1**	**9,650**
Current service cost	310	49	-	359
Interest expense	287	50	-	337
Actuarial gains and losses	(96)	(23)	(1)	(120)
Utilization of benefits	(1,332)	(236)	-	(1,568)
Past service cost	10	-	-	10
At 31 December 2024	**7,390**	**1,278**	**-**	**8,668**
Current 31 December 2024	770	213	-	983
Non-current 31 December 2024	6,620	1,065	-	7,685
At 31 December 2024	**7,390**	**1,278**	**-**	**8,668**

The principal actuarial assumptions used were as follows:

	2025	2024
Discount rate (% p.a.)	4.06	3.41
Future salary increases (%)	3.00	5.00
Mortality probability (male) (%)	0.04 – 2.46	0.04 – 2.46
Mortality probability (female) (%)	0.02 – 0.10	0.02 – 0.10

Sensitivity analysis

A sensitivity analysis of the provision to changes in significant assumptions is shown in the table below:

In thousands of EUR	31 December 2025	Discount rate (1.00%)	Average income (1.00%)	Mortality (-10.00%)
Net liability from employee benefits	7,638	(544)	258	70

In thousands of EUR	31 December 2024	Discount rate (1.00%)	Average income (1.00%)	Mortality (-10.00%)
Net liability from employee benefits	8,668	(601)	278	74

22. PROVISIONS

In thousands of EUR	Environmental	Legal	Terminations	Other	Total
At 1 January 2025	**14,988**	**8,109**	**2,495**	-	**25,592**
Additions	-	298	2,455	-	2,753
Actuarial gains and losses	-	-	1,334	-	1,334
Release	(2,400)	(2,991)	-	-	(5,391)
Utilization	(57)	-	(3,829)	-	(3,886)
At 31 December 2025	**12,531**	**5,416**	**2,455**	-	**20,402**
Current 31 December 2025	164	-	2,455	-	2,619
Non-current 31 December 2025	12,367	5,416	-	-	17,783
At 31 December 2025	**12,531**	**5,416**	**2,455**	-	**20,402**

In thousands of EUR	Environmental	Legal	Terminations	Other	Total
At 1 January 2025	**17,203**	**7,978**	**1,673**	**12**	**26,866**
Additions	-	185	2,495	-	2,680
Actuarial gains and losses	-	-	(745)	-	(745)
Release	(2,038)	(54)	-	(12)	(2,104)
Utilization	(177)	-	(928)	-	(1,105)
At 31 December 2025	**14,988**	**8,109**	**2,495**	-	**25,592**
Current 31 December 2025	285	-	2,495	-	2,780
Non-current 31 December 2025	14,703	8,109	-	-	22,812
At 31 December 2025	**14,988**	**8,109**	**2,495**	-	**25,592**

Environmental matters

In 2025, the Group updated its analysis of potential breaches of environmental regulations at its various sites, with the support of an environment specialist, Centrum environmentálnych služieb, s.r.o. As a result of this analysis, and based on the findings of Centrum environmentálnych služieb, s.r.o., the Group has estimated that costs of EUR 12,531 thousand (EUR 14,988 thousand at 31 December 2024) are required to remedy the significant environmental issues relating to water, oil and fuel management identified in the past.

Their exact estimates are not necessarily accurate due to several uncertainties involving continuous development of laws and regulatory requirements in the areas of environment and methods, timing and extent of corrective actions which could have a potentially significant impact on the economic results of the Group in future periods. A discount rate of 4.00 % p.a. was used in the calculation.

Legal cases

By its judgement dated 24 June 2025, the Supreme Administrative Court of the Slovak Republic amended the judgement of the Bratislava Regional Court dated 29 September 2021, remanding the case to the defendant (the Antimonopoly Office of the Slovak Republic) for administrative proceedings. This was on the grounds that the defendant, in its contested second-instance decision dated 14 November 2019, incorrectly assessed the expiration of the subjective period for imposing a sanction within the context of the provisions of the Civil Procedure Code and Act No. 136/2001 Coll.

23. TRADE AND OTHER PAYABLES, AND OTHER NON-CURRENT LIABILITIES

In thousands of EUR	31 December 2025	31 December 2024
Domestic trade payables	25,456	27,255
Foreign trade payables	4,335	4,514
Payables due to employees	7,808	8,285
Payables due to social institutions	4,336	4,489
Other payables	6,399	4,932
	48,334	**49,475**

At 31 December 2025 overdue trade payables amounted to EUR 855 thousand (EUR 333 thousand at 31 December 2024). For details of related party payables, refer to Note 25.

The social fund payable is included in other non-current liabilities. Movements in the social fund during the period are shown in the table below:

In thousands of EUR	2025	2024
At 1 January	**218**	**217**
Creation	590	619
Utilization	712	618
At 31 December	**96**	**218**

24. COMMITMENTS AND CONTINGENCIES

Lease liabilities

As at 31 December 2025, the Group has concluded fixed-term contracts that were previously reported as operating leases, mainly relating to the lease of wagons, road motor vehicles and other equipment. All leases are on a fixed repayment basis with floating interest rates derived from EURIBOR. Present value of net lease payments is as follows:

In thousands of EUR	31 December 2025	31 December 2024
Within one year	41,794	41,969
From one to five years	121,405	158,593
Over five years	19,602	26,534
Present value of lease payments	**182,801**	**227,096**

In valuing lease liabilities that were previously classified as operating leases, the Group used an incremental interest rate to discount. The weighted interest rate used was 3.56% as at 31 December 2025 (3.52% in 2024).

Note 26 summarizes the lease liabilities based on contractual undiscounted payments (according to repayment schedules) when summarizing the maturity of financial liabilities as at 31 December 2025.

Investing commitments

The Group's investment expenditure for the period from 1 January 2026 to 31 December 2026 (1 January 2025 to 31 December 2025) is as follows:

In thousands of EUR	31 December 2025	31 December 2024
Land and buildings	1,798	1,458
Machines, equipment and other assets	18,560	20,105
Intangible assets	-	-
	20,358	**21,563**

Expenditures of EUR 20,358 thousand (EUR 21,563 thousand at 31 December 2024) are committed under contractual arrangements.

25. RELATED PARTY DISCLOSURES

Related parties of the Group comprise of all companies under same ownership (meaning under the control of the State), the Group's joint venture, associate and the Board of Directors.

The following tables provide the total amount of transactions which have been entered into with related parties for the years ended 31 December 2025 and 2024:

In thousands of EUR	31 December 2025			
Related party	**Sales to related parties**	**Purchases from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
ŽSR	2,914	36,336	792	1,837
ZSSK	7,538	1,725	514	205
Slovenský plynárenský priemysel	-	158	-	-
Cargo Wagon, a.s., (joint venture)	4,278	27,600	87	2,766
BTS (associate)	2,290	11,704	472	2,927
Other related parties	945	777	20	4

In thousands of EUR	31 December 2024			
Related party	**Sales to related parties**	**Purchases from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
ŽSR	1,348	38,729	278	2,682
ZSSK	12,123	1,778	555	208
Slovenský plynárenský priemysel	-	2,335	-	470
Cargo Wagon, a.s., (joint venture)	4,568	29,582	44	3,169
BTS (associate)	3,121	14,362	322	2,619
Other related parties	899	761	13	5

The Group's major contractual relationships with ŽSR and ZSSK are for fixed one-year periods and are subject to an annual renewal process. Purchases from ŽSR include primarily network fees and traction electricity. Sales to ŽSR comprise of transport services, while sales to ZSSK include gains on sale of property, plant, equipment, the repair of passenger wagons and track vehicles and the sale of diesel.

Statutory and supervisory bodies

Members of the Group's statutory and supervisory bodies as registered in the Commercial Register at the Municipal Court Bratislava III at 31 December 2025 and 2024 are as follows:

Board of Directors:	Ing. Jaroslav Daniška, chairman of the board (since 15 November 2023)
	Mgr. Matej Hambálek, vice-chairman (since 15 May 2024)
	Ing. Miroslav Hopta, member (since 15 May 2024)
Supervisory Board:	Ing. Viera Šoltysová, chairman of the board (since 18 June 2024)
	Mgr. Lukáš Parízek, member (since 4 February 2021)
	Peter Pikna, member (since 1 January 2020)
	Peter Hevera, member (since 6 October 2024)
	JUDr. Denisa Žiláková, MBA, LL.M., member (since 24 February 2025)
	Ing. Ján Lupták, chairman of the board (since 12 October 2017 to 17 June 2024)
	Jozef Róbert Šmigalla, member (since 1 January 2020 to 6 July 2024)

Emoluments of the members of the Board of Directors and Supervisory Board

The Board of Directors' total remuneration approximated EUR 52 thousand (EUR 53 thousand in 2024). The total remuneration of members of the Supervisory Board amounted to EUR 29 thousand (EUR 37 thousand in 2024).

Loans granted

No loans have been granted to key management and members of the Board of Directors and Supervisory Board.

26. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise of interest-bearing loans and borrowings, overdrafts and trade payables. The main purpose of these financial liabilities is to raise financing for the Group's operations. The Group has various financial assets such as trade and other receivables and short-term deposits, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and credit risk. The Board of Directors reviewed and agreed policies for managing each of these risks which are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates to the Group's long-term and short-term borrowings and overdrafts with floating interest rates. The Group has a broad portfolio of borrowings bearing a range of fixed and floating interest rates.

The following table demonstrates the sensitivity of the Group's profit before taxes for the period of 12 months after the reporting date to a reasonable change in interest rates of 50 basis points higher/lower, with all other variables held constant. There is no expected impact on the Group's equity.

In thousands of EUR	31 December 2025	31 December 2024
EURIBOR (+0.5 %)	611	545
EURIBOR (-0.5 %)	(611)	(545)

Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate number of credit facilities to cover the liquidity risk in accordance with its financing strategy. The amounts available in the form of credit facilities as at 31 December 2025 and 2024 consist of the following:

In thousands of EUR	31 December 2025	31 December 2024
Long-term loan facilities available	2,900	29,814
Short-term loan facilities available	26,948	50,427
Total loan facilities available	**29,848**	**80,241**

As at 31 December 2025 and at 31 December 2024 the Group did not use any bank guarantee.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2025 based on contractual undiscounted payments:

In thousands of EUR	On demand	Less than 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
Long-term loans	-	-	-	55,385	-	55,385
Trade and other payables	855	47,479	-	-	-	48,334
Obligations under leases	-	11,889	35,775	131,796	20,792	200,252
Short-term loans	-	7,313	64,289	14,079	-	85,681
	855	**66,681**	**100,064**	**201,260**	**20,792**	**389,652**

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2024 based on contractual undiscounted payments:

In thousands of EUR	On demand	Less than 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
Long-term loans	-	-	-	41,382	495	41,877
Trade and other payables	333	49,142	-	-	-	49,475
Obligations under leases	-	12,264	37,078	174,019	28,706	252,067
Short-term loans	-	23,481	35,165	-	-	58,646
	333	**84,887**	**72,243**	**215,401**	**29,201**	**402,065**

The following table summarizes the changes in financial obligations as at 31 December 2025:

In thousands of EUR	1 January 2025	Cash flows	Others	31 December 2025
Long-term loans	41,877	13,508	-	55,385
Obligations under leases	227,096	(49,215)	4,920	182,801
Short-term loans	58,645	27,036	-	85,681
	327,618	**(8,671)**	**4,920**	**323,867**

The following table summarizes the changes in financial obligations as at 31 December 2024:

In thousands of EUR	1 January 2024	Cash flows	Others	31 December 2024
Long-term loans	25,275	25,884	(9,282)	41,877
Obligations under leases	252,009	(50,638)	25,725	227,096
Short-term loans	62,748	(13,385)	9,282	58,645
	340,031	**(38,139)**	**25,725**	**327,618**

Credit risk

The Group provides a variety of customers with products and services, none of whom, based on volume and creditworthiness, present a significant credit risk, individually or in aggregate. The Group has three major customers: U. S. Steel Košice s.r.o., BUDAMAR LOGISTICS, a.s. and Railtrans International, a.s. (BUDAMAR LOGISTICS, a.s., U. S. Steel Košice, s.r.o. and Railtrans International, a.s.in 2024), sales to which represent 61 % of transport and related revenues (65 % in 2024), but management is confident, based on historic experience, projections for the future and contracts in place, that the Group is not overly exposed to credit risk in respect of these three customers. The Group's procedure is to ensure that sales are made to customers with appropriate credit histories and that acceptable credit limits are not exceeded.

The value of financial assets, recognised in the balance sheet reduced by impairment losses reflects the Group's maximum exposure to credit risk.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure, and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 31 December 2024.

The Group monitors indebtedness using a debt to equity ratio, by which debt consists of external interest-bearing loans and borrowings and excludes financial lease obligations, divided by total equity.

In thousands of EUR	31 December 2025	31 December 2024
Long-term debt, net of current portion (excluding lease obligations)	55,385	41,877
Short-term debt, including current portion of long-term debt (excluding lease obligations)	85,681	58,645
Debt	**141,066**	**100,522**
Equity	**84,234**	**112,393**
Debt to equity ratio (%)	**167 %**	**89%**

27. EVENTS AFTER THE BALANCE SHEET DAY

No events occurred subsequent to 31 December 2025 that might have a material effect on the fair presentation of the matters disclosed in these financial statements.

Approved by Ing. Jaroslav Daniška and Ing. Miroslav Hopta on behalf of the Board of Directors on 28 April 2026.

Photo credit:

Andrej Izing (1), Dana Schwartzová (8), David Galuš (11, 16), Bartek Pon (35), Ladislav Jandošek (79) and archive of ZSSK CARGO (4).

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