



NÁRODNÁ DIALŇIČNÁ SPOLOČNOSŤ

ANNUAL REPORT

2023

CONTENTS

PREFACE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND DIRECTOR GENERAL	6
1. CHARACTERISTICS OF THE COMPANY	8
1.1. SCOPE OF ACTIVITIES	8
1.2. CAPITAL AND OWNERSHIP STRUCTURE	8
1.3. COMPANY STRATEGY	9
1.4. RISK ANALYSIS	11
1.5. COMPANY BODIES	11
1.6. ACTING ON BEHALF OF THE COMPANY EXTERNALLY	13
1.7. SOCIAL RESPONSIBILITY OF NDS	13
2. EVALUATION OF INVESTMENT ACTIVITIES.....	17
2.1. PRE-INVESTMENT PREPARATION.....	17
2.2. INVESTMENT PREPARATION	18
2.3. CONSTRUCTION	21
2.4. MONITORING OF THE COMPONENTS OF THE ENVIRONMENT	23
2.5. QUALITY CONTROL ON Ms&Es IN INVESTMENT, REPAIRS AND RECONSTRUCTIONS	23
2.6. FINANCIAL INVESTMENT INDICATORS	24
3. ASSET MANAGEMENT, REPAIR AND MAINTENANCE EVALUATION.....	25
3.1. ASSET MANAGEMENT.....	25
3.2. ROAD SIGNS AND SAFETY EQUIPMENT	25
3.3. PAVEMENTS AND CIVIL ENGINEERING STRUCTURES	27
3.4. BRIDGES—INSPECTIONS, MONITORING, PROJECT PREPARATION, REPAIRS AND CONSTRUCTION MAINTENANCE.....	28
3.5. TUNNELS AND MICS	29
3.6. MOTORWAY INFORMATION AND CONTROL SYSTEMS (MICS) AND TRANSPORT TECHNOLOGIES (TT).....	30
3.7. TOTAL WEIGHT AND AXLE LOAD OFFICIAL MEASUREMENT	30
3.8. WINTER AND SUMMER MAINTENANCE.....	31
3.9. CENTRAL OPERATOR WORKSTATION (COW)	31
3.10. OPERATING COST OF REPAIRS AND MAINTENANCE	31
3.11. MOTORWAY PATROL	32
3.12. REST AREAS	32
4. EVALUATION OF NDS ACTIVITIES WITHIN ROSA	33
4.1. INCREASING THE ROAD INFRASTRUCTURE SAFETY LEVEL.....	33
4.2. INCREASING THE SAFETY LEVEL FOR NDS EMPLOYEES AND ROAD TRAFFIC PARTICIPANTS.....	33
4.3. IMPROVEMENT OF ROAD MARKINGS ON THE ROAD NETWORK	33
5. ENVIRONMENTAL ACTIVITIES	35
5.1. ACTIVITIES IN MOTORWAY NETWORK OPERATION AND MAINTENANCE.....	35
5.2. ACTIVITIES IN MOTORWAY PROJECT PREPARATION AND CONSTRUCTION	35
6. EVALUATION OF NETWORK TOLLING	38

6.1.	TIME PAYMENT IN THE FORM OF ELECTRONIC VIGNETTES (EV).....	38
6.2.	PERFORMANCE CHARGING IN THE FORM OF ELECTRONIC TOLL COLLECTION	40
7.	HUMAN RESOURCES.....	43
7.1.	EMPLOYMENT STATUS.....	43
7.2.	REMUNERATION AND BENEFITS FOR EMPLOYEES	45
7.3.	HEALTHY COMPANY	46
7.4.	EDUCATION OF EMPLOYEES	46
7.5.	PERSONNEL MARKETING	47
7.6.	SOCIAL RESPONSIBILITY IN THE AREA OF HUMAN RESOURCES	47
8.	MARKETING AND COMMUNICATION	49
8.1.	COMMUNICATION AND MARKETING STRATEGY IN 2023	49
8.2.	INTERNATIONAL RELATIONS	49
9.	FINANCIAL DATA	52
9.1.	STATEMENT OF FINANCIAL POSITION AS AT 31/12/2023	52
9.2.	COMPREHENSIVE INCOME STATEMENT	55
9.3.	CASH FLOW STATEMENT.....	56
9.4.	FUNDING SOURCES	56
9.5.	ANNUAL FINANCIAL STATEMENTS	58
9.6.	PROPOSAL FOR USE OF PROFITS FOR 2023	58
9.7.	EVENTS THAT OCCURRED AFTER THE DATE OF THE FINANCIAL STATEMENTS AS AT 31/12/2023	59
10.	REPORTING OF INFORMATION IN ACCORDANCE WITH THE EU TAXONOMY	60
10.1.	EVALUATION OF NDS ACTIVITIES IN RELATION TO EU TAXONOMY	61
10.2.	FINANCIAL INDICATORS RELEVANT TO THE EU TAXONOMY—INFORMATION ON THE SHARE OF REVENUES, CAPITAL EXPENDITURE AND OPERATING COSTS OF NDS FOR THE YEAR 2023 ASSOCIATED WITH ECONOMIC ACTIVITIES ELIGIBLE FOR OR ALIGNED WITH THE EU TAXONOMY	62
10.3.	MINIMUM SAFEGUARDS	64
11.	EXPECTED SITUATION IN 2024	65
12.	APPENDICES	68

LEGEND

AS	Author's Supervision
TAS	Thin Asphalt Surfacing
ABH	Asphalt Bridge Head
ASECAP	European Association of Operators of Toll Road Infrastructures (Association Europeenne des Concessionnaires d'Autoroutes et d'Ouvrages a Peage)
AP	Action Plans
ROSA	Road Safety
CC	Cement Concrete
CBGM	Cement Bound Granular Material
PA	Protected Area
DC	Deicing Chemicals
COW	Central Operator Workstation
WWTP	Wastewater Treatment Plant
Ms	Motorways
PAD	Post-assessment Documentation
DT	Documentation for Tender
CED	Construction Execution Documentation
DBP	Documentation for Building Permit
DBPn	Documentation for Building Plan
aDBPn	Addendum to Documentation for Building Plan
TT	Transport technologies
DZP	Documentation for Zoning Permit
RS	Road Signs
DcZP	Documentation for change in Zoning Permit
eV	electronic Vignette
EETS	European Electronic Toll Service
EIA	Environmental Impact Assessment
FAS	Fire Alarm System
ETC	Electronic Toll Collection
EU	European Union
FIDIC	International Federation of Consulting Engineers (Fédération Internationale des Ingénieurs-Conseils)
GHH	All-metal Bridge Head with Rubber Seal
DG	Director General
GSM	Global System for Mobile Communications
Prg	Programme
BC	Border Crossing
BSI	Bridge Safety Index
IFRS	International Financial Reporting Standards
IRF	International Road Federation
MICS	Motorway Information and Control System
MIS	Motorway Information System
BCCI	Bridge Construction Condition Index
RBLI	Remaining Bridge Life Index
DoC	Documentation Coordinator
CF	Cohesion Fund
LS/RS	Left Side/Right Side
LTT	Left Tunnel Tube
MT SR	Ministry of Transport of the Slovak Republic
MF SR	Ministry of Finance of the Slovak Republic

PRS	Property Right Settlement
MoE SR	Ministry of Environment of the Slovak Republic
NDS	Národná diaľničná spoločnosť, a.s. (National Motorway Company)
O1	Category of trailers with a maximum permissible laden mass not exceeding 750 kg,
O2	Category of trailers with a maximum permissible laden mass exceeding 750 kg but not exceeding 3,500 kg
OPII	Operational Program Integrated Infrastructure
DO	District Office
F	Fuels
NB	Noise Barrier
PIA	Priority Infrastructure Assets
PF SR	Police Force of the Slovak Republic
Es	Expressways
SNM	Strategic Noise Maps
FES	Fixed Extinguishing System
SOS	International appeal for help
BP	Building Permit
SR	The Slovak Republic
SSC	Slovak Road Administration
MMMMC	Motorway Management and Maintenance Centre
EMMC	Expressway Management and Maintenance Centre
CSA	Centre of Specialized Activities
CTC	Construction and Technical Condition
PTT	Product Type Test
SF	Structural Fund
SB	State Budget
FS	Feasibility Study
SW	Software
PRS	Permanent Road Signs
T/O	Technical/office
TP	Technical Regulation
VMU	Value for Money Unit
UCGM	Unbound Crushed Gravel Mixture
UPS	Backup UPS (Uninterruptible Power Supply)
ZP	Zoning Permit
HRS	Horizontal Road Signs
MV	Medium Voltage
PP	Public Procurement
OR	Own Resources
WRA/PIARC	World Road Association/Permanent International Association of Road Congresses
VRS	Vertical Road Signs
CoW	Contract for Works
FWT	Foreign Work Trip
E	The Environment
FO EIA	Final Opinion on Environmental Impact Assessment
8a	Notification of Change of the Proposed Action

PREFACE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND DIRECTOR GENERAL

Ladies and gentlemen, esteemed colleagues and business partners,

it is an honour to speak to you through these lines. The 2023 Annual Report is the main evaluation document of the National Motorway Company for the last calendar year. On the following pages we assess the objectives achieved in its key areas—investor activity in the preparation and construction of the motorway network, ensuring the passability and care of its own infrastructure, the provision of its tolling and services, but also, of course, transparent communication. The Annual Report describes the state of the National Motorway Company at the end of the calendar year 2023 and was the basis for the Business Plan for 2024.

I will now proudly present to you the activities we have carried out, but I will also highlight the challenges we have faced and, at the end, I will take stock of the results we have achieved in 2023. In spite of the complicated period marked by the war conflict in Ukraine and the related effects on the activities and management of the National Motorway Company, we have managed to stabilise the financial condition of the company. The priority was to work on the preparation of new sections of motorways and expressways in accordance with the Strategic Transport Development Plan of the Slovak Republic until 2030, the Priorities in the construction of road infrastructure, the Schedule for the preparation and construction of road infrastructure projects and its updates and the conclusions of feasibility studies.



From the point of view of the investor's activity, we have put the R4 Prešov— North Bypass stage I with the Bikoš tunnel into operation, which significantly contributed to the reduction of transit traffic in the centre of Prešov and in the metropolis of the Šariš region, thus reducing the emission load, noise levels and increasing safety. At the same time we started the construction of the second stage of the R4 Prešov— North Bypass with the Okruhliak tunnel. The investor activity also focused on the preparation of the entire R4 expressway across Slovakia, as this is an important Via Carpatia corridor of European importance, which aims to link the Baltic, Black and Aegean Seas along the eastern border of the European Union. In total, we are preparing 9 sections of the R4 with a total length of almost 60 kilometres for construction.

We have started to intensively strengthen the preparation process. The National Motorway Company wants to be much more efficient in project preparation, assessment and permitting processes. It is evident from past examples that for some important projects, delays are accumulated before the project is even started. The newly created Preparation Section aims at streamlining and improving the quality of individual processes of decision-making and management, specifically for the area of motorway and expressway preparation.

In terms of maintenance and repairs, the National Motorway Company was engaged in comprehensive repairs of five bridges in 2023.

In 2023, intensive work was carried out on the preparation of the new Slovak toll system and the application of the international European Electronic Toll System to the Slovak motorway reality. I am pleased that we have succeeded in this area as well, because the issue of electronic tolling and the European Electronic Toll Collection service was also a priority. Slovakia will successfully join the EETS service, experienced European providers will enter the domestic market and toll collection on our roads will be liberalised. Opening up the toll market will create a competitive environment, give hauliers a better quality of service, but most importantly, we will reduce the costs. Another step towards cost reduction was the purchase of part of the SkyToll company, which was responsible for the collection and registration of electronic vignette payments for the National Motorway Company. We are already providing this activity independently from 1 January 2024.

In the past year, we have managed to maintain a good quality discussion with our European partners, including the Visegrad Four partners. Cooperation with foreign motorway companies and partners in the transport, logistics and construction sectors continued to deepen. Another historic moment was the active participation of our company in the world's largest road infrastructure and road transport event —the World Road Congress.

Open, transparent, modern and proactive communication has resulted in a change in the perception of the brand from the motorists' point of view. In 2023, we strengthened the National Motorway Company's communication in online and offline formats. A pro-client approach, openness and consistency have become key aspects of brand communication. For the fourth year in a row, the National Motorway Company has become the TOP employer in the Transport and Logistics category—in 2023, we took 2nd place in the prestigious Employer of the Year poll in a tough competition between private and state-owned companies.

I believe that all the activities that we have managed to implement as a company in 2023 will contribute to the fulfilment of our strategy—to raise the safety standards and quality of the operated motorway network, to provide first-class services, to be a strong organisation, to maximise our own financial resources and to increase the safety of our employees in their work activities introducing new features, technologies and working practices.

Ing. Filip Macháček
Chairman of the Board of Directors
and Director General

1. CHARACTERISTICS OF THE COMPANY

Národná diaľničná spoločnosť, a.s. - National Motorway Company (hereinafter referred to as "NDS") was established on 1 February 2005. The state, on whose behalf the MT SR acts, is the founder and sole shareholder of the Company.

1.1. SCOPE OF ACTIVITIES

NDS conducts business within the scope of activities registered in the Business Register and on the basis of special regulations—Act 639/2004 Coll. on NDS and on change and amendment to Act 135/1961 Coll. on Roads (Road Act), as amended. The main activities of NDS are in particular as follows:

- cooperation in the production of strategic-conceptual documents for motorway network development,
- comprehensive provision of pre-investment and investment preparation and construction,
- engineering activity in construction,
- performance and provision of maintenance and repair of the motorway network and its components,
- contractual performance of road maintenance for other operators and owners,
- provision of the Company's asset management,
- provision of tolling of the road network defined by law, and others.

NDS has no organizational unit abroad.

1.2. CAPITAL AND OWNERSHIP STRUCTURE

NDS is a joint-stock company under the ownership of the state, which owns 100% of its shares. Shareholder rights are exercised by a single shareholder—MT SR—on behalf of the state.

Since its establishment, the Company's capital has been gradually increased by non-monetary and monetary contributions from the shareholder up to the current value, which represents a value of EUR 3,397,968,747 as at 31/12/2023, and its structure is as follows:

- 1 piece of ordinary share with a nominal value of EUR 2,988,310,098, the share is registered and has the form of a book-entry security,
- 1 piece of ordinary share with a nominal value of EUR 150,772,243, the share is registered and has the form of a book-entry security,
- 165 pieces of ordinary shares with a nominal value of EUR 33,194 per share, the shares are registered and have the form of a book-entry security,
- 6 pieces of ordinary shares with a nominal value of EUR 3,320 per share, the shares are registered and have the form of a book-entry security,
- 1 piece of ordinary share with a nominal value of EUR 100,000,000, the share is registered and has the form of a book-entry security,
- 1 piece of ordinary share with a nominal value of EUR 120,000,000, the share is registered and has the form of a book-entry security,
- 19 pieces of ordinary shares with a nominal value of EUR 1,000,000 per share, the shares are registered and have the form of a book-entry security,
- 1 piece of ordinary share with a nominal value of EUR 4,600, the share is registered and has the form of a book-entry security,

- 15 pieces of ordinary share with a nominal value of EUR 33,194, the shares are registered and have the form of a book-entry security,
- 1 piece of ordinary shares with a nominal value of EUR 3,320, the share is registered and has the form of a book-entry security,
- 13 pieces of ordinary shares with a nominal value of EUR 1,000,000, the shares are registered and have the form of a book-entry security,
- 26 pieces of ordinary share with a nominal value of EUR 33,194, the shares are registered and have the form of a book-entry security,
- 4 pieces of ordinary shares with a nominal value of EUR 4,600, the shares are registered and have the form of a book-entry security,
- 1 piece of ordinary share with a nominal value of EUR 2,202, the share is registered and has the form of a book-entry security,

Pursuant to Act 566/2001 Coll. on securities and investment services and on change and amendments to certain laws, as amended (hereinafter referred to as the "Securities Act"), Centrálny depozitár cenných papierov SR, a.s. (the Central Securities Depository of the Slovak Republic) carries out the registration of book-entry registered securities. The Company's shares are not tradable on a stock exchange and the Company was established without a call for allotment of shares.

The Company acquired assets and liabilities in the form of a non-monetary contribution from the Slovak Republic on its establishment date. The value of the contributed assets on the Company's establishment date, 1 February 2005, was EUR 3,320,344,552.82.

Priority infrastructure assets (hereinafter referred to as "PIA") specified by the decision of the Minister of Transport, Posts and Telecommunications of the Slovak Republic no. 3 of 14 January 2005 on the specification of PIA for the purpose of establishing a joint-stock company NDS is part of the non-monetary contribution. The PIA consist of motorways, expressways and roads according to the approved plan for the development of motorways and roads defined by a special regulation. NDS handles the PIA in accordance with the Act on NDS as well as Act 135/1961 Coll. on Roads (Road Act), as amended, according to which it enters into lease agreements, borrowing agreements, as well as agreements on creating easements, which are listed in Annex 1.

1.3. COMPANY STRATEGY

The mission of NDS is to fulfil the needs of motorway network users by performing administrative, investment and business activities, based on the programs of the Ministry of Transport of the Slovak Republic, programs of the Government of the Slovak Republic, including the joint programs of the Slovak Republic and the European Union, and international treaties.

The priority aim of NDS is the construction and management of a high-quality, comprehensive, accessible, safe and user-friendly motorway network, the quality of which will reflect the current technical development with regard to social and ecological requirements, while maintaining the economic efficiency of the resources used. At the same time, its aim is to achieve the revenue level covering the performance of the basic functions of NDS. In addition, continuous improvement, attractiveness and innovation of the provided services, introduction of new safety elements and ensuring user comfort is the priority.

1.3.1. STRATEGIC OBJECTIVES OF THE COMPANY

- to build a motorway network,
- to provide quality services,
- to be a strong organization,

- to maximize own financial resources.

Motorway network construction:

Product type:	Tangible product—the output of the activities is a motorway or expressway that meets defined international technical standards
Product characteristics:	The final product is tangible, the Company provides production thereof through NDS contract partners in accordance with the rules for public procurement at all stages
	The construction of the motorway network includes 3 implementation stages—pre-investment preparation, investment preparation and construction execution
	Also other asset components of the executed constructions form a compact part of the product: <ul style="list-style-type: none"> • Intelligent traffic systems • Technology equipment, systems and devices • Rest areas • Real estate necessary for the motorway network management

Motorway network management:

Product type:	Intangible product—a set of services provided on the motorway network, which ensure proper and correct operability according to the applicable national and international technical standards, is the output of the activities
Product characteristics:	<ul style="list-style-type: none"> • Summer maintenance of the motorway network • Winter maintenance of the motorway network • Motorway network asset management during the life cycle • Motorway network repairs, reconstructions and modernization throughout the life cycle

Provision of services:

Product type:	Intangible product—a set of services provided on the motorway network in connection with its operation is the output of the activity
Product characteristics:	<ul style="list-style-type: none"> • Availability of Ms&Es • Services of filling stations • Availability of stations with alternative fuels • Services of refreshment and relaxation facilities • Services of rest areas with facilities (urban furniture, corporate toilets) • Availability of relaxation areas • Provision of traffic and general information via radio, internet and NDS contact points (computerisation of services—web applications for customers) • Assistance to motorists in need (Green Number, Motorway Patrol, mobile application)
	The services of filling stations, stations with alternative fuels and refreshment facilities are provided by the contract partners of NDS

Motorway network tolling:

Product type:	Intangible product—obtaining funds from motorway network users is the output of the activities
Product characteristics:	<ul style="list-style-type: none"> • Charge-based implementation in the form of electronic vignettes (vehicles up to 3.5 t on Ms&Es) and electronic toll collection (vehicles over 3.5 t on Ms, Es and selected sections of 1st class roads) • The electronic toll collection and electronic vignette system has been built and is operated by contract partners

The structure of NDS customers is based on the main activities of NDS. The basic group of NDS customers consists of:

- motoring public,
- the state / local government,
- NDS asset managers,
- business community,
- other customers.

1.4. RISK ANALYSIS

The following differences and risks have been identified by comparison with common commercial companies in Slovakia:

- NDS is a joint-stock company, but the state represented by the MT SR is its 100% owner, which results in the Company's partial dependence on political decisions,
- the main products of the Company are highly specific; in comprehensive terms it is possible to identify competing organizations to a limited extent only, while in partial terms, on the contrary, it is possible to identify competition in other infrastructure operators,
- the Company is (both directly and indirectly) regulated; the regulation mainly consists in the determination of transport policy, priorities in motorway network construction, allocation of financial resources for the state transport policy implementation by the state, as well as in the approval of charging rates; part of the Company's processes is dependent on external environment, behaviour of which is hard to predict.

1.5. COMPANY BODIES

The state, on whose behalf the MT SR acts, is the sole shareholder of the Company. The General Assembly is the supreme body of the Company. The powers of the General Assembly are performed by the single shareholder. The Board of Directors manages the Company in the interest of the sole shareholder. The inspection activity is carried out by the Supervisory Board of the Company.

1.5.1. GENERAL ASSEMBLY

The scope of authorities of the Company's General Assembly mainly includes:

- change of the Company's Articles of Association,
- deciding on the increase or decrease in the capital, on the authorization of the Board of Directors to increase the capital according to the provisions of Sect. 210 Commercial Code and the issuance of bonds,

- election and removal of members of the Board of Directors, including appointment of the Chairman of the Board of Directors, appointment of the Vice-Chairman of the Board of Directors and confirmation or removal of a co-opted member of the Board of Directors,
- election and removal of members of the Company's Supervisory Board,
- approving regular individual financial statements and extraordinary individual financial statements, deciding on the distribution of profit or payment of loss and determining the amount and method of payment of royalties and dividends,
- approving an auditor,
- approving an annual report,
- deciding on the use of reserve and other Company's funds,
- approving the sale of real estate asset of over EUR 165,000 book value,
- approving the purchase of real estate asset outside the scope of business of over EUR 165,000 book value,
- approving the actions of the Company's Board of Directors,
- other activities resulting from the Company's Articles of Association,
- appointment and removal of the Company's Director General.

1.5.2. SUPERVISORY BOARD

The Supervisory Board is the supreme inspection body of the Company, which oversees the performance of the Board of Directors' powers and the Company's business activities. The Supervisory Board consists of five members—the Chairman and other members of the Supervisory Board. In accordance with the relevant provisions of the Company's Articles of Association, one third of the members of the Supervisory Board are elected by the employees. The remaining members of the Supervisory Board are elected and removed by the Company's General Assembly.

As at 31 December 2023, the Supervisory Board performed its activities in the following structure:

- Ing. Viera Šoltysová, Chairperson of the Supervisory Board,
- Ing. Dušan Grňo,
- Róbert Werškov,
- Ing. Milan Vrábel, with tenure as a member of the Supervisory Board from 28/06/2023,

1.5.3. BOARD OF DIRECTORS

The Board of Directors is the Company's statutory body, which manages all its activities, acts on its behalf and represents it in legal acts. The Board of Directors decides on all matters of the Company, unless generally binding legal regulations or the Company's Articles of Association reserve them for the competence of the General Assembly or the Supervisory Board. The Board of Directors consists of five members, one of whom is the Chairman and one Vice-Chairman.

In 2023, the Board of Directors carried out its activities in the following structure:

- **Chairman of the Board of Directors and Member of the Board of Directors**
Ing. Vladimír Jacko, PhD., MBA to 23/10/2023
Ing. Filip Macháček from 13/11/2023
- **Vice-Chairman of the Board of Directors and Member of the Board of Directors**
Mgr. Jaroslav Ivanco to 23/11/2023
Ing. Stanislav Beňo from 24/10/2023 to 12/11/2023

PhDr. Rastislav Droppa 13/11/2023, holds the office of the Vice-Chairman of the Board of Directors from 24/11/2023

- **Members of the Board of Directors**
 - Ing. Tatiana Novotná to 12/11/2023
 - Ing. Ladislav Bariak to 14/11/2023
 - Ing. Stanislav Beňo from 13/11/2023 to 15/01/2024
 - JUDr., Bc. Lukáš Vitek from 24/11/2023 to 27/11/2023
 - Ing. Peter Braška from 24/11/2023**
 - Mgr. Tomáš Mateička from 01/12/2023**
 - Ing. Július Mihálik from 16/01/2024**

1.6. ACTING ON BEHALF OF THE COMPANY EXTERNALLY

Always at least two members of the Board of Directors act on behalf of the Company externally and are authorized to sign and bind on behalf of the Company, one of whom must be the Chairman and the other one the Vice-Chairman. Signing on behalf of the Company is done by writing the signer's signature to the printed or written name of the Company and to the names and positions in the Company.

1.7. SOCIAL RESPONSIBILITY OF NDS

Information within the meaning of Sec. 20(9) to (10) of Act No. 431/2002 Coll. on accounting as amended:

1.7.1. BUSINESS MODEL

The NDS business model is described in more detail in section 1.3 of this Annual Report.

1.7.2. SOCIAL RESPONSIBILITY POLICY, INCLUDING DUE DILIGENCE PROCEDURES IN PLACE

The social responsibility of NDS represents the active management of activities in the Company through three interconnected pillars of social responsibility—the economic, social and environmental pillar. We believe that acting in accordance with the commitment to society is a prerequisite for NDS to move towards responsible business.

- In NDS, the economic pillar represents improving the quality of services for the public, ensuring safety on Ms&Es, improving and streamlining supplier-customer relations. Preference for strong ethical and transparent business practices is the key part of our social responsibility strategy. NDS has taken measures to meet this commitment, which include:
 - The Code of Ethics, as a set of binding rules of conduct for the employees, company bodies and persons cooperating with our Company leading to the observance of basic moral values,
 - The anti-corruption program, the aim of which is to suppress corrupt behaviour in society, eliminate corruption risks, take measures in the event of a risk and evaluate such measures,
 - Personal data protection policy and personal data protection training,
 - Internal rules governing transparent public procurement.
- In NDS, the social pillar is represented by an effort to minimize and monitor negative consequences of the Company's activities on the lives of employees and the balance between work and personal life, the so-called work-life balance, with the aim of achieving employee satisfaction and increasing their performance at the same time. NDS puts safety first, which also results in a set of adopted internal regulations ensuring the occupational health and safety of employees during their work. The Company

also uses the skills and knowledge of its employees to create the values necessary for the Company's progress. NDS develops human resources in accordance with the needs of the Company by deepening the qualifications and expertise of its employees through training, courses and seminars. As part of the care of employees and the employees' work-life balance, it provides various financial and non-financial benefits that improve the quality of life for employees at the workplace and in after-work activities.

- In NDS, the environmental pillar is represented by a great commitment and a challenge to achieve environmental protection, both during M&E construction and during their management and maintenance. The Company follows all legislative procedures in the field of environmental policy in M&E construction, management and maintenance in order to protect and restore natural resources and the environment. The Company has also set contract terms and conditions with suppliers so that they too are obliged to protect the environment during their activities, especially by provisions on waste and use of eco-friendly certified materials. NDS also includes the aspects of green public procurement and the social aspect within the tender specifications in the projects where their nature allows it.

1.7.3. RISKS OF THE IMPACT OF NDS ON THE FIELD OF CORPORATE SOCIAL RESPONSIBILITY

The main risks of NDS' impact on social responsibility arising from NDS' activities that could have adverse consequences are described in more detail in section 1.4 of this Annual Report.

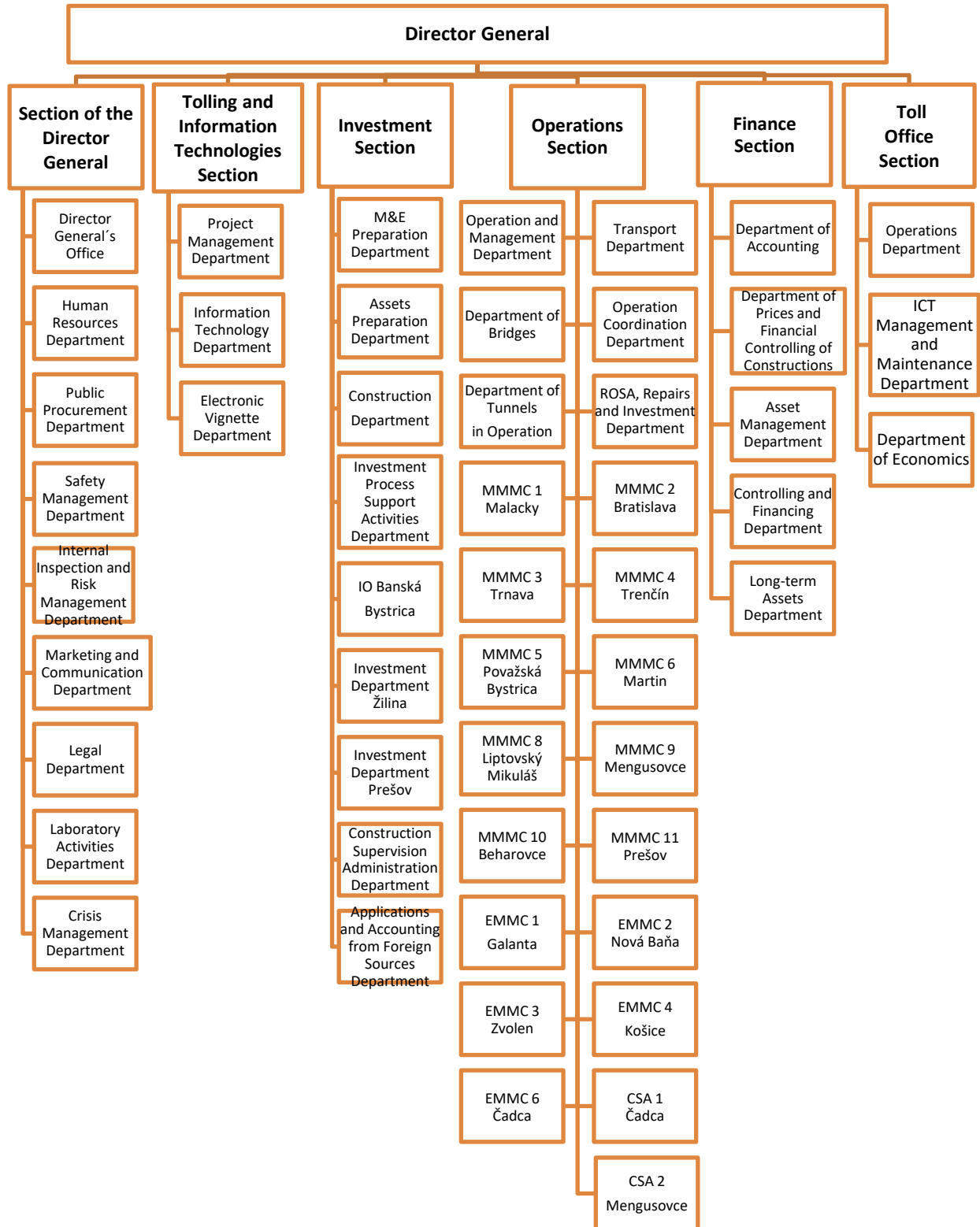
1.7.4. SIGNIFICANT NON-FINANCIAL INFORMATION ON THE ACTIVITIES OF THE NDS

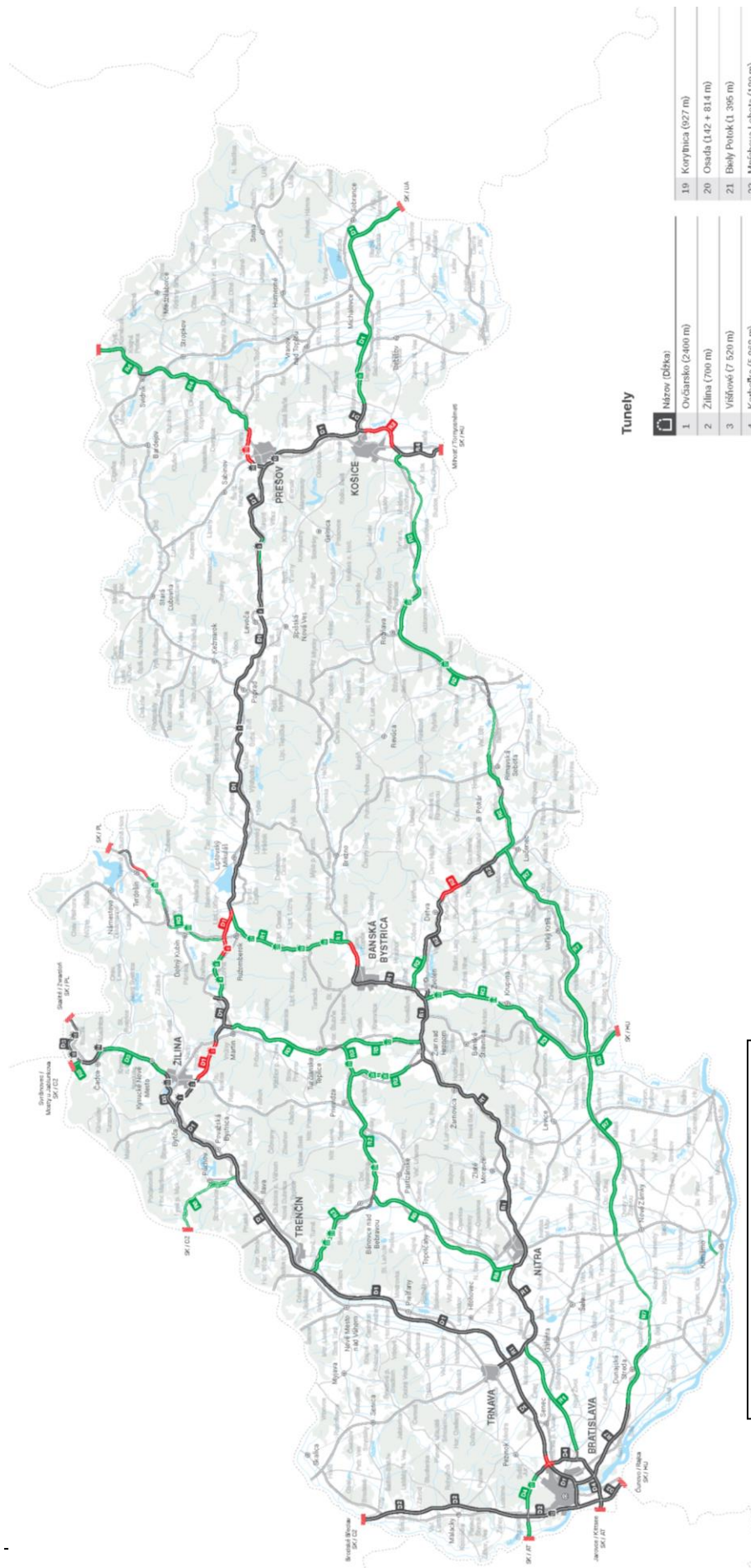
Significant non-financial information on NDS activity by individual activities is described in more detail in Sections 2 Evaluation of Investment Activities, 3 Asset Management, Repair and Maintenance Evaluation, 4 Evaluation of NDS Activities within ROSA, 5 Environmental Activities, 6 Evaluation of Network Tolling and 7 Human Resources of this Annual Report.

1.7.5. INFORMATION ON AMOUNTS RECOGNISED IN THE FINANCIAL STATEMENTS

These are described in more detail in Sections 9 Financial Data and 6 Evaluation of Network Tolling of this Annual Report.

The organizational structure applicable as at 31/12/2023





Název (Dĺžka)	Název (Dĺžka)
1 Ovdárske (2 400 m)	19 Korytnica (927 m)
2 Zilina (700 m)	20 Osada (1 142 + 814 m)
3 Višňové (7 520 m)	21 Biely Potok (1 395 m)
4 Korbačka (5 668 m)	22 Mníchova Lehota (1 800 m)
5 Havran (2 807 m)	23 Hamišovec (330 m)
6 Čokraj (5 619 m)	24 Chotónka (595 m)
7 Blánik (10 900 m)	25 Prieľahý (2 880 m)
8 Šibeniak (600 m)	26 Sajba (650 m)
9 Branisko (5 000 m)	27 Pkávce (2 572 m)
10 Priešov (2 244 m)	28 Soroska (1 282 m)
11 Dargov (1 160 m)	29 Biela Skala (515 m)
12 Slna (1 440 m)	30 Dolný Kútik (3 004 + 1 669 m)
13 Považský Chlmec (2 249 m)	31 Remata (3 000 m)
14 Horelica (600 m)	32 Čarov vrch (1 030 m)
15 Srdinovec (420 m)	33 Balba (1 020 m)
16 Poľana (900 m)	34 Hamišberg (2 800 m)
17 Karpáty (10 990 m)	35 Okružliak (1 917 m)
18 Hradčité (8 385 m)	36 Blietka (1 155 m)

Tunely



Název (Dĺžka)

1 Ovdárske (2 400 m)
2 Zilina (700 m)
3 Višňové (7 520 m)
4 Korbačka (5 668 m)
5 Havran (2 807 m)
6 Čokraj (5 619 m)
7 Blánik (10 900 m)
8 Šibeniak (600 m)
9 Branisko (5 000 m)
10 Priešov (2 244 m)
11 Dargov (1 160 m)
12 Slna (1 440 m)
13 Považský Chlmec (2 249 m)
14 Horelica (600 m)
15 Srdinovec (420 m)
16 Poľana (900 m)
17 Karpáty (10 990 m)
18 Hradčité (8 385 m)

Legenda



Označenie diaľnice/rýchlostnej cesty



Diaľnica/rýchlostná cesta v prevádzke / vo výstavbe / v príprave



Diaľnica/rýchlostná cesta v polprofile v prevádzke / vo výstavbe / v príprave



Označenie tunela



Cesta I. triedy

Legenda = Legend
 Označenie diaľnice/rýchlostnej cesty = Motorway/expressway marking
 Diaľnica/rýchlostná cesta v prevádzke / vo výstavbe / v príprave = Motorway/expressway in operation / under construction / in preparation
 Diaľnica/rýchlostná cesta v polprofile v prevádzke / vo výstavbe / v príprave = Motorway/expressway in half-profile in operation / under construction / in preparation
 Označenie tunela = Tunnel marking
 Cesta I. Triedy = 1st class road
 Tunely = tunnels
 Názov (dĺžka) = Name (length)

2. EVALUATION OF INVESTMENT ACTIVITIES

The investment activities continued in M&E network preparation and construction. "The Road Infrastructure Project Preparation and Construction Programme" approved by the Government of the Slovak Republic, updated in 05/2023, was the basis for road infrastructure planning and construction.

EIA (Environmental Impact Assessment) was provided as part of the pre-investment preparation. The preparation of individual sections ensured reaching the milestones in the process of preparing a technical study, building plan, state expertise, zoning permit and building permit. In order to reach the milestones, individual stages of design documentation were provided.

In 2023, property right settlement for building permits and approvals for the particular constructions was carried out. In the field of surveying activities, surveying work was carried out in engineering geodesy, the surveying documentation required for the PRS of the land affected by the construction and for the issuance of a BP was provided, supporting documents for the request for the issuance of a decision on the acquisition of agricultural land (Sect. 17 Act 220/2004 Coll.) and the extraction of forest land from fulfilling the functions of forests (Sect. 5 Act 326/2005 Coll.) and records of post-implementation plat maps were provided.

As part of construction, work was carried out on the constructions in progress with an emphasis on compliance with the Programme. In 2023, contracts for works were concluded for D1 Technological equipment of the Višňové tunnel including the motorway information system, D2 Noise barrier Lamač and construction of the R4 Prešov—North Bypass Stage II. The section R4 Prešov—North Bypass Stage I was put into use.

2.1. PRE-INVESTMENT PREPARATION

In accordance with Act 24/2006 Coll. on environmental impact assessment and on change and amendment to certain laws, NDS as a proponent of each investment activity is required to complete the process of assessing the expected environmental impacts of the proposed actions before deciding on their location or before permitting them according to special regulations.

Construction name	Current status
D1 Bidovce—Dargov—Pozdišovce—Michalovce—Sobrance—State border SK/UA	In August 2023, the order for the preparation of the EIA preliminary environmental study was signed.
D3 Žilina, Brodno—Kysucké Nové Mesto	In October 2022, the Contract for Assessment Report became effective, in 2023, the works were being carried out by the contractor.
D3 Kysucké Nové Mesto—Oščadnica	In October 2022, the Contract for Assessment Report became effective, in 2023, the works were being carried out by the contractor.
D3 Oščadnica—Čadca, Bukov, Profile 2	In October 2022, the Contract for Assessment Report became effective, in 2023, the works were being carried out by the contractor.
D4 Bratislava, Rača—Záhorská Bystrica	The Final Opinion was issued in December 2022. Due to public objections filed in 2023, the case was referred to the Board of Appeals, which did not make a decision in 2023.
R2 Mníchova Lehota—Ruskovce	The assessment report was submitted to the Ministry of Environment in 06/2021, public hearings were held, the expert opinion was prepared, the terms of the Final Opinion

	were discussed, and it is expected to be signed and issued in 2024.
R2 Zvolen West—Zvolen East	In November 2023, the Assessment Report was received.
R3 (I/66) Šahy—Bypass	In 01/2023 Decision issued in the fact-finding procedure, on appeal the file referred to the appellate authority, which remanded the file for a new hearing, followed by confirmation of the decision.
R3 Oravský Podzámok—Dolný Kubín South	In 12/2021, the EIA preliminary environmental study submitted to the MoE SR for the start of the environmental impact assessment process. In 2023, the MoE did not issue a Scope of Assessment. Its release is expected in 2024.
R3 Dolný Kubín South—Junction D1	In 12/2021, the EIA preliminary environmental study submitted to the MoE SR for the start of the environmental impact assessment process. In 2023, the MoE did not issue a Scope of Assessment. It is expected to be issued in 2024.

2.2. INVESTMENT PREPARATION

Construction name	Current status
D1 Turany—Hubová	Supplemented post-assessment documentation (PAD) submitted to DO ZA in 11/2023.
D1 Bidovce—Dargov—Pozdišovce—Michalovce—Sobrance—State border SK/UA	In 07/2022, a contract for carrying out a Multimodal Feasibility Study of Bidovce—SK/UA State Border (I/19 Bidovce—Vyšné Nemecké) was signed. A multimodal study was underway, with delivery expected in 2024.
D1 Fixed Permanent Snow Protection D1	In 09/2023 takeover of PRS to BP. In 10/2023, applications for building permits filed.
D2 Junction Rohožník	In 04/2023, notification of change of the proposed action submitted to the Ministry of Environment of the Slovak Republic.
D3 Žilina, Brodno—Kysucké Nové Mesto	In 09/2023, DBP in CED details was delivered for acceptance procedure, acceptance expected in Q1 2024.
D3 Kysucké Nové Mesto—Oščadnica	In 12/2023, DBP in CED details was delivered for acceptance procedure, acceptance is expected in Q1 2024, the ZP was extended and became valid on 03/01/2024.
D3 Oščadnica—Čadca, Bukov, Profile 2	On 26/03/2023, the evaluation of the VMU Stage I FS D3 Z,B—KNM was published. On 20/11/2023, a decision on the extension of the time of validity of the ZP was issued, entered into force on 22/12/2023.
R1 PHS Kynek	Tenders for preparation of DBP in CED details, Notification 8a, DBPn, DT, AS execution and DoC execution submitted on 04/04/2023 which were subsequently evaluated.
R1 Banská Bystrica, Kremnička—right intersection completion	Preparation of tender documents for preparation of DBP, DT, AS, DoC.

R1 Banská Bystrica—amphitheatre intersection	Preparation of tender documents DZP, DSPRS, DT, AS, DoC.
R1 Noise Barrier Banská Bystrica	BP provided in 12/2023. Preparation of tender documents for the construction contractor.
R1 Noise Barrier Žarnovica	Preparation of tender documents for the preparation of the DBPn, Notification 8a, DSPRS, DT, AS, DoC.
R1 Banská Bystrica—Slovenská Ľupča Stage I	In 06/2023, PRS delivered and application for building permit submitted. In 04/2023, the tender for the construction contractor was announced.
R2 Trenčianska Turná—Mníchova Lehota	In 06/2023 takeover of DBPn, DZP, 8a. In 06/2023, notification of change of the proposed action submitted to the Ministry of Environment of the Slovak Republic.
R2 Zvolen West—Zvolen East	Preparation of tender documents for the feasibility study.
R2 Bátka—Figa	In 07/2023, an application for the building permit was submitted.
R2 Moldava nad Bodvou—Kočice, Šaca	On 14/02/2023, the zoning permit was issued, on 24/03/2023, the final zoning permit was issued.
R2 Šaca—Košické Oľšany Section I	DT provided in 06/2023.
R3 (I/66) Šahy—Bypass	Preparation of tender documents for the feasibility study.
R4 SK/PL State Border—Hunkovce, km 0.0—1.0	FS update of the entire route of R4 from the SK/PL state border to the municipality Kapušany. Contract for the processor of the DZP/8a signed, development of the DZP is in progress.
R4 SK/PL State Border—Hunkovce, km 1.0—ES	FS update of the entire route of R4 from the SK/PL state border to the municipality Kapušany. Commencement of the PP for the processor of the DZP, DBPn and 8a in 09/2023.
R4 Svidník—Rakovčik	FS update of the entire route of R4 from the SK/PL state border to the municipality Kapušany. Commencement of the PP for the processor of the DZP, DBPn and 8a in 08/2023.
R4 Rakovčik—Radoma	Application for ZP for a half profile filed in 07/2022. FS update of the entire route of R4 from the SK/PL state border to the municipality Kapušany. Commencement of the PP for the processor of the DZP, DBPn and 8a in 09/2023.
R4 Radoma—Giraltovce	FS update of the entire route of R4 from the SK/PL state border to the municipality Kapušany. Commencement of the PP for the processor of the DZP, DBPn and 8a in 08/2023.
R4 Giraltovce—Kuková	Application for ZP for a half profile filed in 11/2022. FS update of the entire route of R4 from the SK/PL state border to the municipality Kapušany. The tender

	documents have been approved, awaiting the call for tenders.
R4 Kuková—Lipníky	FS update of the entire route of R4 from the SK/PL state border to the municipality Kapušany. Commencement of the PP for the developer of the DZP, DBPn and 8a in 09/2023.
R4 Lipníky—Kapušany	In 06/2022 the final ZP for a full profile. FS update of the entire route of R4 from the SK/PL state border to the municipality Kapušany.
R4 Prešov—North Bypass Stage II	Completion of the PP for the construction contractor with the signing of the Contract for work with the construction contractor in 06/2023.

2.3. CONSTRUCTION

Construction name	Current status
D1 Bratislava—Senec, Capacity Enhancement Stage I (Bratislava—Triblavina)	The contractual date for the construction completion 12/2025.
D1 Lietavská Lúčka—Dubná Skala including the Višňové tunnel	The expected date for the construction completion 12/2025.
D1 Technological equipment of the Višňové tunnel, including the motorway information system	The contract for construction work and technology signed on 02/10/2023. The contractual date for the construction completion 04/2025.
D1 Hubová—Ivachnová	The expected date for the construction completion 04/2025.
D2 Noise Barrier Lamač,	The contract for construction work signed on 13/09/2023. The contractual date for the construction completion 08/2025.
D3 Žilina, Brodno—Kysucké Nové mesto, Feeder	The contractual date for the construction completion 06/2024.
D3 Green Bridge Svrčinovec	The expected date for the construction completion 08/2024.
R2 Kriváň—Mýtna	The contractual date for the construction completion 06/2025.
R2 Šaca—Košické Olšany Section II	The expected date for the construction completion 08/2025.
R3 Tvrdošín—Nižná	The expected date for the construction completion 12/2024.
R4 Prešov—North Bypass Stage I	Commissioning on 25/09/2023.
R4 Prešov—North Bypass Stage II	The contract for construction work signed on 29/06/2023. The contractual date for the construction completion 10/2027.

Constructions in progress in 2023

Route	Section	Profile	Length in km
D1	D1 Bratislava—Senec, Capacity Enhancement Stage I (Bratislava—Triblavina)	full	3.50
D1	Lietavská Lúčka—Dubná Skala, including the Višňové tunnel	full	13.51
D1	Technological equipment of the Višňové tunnel, including the motorway information system	-	-
D1	Hubová—Ivachnová	full	14.92
D2	Noise Barrier Lamač	-	-
D3	Žilina, Brodno—Kysucké Nové Mesto, Feeder	-	-
D3	Green Bridge Svrčinovec	-	-
R2	Kriváň—Mýtna	full	9.10
R2	Šaca—Košícké Olšany Section II	full	14.30
R3	Tvrdošín—Nižná*	half profile	4.40
R4	R4 Prešov—North Bypass Stage I	full	4.30
R4	R4 Prešov—North Bypass Stage II	full	10.20
TOTAL			74.23

*R3 Tvrdošín—Nižná, the expressway length 4.40 km + 0.60 km feeder length

The expected construction commencement in 2024

Route	Section	Profile	Length in km
D1	Fire Station Prešov—Vydumanec	-	-
D1	D1 Fixed Permanent Snow Protection D1	-	-
R1	Banská Bystrica—Slovenská Ľupča Stage I	full	3.04
R2	EMMC Šebastovce	-	-
TOTAL			3.04

2.4. MONITORING OF THE COMPONENTS OF THE ENVIRONMENT

Monitoring of the components of the environment in 2023:

Construction name

D1 Bratislava—Senec, Section I (Bratislava—Triblavina),
D1 Lietavská Lúčka—Višňové—Dubná Skala
D1 Hubová—Ivachnová
D2 Noise Barrier Lamač,
D3 Žilina, Brodno—Kysucké Nové Mesto, Feeder
R2 Kriváň—Lovinobaňa, Tomášovce
R2 Šaca—Košické Oľšany, Section II
R4 Prešov—North Bypass Stage I

2.5. QUALITY CONTROL ON Ms&Es IN INVESTMENT, REPAIRS AND RECONSTRUCTIONS

In connection with the established quality management system, the activity of the NDS laboratory is an important part of the motorway network construction process, as well as of its repairs and construction maintenance.

Standard test procedures are carried out in the accredited NDS laboratory.

The inspection focuses on verification of embedded materials, approval of PTT and PT (product type test and proof tests), production-control tests during the execution of works, such as checking the suitability of the use of soils and aggregates, inspection activities during the laying of cement stabilization, quality control of asphalt mixtures, quality control of fresh and hardened concrete mixtures and the achievement of the compressive strength of concrete, the resistance of the surface of the cement concrete to the action of water DC and others. One of the processes for completing individual construction projects is also the submission of final construction quality documentation to the laboratory for their review. The resulting report is an integral part of acceptance procedures at the construction site.

In 2023, our accredited laboratory conducted tests of building materials and mixtures in the following volume:

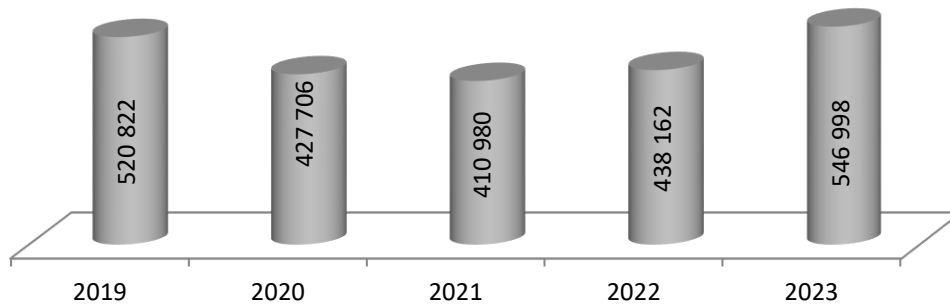
Building materials, mixtures	Non-satisfactory	Satisfactory	TOTAL
Concrete mixture	50	128	178
Aggregate	2	16	18
Bottom layer of CBGM and UCGM	0	3	3
Soils	0	12	12
Asphalt mixtures.	67	709	776
TOTAL	119	868	987

The laboratory must take competency tests, comparative tests within the accreditation cycle. In 2023, the physical-mechanical properties of concrete mixtures (compressive strength of concrete, surface resistance of cement concrete to water and DC, and compressive strength of CBGM) and compressive strength of Schmidt hardness tester, soil and aggregate (moisture content, soil grain size, aggregate grain size, shape index, and crush resistance), asphalt mixtures (resistance of asphalt mixtures to permanent deformation), were compared.

Reaccreditation was carried out in the laboratory in December 2022, where the employees of the Slovak National Accreditation Service checked whether the NDS Laboratory meets the requirements of the STN EN ISO/IEC 17 025 standard and checked the laboratory employees for the correctness of the established procedures for performing tests. The re-accreditation was successful and the NDS Laboratory was granted accreditation for another period of five years. Follow-up interim surveillance in the laboratory is scheduled in the 6th month of 2024.

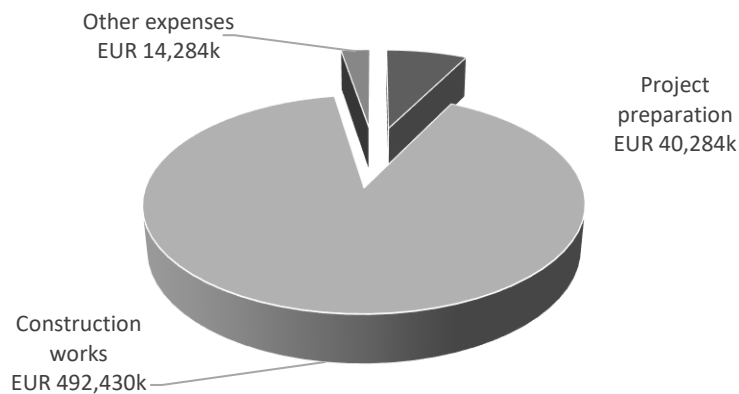
2.6. FINANCIAL INVESTMENT INDICATORS

Development of total investment of National Motorway Company in 2019 to 2023 (EUR thousand)



The total investment costs in 2023 to provide the preparation and construction of Ms&Es and other investment amounted to EUR 546,998k in the following breakdown:

- project preparation of Ms&Es construction (including the PRS),
- construction work,
- other investment expenses.



3. ASSET MANAGEMENT, REPAIR AND MAINTENANCE EVALUATION

Work activities within the asset management, repairs and maintenance are provided by the central organizational units of the Operations Section.

3.1. ASSET MANAGEMENT

All constructed M&E sections and their parts, such as bridges, tunnels, rest areas, utility lines, etc. are put into use after approval. The following scope of road infrastructure was in operation as at 31/12/2023:

Motorway network in km*

Profile	D1	D2	D3	D4	TOTAL
full profile	390.07	80.50	19.32	2.77	492.66
½ profile	7.77		20.26	3.03	31.06
In operation	397.84	80.50	39.58	5.80	523.72

* the table provides the line lengths

Expressway network in km*

Profile	R1	R2	R3	R4	R5	R6	R7	R8	TOTAL
full profile	127.11	34.46		18.48					180.05
½ profile		37.59	16.82	4.57		7.55			66.53
In operation	127.11	72.05	16.82	23.05	0.00	7.55	0.00	0.00	246.58

*the table provides the line lengths

As at 31 December 2023, NDS managed a total of 853.05 km of Ms, Es and 1st class roads, broken down as follows:

Type	Length (mm)
Motorways	523.72
Expressways	246.58
Other selected 1st class roads	82.75
TOTAL	853.05

*the table provides the line lengths

3.2. ROAD SIGNS AND SAFETY EQUIPMENT

PROJECTS IN 2023:

In 2023, NDS implemented the following projects:

- permanent road signs:
 - update of PRS on R4 Svidník,

- update of PRS on D1 Pečňa—Vajnory,
- re-marking of border crossing points,
- re-marking of motorway starts and ends,
- delivery and installation of vertical folding traffic signs on the D1 motorway in the middle dividing strip and on the shoulder in front of the Piešťany rest area.

Update of vertical road signs (hereinafter as “VRS”) is carried out mainly due to the loss of functional parameters—the optical properties of VRS, as a result of legislative changes, based on the requirements of the Ministry of Interior of the Slovak Republic and the Ministry of Transport of the Slovak Republic, and as a result of changes in traffic organization (e.g. after the R7 expressway was put into operation).

As part of its activities, NDS provided repairs of the restraining safety equipment, which occurred mainly after road accidents, repairs of road signs, raised reflective markers and marker posts. It also provided preparation of design documents for permanent as well as temporary road signs. At closures, where it is necessary to direct the traffic flow, it provided the application of temporary preformed adhesive tape.

The funds spent on the implemented projects in the field of road signs and traffic equipment in 2023:

Subject / Action	Investment costs (EUR thousand)	Current costs (EUR thousand)
Safety equipment—shock absorbers (repair of those damaged by an accident, addition of new ones) on Ms&Es	0	227
Replacement of VRS and HRS (repairs, changes, etc.) on Ms&Es	330	2,108
Safety equipment—safety fences on Ms&Es (repair, addition of new ones)	5	0
Traffic raised markers on Ms&Es for increased safety	0	79
Total	335	2,414

In 2023, 8,334 m of fencing was comprehensively restored.

3.3. PAVEMENTS AND CIVIL ENGINEERING STRUCTURES

An overview of the costs and quantities of repairs, maintenance of pavements and building engineering structures made in 2023 as per competent centres:

MMMC/EMMC Centre	Pavement repairs			Pavement maintenance (microsurfacing, coatings, TAS, regenerative spraying)			Investment costs
	costs	area	length	costs	area	length	costs
	EUR thousand	m ²	km	EUR thousand	m ²	km	EUR thousand
MMMC 1 Malacky	1,776	77,042	13.56	0	0	0.00	11
MMMC 2 Bratislava	435	36,598	3.87	0	0	0.00	10
MMMC 3 Trnava	473	34,637	6.40	0	0	0.00	33
MMMC 4 Trenčín	38	2,520	0.70	49	9,550	1.94	11
MMMC 5 Považská Bystrica	30	2,812	0.6	0	0	0.00	268
MMMC 6 Martin	7	101	0.05	0	0	0.00	18
MMMC 8 Liptovský Mikuláš	932	43,972	10.60	0	0	0.00	11
MMMC 9 Mengusovce	594	48,532	8.72	41	4,200	0.76	24
MMMC 10 Beharovce	831	72,315	11.61	0	0	0.00	11
MMMC 11 Prešov	360	22,450	3.32	0	0	0.00	11
EMMC 1 Galanta	289	27,443	6.49	0	0	0.00	11
EMMC 2 Nová Baňa	697	51,488	12.61	0	0	0.00	10
EMMC 3 Zvolen	982	58,514	11.49	0	0	0.00	21
EMMC 4 Košice	0	0	0.00	0	0	0.00	0
EMMC 6 Čadca	19	0	0.00	0	0	0.00	36
TOTAL	7,463	478,424	90.02	90	13,750	2.70	483

CIVIL ENGINEERING STRUCTURES

In 2023, we implemented the following projects:

- building a salt warehouse in Považská Bystrica,
- replacement of windows on the garage buildings of MMMC Trnava,
- complete project preparation for delivery, installation and construction modifications of brine farms under the management of NDS,
- project preparation for the reconstruction of the MMMC Malacky storm water drainage system,
- project preparation for the reconstruction of the roof structures of the buildings at BC Svrčinovec,
- project preparation for the reconstruction of noise barriers in the D1 Fričovce and D1 Mierová-Senecká sections,
- project preparation for the reconstruction of the boiler house at the MMMC Liptovský Mikuláš.

3.4. BRIDGES—INSPECTIONS, MONITORING, PROJECT PREPARATION, REPAIRS AND CONSTRUCTION MAINTENANCE

In 2023, the bridges were mainly rehabilitated with the rehabilitation of the soffits of the load-bearing structures, substructures and concrete surfaces of the ledges, complete replacement of the bridge tops, repairs of roadway covers, repairs of the strengthening of slopes under the bridge, repairs and replacement of steel bridge components (railings, girders), replacement of bridge closures and bearings, drainage pipes, anti-skid barriers, lighting of footbridges and parking areas under the bridge. In order to ensure road safety, regular geodetic measurements of the transformation of the load-bearing structures and piers on 22 bridge structures were carried out. The project preparation included the development of 6 design documentations for bridge repairs. 22 actions were taken in the field of bridge construction maintenance.

Important actions in 2023

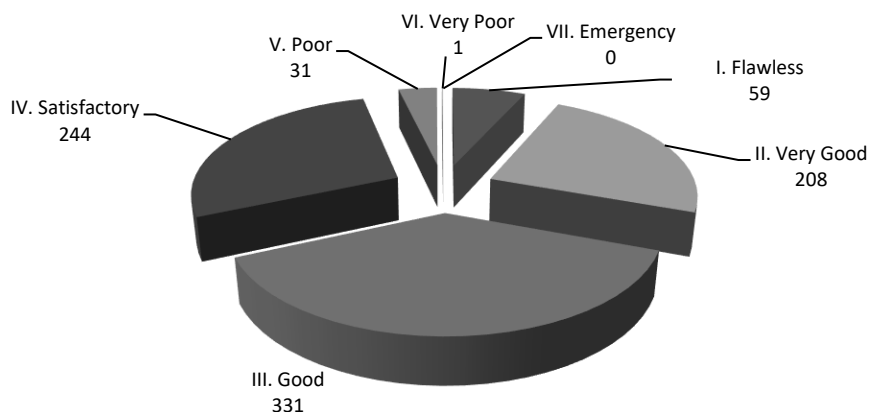
Action name	Costs in 2023 (EUR thousand)
Repair of the motorway bridge reg. no. D1-239 Východná, left bridge	1,672
Repair of the motorway bridge reg. no. D1-219 over the road to Liptovský Ján	1,431
Repair of the bridge reg. no. 64-019A at the intersection of R1A and I/64, Nitra	753
Repair of the motorway bridge reg. no. D2-069 Sekule, right bridge	4,673
Repair of the motorway bridge reg. no. D1-206 over road No III/2325, Vlachy	620
Repair of the mirror overlay, replacement of the anti-collision barriers and lighting of the parking areas under bridge No D2-124 and replacement of the railings and lighting on bridge reg. no. D2-125 Lanfranconi	1,958
Rehabilitation of the suspended ceiling of the supporting structure and the lower structure of the bridge reg. no. R1-191 Banská Bystrica	953
Replacement of GHH and ABH type bridge heads on bridges managed by NDS	695
Repair and replacement of 3W type bridge heads on bridges managed by NDS	807
Provision of construction maintenance on bridges	266
Total costs	13,828

Bridge inspections

In accordance with the revision of TP 060 "Inspections, maintenance and repairs of roads, section Bridges", inspections of bridge structures were carried out. Each defect of the bridge structures is assessed according to TP 061 "Catalogue of bridge structure defects". Based on the assessment of all defects, the final assessment of the particular elements of the bridge is determined (the substructure, load-bearing structure, bridge top, bearings, bridge heads, drainage, etc.). The assessment of particular structural elements forms the basis for determining the order of urgency of bridge repairs for the subsequent period using the index method: BSI—bridge safety index, RBLI—remaining bridge life index and BCCI—bridge construction condition index. In 2023, a total of 190 main bridge inspections were carried out. The total length of the inspected bridges was 12,840.59 m.

Currently, there are 874 bridges with a total length of 114,891.40 m on the Ms&Es.

The current construction and technical condition of the bridges on the Ms&Es:



Determining routes for excessive and oversize loads

In 2023, NDS assessed 3,001 applications for excessive and oversize load transportation in terms of the load capacity of bridges. Of these, 2,666 were assessed, the rest were classified as loads that do not require route assessment.

3.5. TUNNELS AND MICS

Repairs of building structures and technology equipment of tunnels, service and maintenance of tunnels were provided and performed in accordance with the approved Plan of Activities and applicable legislation in 2023.

In the period of April, May, June, September and October 2023, according to the approved Programme of Planned Activities within the maintenance of tunnel structures, tunnel closures of the tunnels in operation were implemented (D1—Branisko tunnel, D1—Šibenik tunnel, D3—Horelica tunnel, D2—Sitina tunnel, D1—Bôrik tunnel, Lučivná underpass, D3—Svrčinovec tunnel, D3—Poľana tunnel, D3—Považský Chlmec tunnel, D1—Žilina tunnel, D1—Ovčiarsko tunnel, D1—Prešov tunnel).

In addition to other regular activities, main and routine inspections of the tunnel tubes and all building structures related to the tunnel operation were carried out during the closures, with a focus on structural defects.

Major and routine inspections of tunnel technology equipment were carried out in 2023 during the scheduled spring and fall tunnel closures.

Maintenance and repairs were carried out on the following operation sets: the central control system, traffic signs and traffic light signalling, medium and low voltage distribution lines, ventilation, closed television circuit, secured power supply in the tunnels Branisko, Bôrik, Sitina, Horelica, Šibeník, Lučivná underpass, Svrčinovec, Poľana and Považský Chlmec tunnels. Warranty service and repairs were carried out in the Ovčiarsko, Žilina and Prešov tunnels.

Projects in 2023:

- in the Sitina tunnel, technical warranty service of the central control system and visualisation of the tunnel,
- in the Sitina tunnel, ensuring the servicing of MV parts,

- in the Sitina tunnel, the performance of technical service, maintenance and repairs within the meaning of the valid CoW,
- in the Sitina tunnel, replacement of fire dampers and ventilators in transverse connections,
- in the Bôrik tunnel, replacement/repair of 4 axial jet fans,
- in the Bôrik tunnel, delivery of components for selected tunnel operating sets,
- in the Bôrik tunnel—restoration of the protective coating of the lining in LTT,
- in the Bôrik and Branisko tunnels, rehabilitation of cracks in the reinforced blocks of the secondary lining,
- in the Branisko tunnel, a passport survey of the condition of the fire water supply system was carried out,
- in the tunnels Bôrik, Branisko, Šibenik, Sitina and Horelica, marking of emergency bays, SOS cabins and highlighting of the marking of escape exits was carried out,
- in the Branisko tunnel, provision of warranty service in accordance with the CoW in force,
- in the Branisko tunnel, the performance of technical service, maintenance and repairs in accordance with the framework agreement in force,
- in the Šibenik tunnel, the performance of technical service, maintenance and repairs in accordance with the framework agreement in force,
- in the Horelica tunnel, the performance of technical service, maintenance and repairs in accordance with the framework agreement in force,
- in all the tunnels in operation, repairs on the tunnel technology equipment were carried out.
- ensuring legislative obligations on tunnels in operation in an emergency situation (professional inspections and professional tests, FAS, FES, fire doors),
- ensuring exceptional technical servicing of the tunnels and MICS in operation,
- updating of documentation for the implementation of constructions (closed television circuit of the Sitina and Horelica tunnels, modernisation of the emergency call system of the Branisko tunnel, modernisation of the GSM in the Branisko tunnel).

The total cost of servicing and repairs of construction objects and technological equipment of the tunnels amounted to EUR 3,243k (technological part of the tunnels).

3.6. MOTORWAY INFORMATION AND CONTROL SYSTEMS (MICS) AND TRANSPORT TECHNOLOGIES (TT)

NDS manages and provides contractual service, maintenance and repairs of the MICS and transport technologies on the Ms&Es which it owns. Another important activity is the preparation and subsequent implementation of operational investment in MICS modernization and addition.

Projects in 2023:

- repairs of the motorway information system equipment in the total amount of EUR 1,341k,
- from investment projects, modernisation and addition of meteorological equipment was carried out in the total amount of EUR 691k.

3.7. TOTAL WEIGHT AND AXLE LOAD OFFICIAL MEASUREMENT

The official measurement of the total weight and axle load of road vehicles is carried out according to Sect. 8 Act 135/1961 Coll. on Roads (Road Act), as amended, with the aim of reducing excessive uncontrolled wear and tear of the road and motorway network by motor vehicles and their trailers and increasing road safety.

In 2023, official measurements were carried out at 6 motorway rest areas managed by NDS, which have static scales with automatic operation for weighing road vehicles in motion. In addition to official measurement with

fixed weighing devices with automatic operation, in 2023 NDS also provided weighing with portable weighing devices with non-automatic operation at rest areas and parking lots managed by MMMC Trnava, Považská Bystrica, Martin, Liptovský Mikuláš, Mengusovce, Beharovce and EMMC Galanta, Nová Baňa, Zvolen , Košice and Čadca. In 2023, NDS performed 11,045 axle pressure measurements, of which 1,274 vehicles were overloaded.

3.8. WINTER AND SUMMER MAINTENANCE

Management and maintenance of motorways and roads managed by NDS is divided into two main periods. Summer service is usually from 01/04 until 31/10 of the particular year, and performance thereof follows the technical conditions and relevant internal regulations. Winter service and winter maintenance is usually carried out in the period from 01/11 until 31/03, it is aimed at eliminating deficiencies and mitigating the consequences caused by winter weather and climatic conditions and follows the predetermined Winter Service Operational Plan, technical conditions and relevant internal regulations. The performance of winter service on motorways and roads managed by NDS is provided by own employees and capacities of the management and maintenance centres.

In the winter 2023, NDS maintained 886.8 km of motorways, expressways and other roads which it owns.

In 2023, NDS also performed winter maintenance for other road operators, based on contractual relationships. The length of the kilometres maintained for other road operators was 196.61 km.

3.9. CENTRAL OPERATOR WORKSTATION (COW)

The COW operators ensure a continuous 24-hour traffic information flow from all sections managed by NDS. On a daily basis they communicate with the M&E management and maintenance centres, monitor and record the traffic situation in our sections, they ensure the correctness of traffic information from/to the internal and external environment.

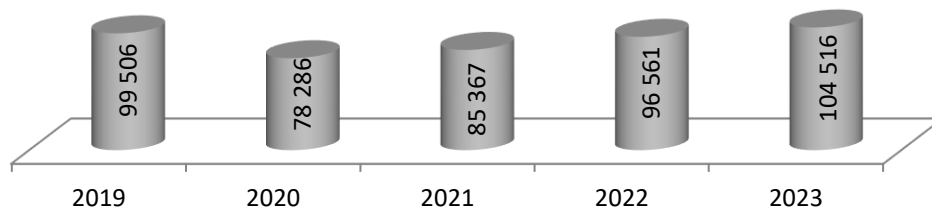
The central operator workstation ensures the availability of the NDS emergency line 0800 100 007 continuously, which is intended for motorists in need. Subsequently, according to the seriousness of the information received, the COW operators process and organize direct assistance on roads—trips by the motorway patrol, rescue services or other necessary actions. 34,054 calls to the emergency line were recorded in 2023.

3.10. OPERATING COST OF REPAIRS AND MAINTENANCE

Total cost of M&E repairs and maintenance in 2019—2023 (in EUR thousand).

Year	State Budget	Own Resources	Total cost
2019	15,831	83,675	99,506
2020	40,088	38,198	78,286
2021	18,278	67,089	85,367
2022	15,831	80,730	96,561
2023	15,831	88,685	104,516

Development of total cost of M&E repairs and maintenance in EUR thousand



3.11. MOTORWAY PATROL

Motorway patrol as a service to motorists in need is performed by road maintenance employees—the motorway patrol, which consists of a two-member crew of a motorway patrol vehicle. In addition to priority assistance to motorists in need, the motorway patrol also carries out activities aimed at monitoring, cleaning and checking the corresponding sections of the motorways, roads and their components managed by NDS.

In 2023, 16 motorway patrol crews collectively drove a total of 2,696,764 km. In 2023, motorway patrol crews responded to, directly addressed, or assisted at 28,769 incidents.

3.12. REST AREAS

In 2023, routine operational activities focused on maintenance, cleanliness, monitoring and operational capability of individual services, zones and elements of the rest areas were carried out at the rest areas. In April—June, a full-scale inspection of rest areas was carried out. In April, an inspection of all playgrounds and fitness zones was carried out by a certified competent person. During the year, the documents for the announcement of the PP were processed—replacement of furniture and preparation of paved base areas at the Štrba LS/RS rest area, repair of damaged components (slats) in active and passive rest areas.

4. EVALUATION OF NDS ACTIVITIES WITHIN ROSA

In 2023, particular steps in the activities within **road safety (ROSA)** coordinated by the MTSR were taken in accordance with **the National Road Safety Strategy of the Slovak Republic for 2021-2030**, which was approved by Resolution of the Government of the Slovak Republic no. 700/2021 on 1 December 2021.

4.1. INCREASING THE ROAD INFRASTRUCTURE SAFETY LEVEL

Increasing the road safety is one of the most important goals of NDS on the operated sections. NDS regularly implements projects aimed at improving road safety. In 2023, repairs and maintenance of the existing restraining safety equipment were carried out, restraining safety equipment and raised markers were added.

In 2023, NDS implemented a change of road markings in the territory of Bratislava and on the R4 Svidník expressway. Folding traffic signs in front of the Piešťany rest area were added for the performance of controls by the Police of the Slovak Republic. Changes to the location of motorway start and end signs have been implemented on all motorways. During the year, NDS provided project documentation for updating traffic signs in accordance with Decree 30/2020 on traffic signs on the D1, D2 motorway, R1 expressway and I/11 road with planned implementation in 2024.

4.2. INCREASING THE SAFETY LEVEL FOR NDS EMPLOYEES AND ROAD TRAFFIC PARTICIPANTS

In order to achieve its objectives, NDS relies on highly qualified employees who are regularly trained, for example, in exercises with the emergency services in tunnels, and organises regular training for employees working in control rooms and employees assigned to the Motorway Patrol.

The aim of introducing the new safety features into practice is to increase the level of safety not only for NDS employees and its contractors, but also for road users (the public) and at the same time to ensure better traffic flow.

In the area of internal employee safety, we ensured in 2023:

- increased control activities in the area of consumption of alcoholic beverages, narcotic drugs and psychotropic substances at NDS workplaces and premises,
- increased inspection activities at the workplaces on motorways and expressways,
- an update to the “Model Schemes for the Provision of Short-term Workplaces on Motorways and Motor Vehicle Roads” will be approved in early 2024. The processing of the schemes ensures the protection of NDS employees during work on the motorways and expressways.

4.3. IMPROVEMENT OF ROAD MARKINGS ON THE ROAD NETWORK

The inspection of the clarity and quality of road signs is carried out by NDS in cooperation with the MT SR and the PF SR.

Horizontal road marking renewal is carried out by NDS in accordance with the routine maintenance plan in compliance with technical regulations. As part of this obligation, NDS performs inspection of horizontal road markings before the end of the warranty period and prepares a Horizontal Road Marking Regular Renewal Plan.

As part of the horizontal road marking renewal, NDS renewed more than 500 km of horizontal road markings in accordance with Decree 30/2020 Coll. in 2023, in particular the following sections:

	M/E/I.	Section including intersections and rest areas
Single Component	D1	Gagarinova—Vajnory including intersections and rest areas
	D2	Lamač state border SK/CZ including intersections and rest areas
	D2	Mlynská dolina—state border SK/HU including intersections and rest areas
	D1	Triblavina—Senec—Horná Streda including intersections and rest areas
	D1	Ivachnová—Važec + intersections and rest areas on D1
	D3	Svrčinovec—Skalité
	R2	Ruskovce—Pravotice
	R1 + R1A	Trnava—Lehota both lanes including intersections and rest areas
	R1	Tekovské Nemce—Žiar nad Hronom including intersections and rest areas
	R2	Figa—Tornaľa, Ožďany including intersections
	R3	Horná Štubňa—bypass

5. ENVIRONMENTAL ACTIVITIES

5.1. ACTIVITIES IN MOTORWAY NETWORK OPERATION AND MAINTENANCE

During the motorway network maintenance, we emphasize the protection and quality of the environment, especially soil and waterways. In 2023, prior to the start of winter maintenance, methods and use of spreading materials were consistently communicated with the environmental authorities. NDS strictly monitors and observes preventive measures for the protection of the environment against potential soil and water pollution, namely through the selective use of various forms of spreading material determined for the particular regions of Slovakia in accordance with the legislation. In 2023, NDS in cooperation with the National Forestry Centre evaluated the impact of the use of gritting salts on the surrounding ecosystems during the winter maintenance of the I/9 road passing through the White Carpathians Protected Landscape Area (PA Biele Karpaty).

In terms of water management, NDS complies with the legal obligations laid down primarily in Act No. 364/2004 Coll. on water, as amended, and operates its water management facilities in accordance with the current legislation in force in the field of protection and rational use of water. In 2023, permits for surface water discharges, waste water discharges from waste water treatment plants, and groundwater withdrawal permits that had expired under the permits were updated. Concurrently, the rules of operation of the sewers and water treatment facilities, roads and centres were constantly updated in accordance with new permits, and emergency and flood plans of the centres were updated after the construction of new facilities for the storage and handling of pollutants.

As a part of the change, the tightening of legislation for the operation of waste water treatment plants up to 50 equivalent inhabitants, at the end of the year, positive inspection reports on the operation of waste water treatment plants were submitted to the district authorities, and for some WWTPs applications have already been submitted for the harmonization of the permit in the light of the new regulations.

NDS fulfils the legal obligations of operators of stationary sources of pollution, operators of equipment containing fluorine compounds. In accordance with the Air Protection Act, a replacement power source was put into operation at the Bikoš tunnel.

NDS complies with any applicable regulations in the area of waste management and provides cooperation with district authorities and local authorities in the removal of black dumps from their lands.

In 2023, the company continues to use electronic waste recording in order to streamline waste generation monitoring and unify the process of reporting quantities for individual operations based on the newly introduced waste legislation.

In 2023, the Motorway and Expressway Management and Maintenance Centre mainly provided safety cuts and tree felling in accordance with the Act on Nature and Landscape Protection. Care for trees was continuously provided also at the rest areas.

NDS fulfils the obligations arising from the applicable legislation, and the management and maintenance centres take adequate measures in invasive plant species management, including monitoring of their occurrence on the sections under NDS management. operationally. The challenge was mainly posed by the widespread distribution of plants of the genus *Fallopia* on the sections under the management of EMMC 2 Nová Baňa, which were removed in accordance with the relevant decree and technical regulations.

5.2. ACTIVITIES IN MOTORWAY PROJECT PREPARATION AND CONSTRUCTION

In order to ensure the smooth progress of assessment and approval procedures during the investment preparation of the M&E sections, in terms of the environment, professional communication and cooperation with nature conservation authorities and the State Nature Conservancy SR play an important role.

One of the important topics in line construction planning and building is ensuring smooth animal migration and preventing the emergence of potential migration barriers, especially in order to ensure safety of smooth traffic and environmental protection. A new version of the Technical Regulations TP 067 *Migratory structures for wild animals, design, construction and operation and repair* was approved successfully in cooperation with the Investment and Operations Section. Thanks to the regulation, it was possible to define clear design conditions for all structures related to animal migration.

In 2023, the negotiations with the Nature Conservation Authorities on individual NDS construction plans continued, as did the work and preparation for the mitigation of environmental impacts—the project for the revitalisation of the Valaliky wetland in the section the R2 Šaca—Košícké Olšany Section II and the project for the revitalisation of the wetland for the occupied Wetland in the area of the future Oščadnica rest area in the Section D3 Oščadnica—Čadca Bukov Profile II.

The extensive activity in the field of environmental measures contains also monitoring of individual components of the environment within the construction of the particular M&E sections. The environmental monitoring is carried out in accordance with Sect. 39 Act 24/2006 Coll. on environmental impact assessment and on change and amendment to certain laws and in accordance with the conditions of binding opinions. In terms of time, we record the quality of the environment before the implementation of the project, during the construction period and after it is put into operation. In accordance with TP 050, we monitor noise, air, vibration and shocks, surface, waste and ground water, soil and biota.

The task of the Department of Environmental Activities is also to solve the issue of traffic noise on the operated sections of motorways, expressways and 1st class roads managed by NDS.

Noise is one of the most important factors of environmental quality and quality of life. It can cause hearing damage that reduces the quality of life, sleep disorders, high irritability and other negative health consequences. The noise burden of the residents' exposure is increasing due to the growth of cities and increased mobility.

As the operator of a noise source, pursuant to Act of the National Council 355/2007 Coll. on the protection, support and development of public health and on amendment to certain laws, NDS is required to ensure that the residents' exposure is as low as possible and does not exceed the permissible noise values for day, evening and night, established in the Decree of the Ministry of Health of SR no. 549/2007 Coll.

NDS is required by law to determine the environmental factors harmful to health qualitatively and quantitatively, and such an investigation must be carried out by a natural person with professional competence. The Department of Environmental Activities, in cooperation with a professionally competent person, ensures the detection of noise load, and thus protocols on accredited environmental noise measurement, also provides Noise Studies, Feasibility Studies including the proposed noise abatement measures, actively, on a daily basis, solves the issue of traffic noise by communication with the Ministry of Transport of SR, the Department of the Department's Chief Hygienist, state administration bodies, complaining residents.

Another important sub-chapter on noise are the Strategic Noise Maps and Action Plans (Stage IV):

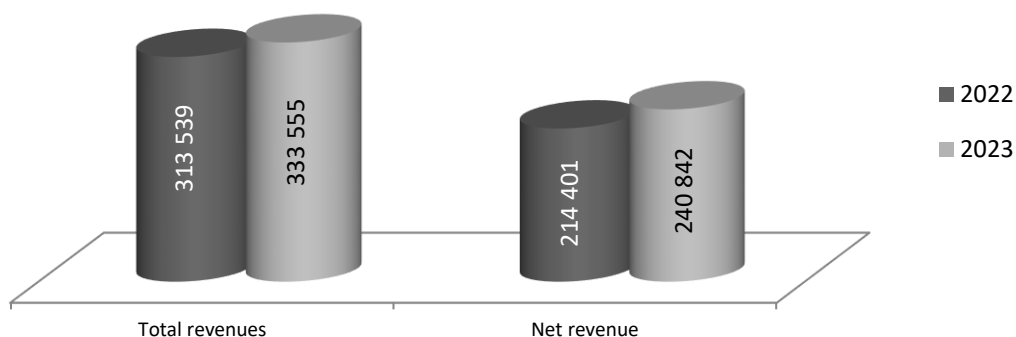
Pursuant to Directive 2002/49/EC of the European Parliament and of the Council relating to the assessment and management of environmental noise and the subsequently adopted Act of the National Council of the Slovak Republic No. 2/2005 Coll. on the assessment and control of noise in the external environment and on the amendment of Act of the National Council of the Slovak Republic No. 272/1994 Coll. on the protection of human

health, as amended, it is obligatory to draw up Strategic Noise Maps and Action Plans for all agglomerations, major roads, major railways and major airports, and they are used as a basis for drawing up action plans, as a source of information for the public and for collecting data to be provided to the European Commission. For major roads under the management of the National Motorway Company, the SNM and AP are prepared at least once every five years, while the Stage IV is to be prepared for the state of traffic in 2021 on the basis of the national traffic census of the Slovak Road Administration.

6. EVALUATION OF NETWORK TOLLING

The main objectives of road infrastructure tolling include ensuring the operability, increasing the quality, ensuring the development and improvement of services on it. The scope of the tolling is under the responsibility of the MT SR, while the amount of each form of tolls is determined directly by the Government of the Slovak Republic. The funds obtained from the tolls are NDS's income. Currently passenger cars up to 3.5 tons are charged in the form of a time charge (vignettes, motorways and expressways are subject to tolls) and trucks over 3.5 tons in the form of a performance charge (electronic tolls, motorways, expressways and selected sections of 1st class roads are subject to tolls, since 01/01/2014 also other 1st and 2nd class roads at a zero rate) in the Slovak territory.

Total revenues from tolling in 2023 (compared to 2022) in EUR thousand



The net revenue from tolling is a difference between the total vignette sales proceeds (hereinafter referred to as "eV") and electronic toll collection (hereinafter referred to as "ETC") proceeds and the related costs (costs of the eV check system, costs of an independent expert, commission to the collection service provider and records of the payments for the vignettes, bank fees, costs of fuel card operation and total payments and/or increase in liabilities to the electronic toll collection system provider).

6.1. TIME PAYMENT IN THE FORM OF ELECTRONIC VIGNETTES (eV)

Customers can buy an eV through electronic sale channels—an online portal and a mobile application for mobile devices or in a network of points of sale—petrol stations the most often, or through self-service devices located mainly at border crossings. The electronic system for the sale of vignettes is provided by NDS through a contract partner.

In 2023, a total of 769.8 km of motorways were tolled in the time form in accordance with the Slovak legislation applicable as at 31/12/2023. Collection for the use of the toll infrastructure by vehicles up to 3.5 tons is carried out in a time form, in the following parameters.

6.1.1. STRUCTURE AND PRICE OF VIGNETTES AND SALE ASSESSMENT

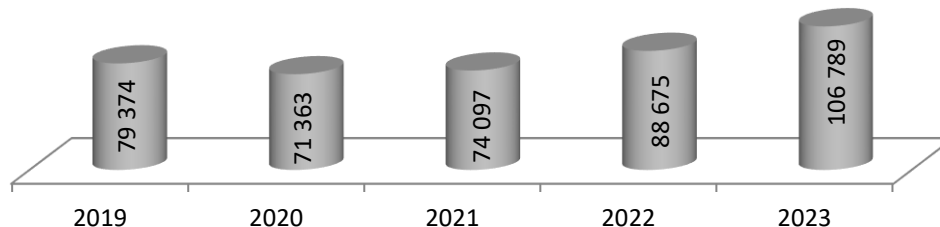
Vignette type	Category	Price (EUR incl. VAT)	Sales 2022 (pcs thousand)	Sales 2022 (EUR thousand excl. VAT)	Sales 2023 (pcs thousand)	Sales 2023 (EUR thousand excl. VAT)
1-year vignette	Up to 3.5 t	60	362	15,068	266	13,293
	O1, O2		4	165	3	165
365-day vignette	Up to 3.5 t	60	1,062	44,257	1,099	54,971
	O1, O2		9	370	10	496
30-day vignette	Up to 3.5 t	17	609	7,108	591	8,370
	O1, O2		8	94	9	130
10-day vignette	Up to 3.5 t	12	2,557	21,298	2,892	28,920
	O1, O2		38	314	45	445
TOTAL			4,648	88,675	4,915	106,789

6.1.2. VIGNETTE SALE ASSESSMENT

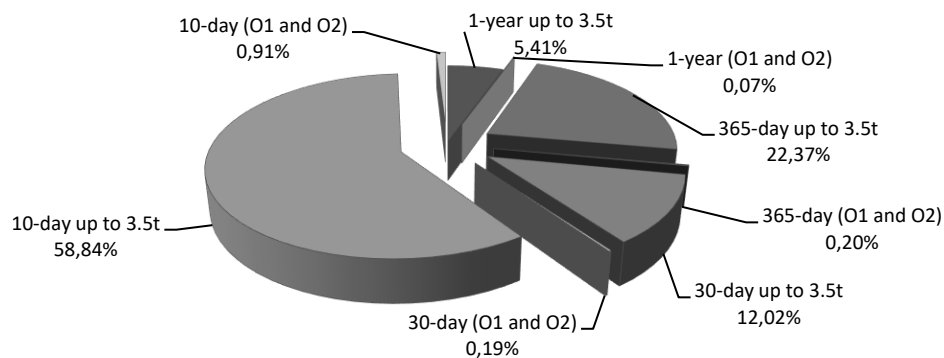
The sales of vignettes in 2023 were at the level of EUR 106,789k excl. VAT. Compared to 2022, there was a total increase in sales of EUR 18,114k (20.4%) and 267 thousand more eVs were sold.

In 2023, our sales plan was set at the level of EUR 101.9 million excl. VAT. We met the set indicator at 104.8%.

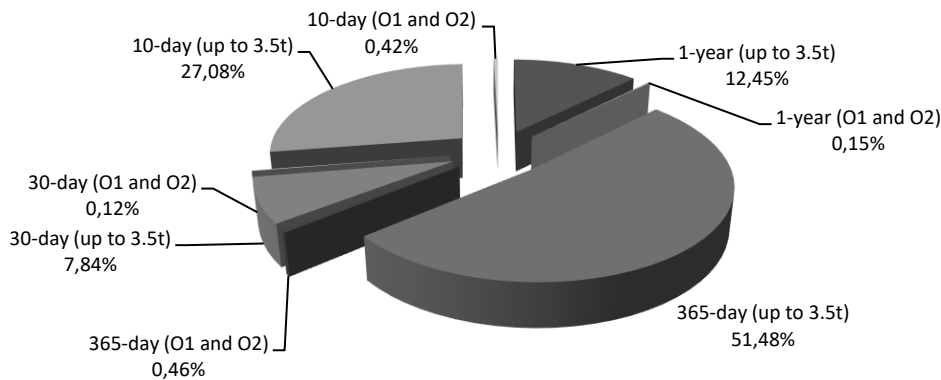
Comparison of the development of the sales of vignettes for years 2019 to 2023 in EUR thousand



Percentage of the vignette types in total sales in 2023 in pieces



Percentage of the vignette types in total sales in 2023 in EUR thousand



6.2. PERFORMANCE CHARGING IN THE FORM OF ELECTRONIC TOLL COLLECTION

NDS is the administrator of ETC. This system based on satellite technology has been built and operated by a supplier. On Board Units "OBU" (a technology device in a vehicle designed to record data for the calculation of tolls travelled), which are used by registered vehicles subject to the obligation to pay tolls, are its basic components.

During 2023, work related to the public tenders for the new toll collection system and customer services, as well as work related to the preparation of the ETC control system and the creation of the Toll Authority as an independent institution, was ongoing. In addition to the above, the process of accreditation, testing and connection of 4 applicants for the provision of the EETS service in Slovakia—ITIS Holding, Telepass, Toll4Europe and W.A.G. Solutions—was launched and successfully completed. At the end of 2023, preparatory work for the integration of accredited providers into the EETS production environment was launched. In 2024, the plan is to launch the operation of EETS toll collection in the beginning of the year and at the same time to continue toll collection with the current system operator with the gradual phasing out of the operation and preparation for the transition to the new toll system.

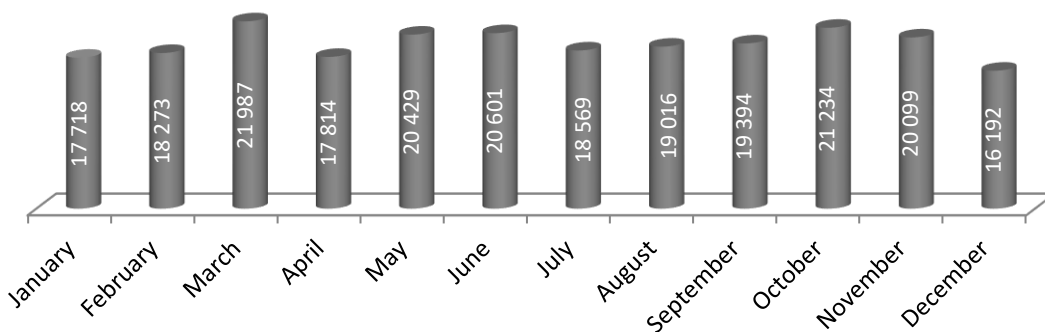
In the field of social responsibility, a partial impact of the ETC system on the environmental area can be identified, in connection with the possibility of the system to regulate heavy freight traffic and its negative consequences in the environmental area. In the aforementioned issue, NDS has implemented several measures with the aim of minimizing the negative impact (e.g. measures to move transit traffic from the 1st class roads to motorways, emission categories of vehicles), and it continues to analyse and communicate other measures, which could be implemented in the future, with the Ministry of Transport of SR, as the creator of legislation. In 2023, according to the legislation in force, as of 31/12/2023, a total of 8,242 km of roads were tolled by electronic toll, which included 833 km of motorways, 3,757 km of 1st class roads and 3,652 km of 2nd class roads, of which 2,114 km (the stated value is higher than the real values due to the combination of several transit corridors in cities and towns) of 1st class roads and all sections of 2nd class roads were tolled at a zero rate. The increase in the length of tolled sections of motorways is due to the toll on the new section of the R2 expressway Mýtna—Tomášovce.

The toll rate is regulated by Act 474/2013 Coll. on ETC, as amended. The toll rates are defined in the Regulation of the Government of the Slovak Republic no. 497/2013 Coll., as amended. The current toll rates, as well as all other information about the ETC, are provided on www.emyto.sk.

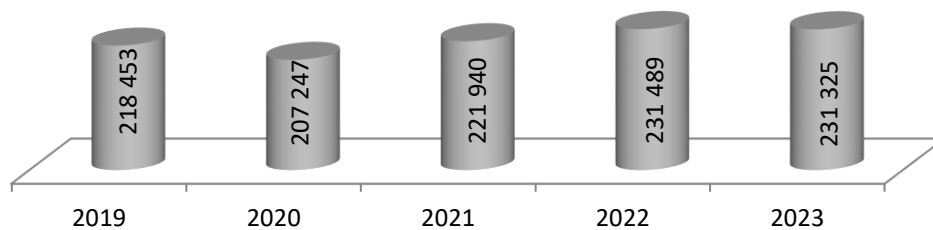
6.2.1. TOLL COLLECTION FINANCIAL EVALUATION

Toll collection totalled EUR 231,325k in 2023, i.e. there was a decrease or stagnation of 0.07% compared to the previous year. The most profitable month was March, in which the revenue reached EUR 21,987k. Certain seasonal fluctuations can be observed during the year, where the toll collection is affected by the season as well as the number of holidays in the particular month.

Revenues from toll collection in 2023 by months in EUR thousand



Development of toll revenues in 2019 to 2023 in EUR thousand



6.2.2. TOLL COLLECTION QUALITATIVE EVALUATION

According to an independent expert, the efficiency of toll collection in the first half of the year was 99.587% and in the second half of the year at the level of 99.602%. The efficiency of toll collection is one of the key parameters demonstrating the quality level of the service provided. In both cases this quality indicator was exceeded, in the first half of the year by 0.677% and in the second half of the year by 0.692% (the reference value is 98.91%).

6.2.3. TOLL REVENUES BY ROAD TYPES

In accordance with the legislation applicable as at 31/12/2023, the ETC system included a total of 2,476 km of roads charged at a non-zero rate in 2023. More than 70% of the total volume of tolls was collected on motorways and expressways, where the revenues from the motorways and expressways per 1 km are more than 4.5 times higher than on the 1st class roads. The difference between the revenues from the motorways and expressways and 1st class roads arises mainly from different traffic volumes; lower toll rates also play an important role on the 1st class roads (except for the 1st class roads parallel to motorways).

Motorways are preferred by foreign drivers to a greater extent, due to the fact that they mostly transit through Slovakia.

Road category	Tolled length (km)	% proportion of total revenues
Motorway and expressway	833	70.64 %



1st class road	1,643	29.36 %
-----------------------	-------	---------

7. HUMAN RESOURCES

7.1. EMPLOYMENT STATUS

The Company continues to report an increasing trend in the labour force. As at 31/12/2023, the recorded number of employees was 2,060, which means an increase by 57 employees in absolute terms and by 2.85% in relative terms compared to 2022. The number of technical/office staff increased by 38 employees, and the number of employees in blue-collar jobs increased by 19.

Reasons for the increase in the labour force:

- filling vacancies in several organisational units,
- recruitment of staff in connection with the filling of vacancies for the administration and maintenance of the R2 section Mýtňa—Lovinobaňa (workplace in the Tomášovce area),
- recruitment of staff to the established Centre for Specialised Activities 2 Mengusovce.

Staff records as at 31/12/ (2019-2023 development)

Year	2019	2020	2021	2022	2023
Number of employees	1,797	1,868	1,922	2,003	2,060
Increase YOY %	5.83	3.95	2.89	4.21	2.85

The average turnover in 2023 was at the level of 9.5%. The turnover slightly exceeded the level of a statistically healthy turnover (5-7%) in terms of personnel support for the Company's activities. The year-on-year turnover rate increased by 0.4% compared to 2022.

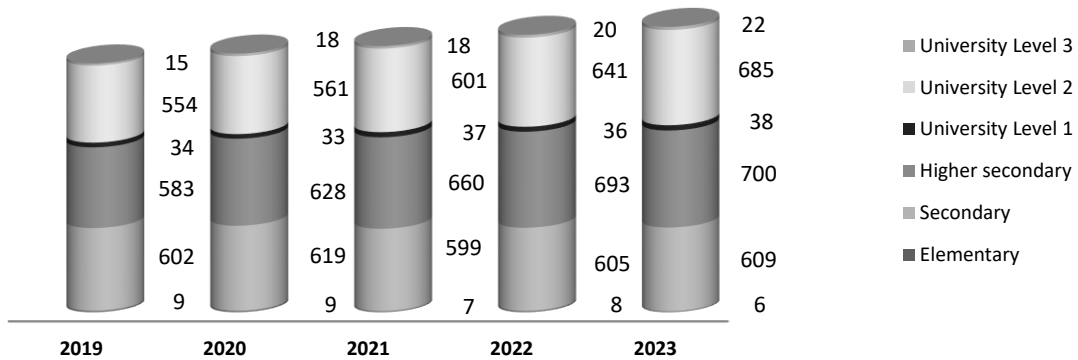
7.1.1. STAFF STRUCTURE

Structure by gender and job categories

Employees	Total	T/O Jobs	% T/O employees	Blue-collar jobs	% BC employees
Men	1,509	588	39.0	921	61.0
Women	551	491	89.1	60	10.9
Total	2,060	1,079	52.4	981	47.6

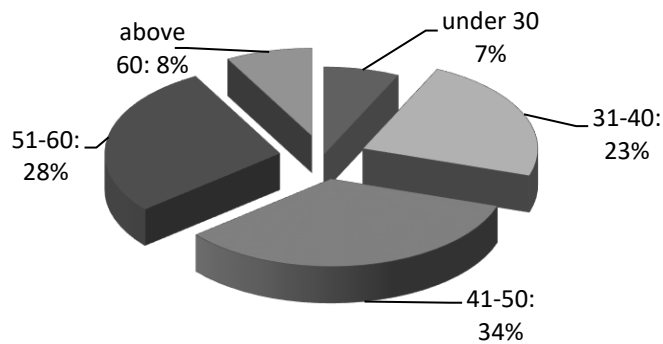
Of the total number of employees as at 31/12/2023, 52.4 % were technical/office jobs and 47.6 % were employees in blue-collar jobs. Compared to the situation as at 31/12/2022, the ratio was changed by 0.4 percentage point in favour of T/O jobs. Of the total number of employees, 73% were men and 27% were women, compared to the situation as at 31/12/2022, there was no change. While the ratio of women and men is roughly equal in the category of T/O jobs, men significantly dominate in blue-collar jobs.

Structure by education as at 31/12/2023



In connection with the growing number of employees in 2023, the education level slightly increases every year. When comparing the % share of employees in each level of education, there was a change of 1 percentage point in favour of higher education compared to last year. The distribution is still approximately in thirds between university (36%), higher secondary (34%) and secondary (30%) education.

Structure by age as at 31/12/2023



The average age of the Company's employees did not change compared to the previous year and is 46 years. The distribution of employees by age categories points out the stabilization of the age structure and the natural generational replacement of employees.

7.1.2. SENIOR EMPLOYEES

As at 31/12/2023, 173 employees worked in the Company in senior positions (8.4% of the total number) at all levels of management, in the ratio of 36% women and 64% men. Compared to 2022, the ratio of senior employees to the total number increased by 0.5%. As for gender, the ratio of men in senior positions increased by 2%.

7.1.3. EMPLOYEES WITH DISABILITIES

In 2023, the number of employed persons with disabilities increased. During the year, the Company employed 94 employees with disabilities in total, which means 4.6% of the total average number of employees in 2023. For several years in a row, the Company fulfils the statutory share of employment of disabled citizens. In addition to direct employment and creating conditions for work for people with disabilities, NDS also performed contracts through the so-called sheltered workshops.

7.2. REMUNERATION AND BENEFITS FOR EMPLOYEES

Remuneration, benefits and social policy of the Company are defined by the Collective Agreement and the Wage Regulations, which were modified in 2023 in accordance with Amendment 1 to the Collective Agreement for 2023-2024 effective from 01/07/2023.

Collective bargaining in 2023:

In December 2023, the Company's Board of Directors and employee representatives signed Amendment No. 2 to the Collective Agreement for the years 2023-2024, in which, in addition to adjusting employee wages, other changes in working conditions, remuneration conditions and employee benefits were also agreed upon.

Within the range of benefits, employees are most interested in the employer's contribution to supplementary pension savings, which was used by 78% of the employees as at 31/12/2023. In 2023, a total of 334 employees were given bonuses upon reaching their work anniversary at a different amount depending on the number of years of service in the Company.

The broad range of employee benefits was preserved in 2023 as well. During the year, the employees had the opportunity to use a wide range of employee benefits in accordance with the Collective Agreement:

- **monetary benefits**
 - an employer's contribution to supplementary pension savings,
 - an employer's contribution to a 1-year vignette,
 - an employer's allowance for work fitness recovery from the social fund,
 - an employer's allowance for group activities from the social fund,
 - an increased wage allowance for night work,
 - provision of wage compensation during a sick leave for 10 days in the amount of 65% of the daily assessment base,
 - a monetary bonus for years worked,
 - a contribution at the birth of a child,
 - a contribution in long-term sick leave,
 - an allowance for donating blood,
 - social assistance to improve a difficult life situation,
 - increased severance pay and a severance grant depending on the length of employment,
 - one-time compensation in the event of an occupational injury,
 - compensation for survivors in the event of a fatal occupational injury,
 - an allowance for each meal unit provided in the amount of EUR 0.50 from the social fund,
 - provision of an additional meal voucher or additional financial allowance for meals during a shift longer than 11 hours and during overtime work,
 - an allowance for employee recreation in accordance with the provision of Sect. 152a Labour Code.

- **non-monetary benefits**
 - 5 days of holiday per year beyond the Labour Code,
 - rental of means of transport, machineries, machines and devices,
 - benefit of recreation in our training centre in Liptovský Ján under preferential conditions.
 - option of remote work for 3 days a month,
 - organising various events as part of the Healthy Company project.

Drawdown of the social fund in 2023 (in accordance with the Collective Agreement)

Social Fund	Amount in EUR thousand
Employee meal allowance	221.0
Social assistance	40.6
Allowance for work fitness recovery and group activities	297.5
Christmas bonus	206.6
Allowance for donating blood	17.5
"Healthy Company" project	21.0
Total drawdown in 2023	804.2

7.3. HEALTHY COMPANY

The Healthy Company project supports a healthy and active way of life for employees by organizing various sports, charitable and experiential activities. Several sports activities were organized, e.g. a table tennis tournament, a volleyball tournament, the 1st year of the badminton tournament was launched and we again took part in the event Relay Run From the Tatras to the Danube. At the 47th edition of the Motorway Staff Sports Games in Zbraslavice, Czech Republic, NDS came second in the overall results. NDS joined the Go to Work by Bike campaign, where employees formed 17 four-person teams and cycled 25,295 km together in June.

As part of the autumn Health Days, a number of activities were carried out to support the physical and mental health of employees, e.g. measurements with insurance companies; a first aid demonstration; a lecture on “Me and my mental health”; online sessions with a psychologist and a “NDS Employee Mental Wellbeing Survey” was carried out.

In the framework of the MiniErasmus project, under the auspices of the Future Generation Europe civic association, excursions for secondary school students were organised in March and November. The students got acquainted with the activities of NDS at MMMC Bratislava, took a tour of the centre and visited the operator’s workplace.

An excursion to the Sitina tunnel was organised during the autumn closure of the tunnel. As part of the excursion, the employees and their family members also visited the operator’s workplace at MMMC Bratislava.

The blood donation, popular among employees, was held twice at the headquarters in Bratislava, in cooperation with the mobile blood collection unit of the Institute of Military Hospital SNP Ružomberok.

The year ended with a sweet surprise for the children of employees, during which 1,124 St Nicholas gift packages were handed out, and a traditional “Christmas Cabbage Soup” was served to staff at the headquarters in Bratislava.

7.4. EDUCATION OF EMPLOYEES

The aim of development and education is to ensure the deepening of the qualification level of employees continuously, thereby improving the Company's competitiveness and contributing to the fulfilment of the Company's strategic goals. In 2023, the employees attended professional trainings, seminars and courses in various fields.

Since March, the Managerial Academy project has continued, the aim of which is to increase the managerial competences of senior employees as a prerequisite for the development of a management style that supports

open communication based on feedback, a partnership approach to managing employees and motivation to achieve results.

The COW staff received training on “Effective Telephone Communication”, where they learned the principles of communication to eliminate misunderstandings and prepared themselves to deal with everyday difficult situations in telephone communication.

Communication training for Motorway Patrol staff and road maintenance supervisors was implemented. The aim of the training was to increase the professionalism of communication with drivers and other crew members when dealing with crisis situations.

An accredited course “Tunnel Operation Management—Fundamentals of Operation Management” was held at the University of Žilina. The course was attended by 36 employees involved in the operation and management of the tunnels. After successful final testing, employees received certificates.

The FIDIC seminar was attended by 37 employees from several departments. They deepened their knowledge of the Red Book and the Yellow Book with practical examples.

Language training was launched at the end of the year. 13 staff members improved their English skills.

7.5. PERSONNEL MARKETING

In the long term, the goal of personnel marketing is to provide the Company with quality human resources and to ensure a competitive advantage on the labour market.

In 2023, we used the professional social network LinkedIn actively, where we promoted vacant positions, employee education and development, NDS benefits and the activities of the Healthy Company project through posts, articles and videos from the working environment. In this way, NDS creates opportunities to establish relationships with potential applicants and improves communication with the current and future employees.

Within the internal project “Start your career in NDS” we represented NDS at the open days of the University of Žilina and Technical University in Košice. The main objectives of NDS at the university open days are to motivate secondary school students to choose to study the fields of studies at faculties in accordance with our preference, to promote NDS as an attractive employer where they can find employment after graduation and to motivate students and university graduates to be interested in employment at NDS.

NDS participated in Readycon, an online broadcast activity for secondary schools, whose main objective was to increase employer brand awareness and motivate future candidates to pursue higher education in the information technology and construction industries.

NDS ranked 2nd in the Employer of the Year 2023 survey and managed to rank among the TOP 5 employers in the Transport and Logistics category for the fourth consecutive year.

7.6. SOCIAL RESPONSIBILITY IN THE AREA OF HUMAN RESOURCES

As an employer, NDS offers its employees a set of values, on which it is possible to build a more cohesive society and on which it is possible to base the transition to a sustainable economic system, and through continuous development it contributes to an increase in employment (year-on-year increase in employees by 2.85%).

In the social field, NDS is dedicated to observing the policy of equal opportunities (selection procedures are published and any employee can also apply for them without discrimination), employees’ work-life balance (e.g.

by applying remote work and flexible working hours where the nature of the work allows it), corporate philanthropy and, last but not least, increasing the quality of life of the employees by providing a wide range of benefits already mentioned above.

In order to support the employees' work-life balance, we do a wide range of sports and social activities within the HEALTHY COMPANY project.

By signing the Memorandum with the Slovak University of Technology in Bratislava, the Technical University of Košice and the University of Žilina, we created an opportunity to deepen the practical knowledge of students with the assumed use of their interest in working at NDS.

8. MARKETING AND COMMUNICATION

8.1. COMMUNICATION AND MARKETING STRATEGY IN 2023

In 2023, we strengthened communication in online and off-line formats. Pro-client approach, openness and consistency have become key to brand communication. In communication, we continuously focused on effective targeting and a tailored, adequate choice of communication formats. New audiovisual formats were a particular added value. In the course of 2023, we answered a total of 4,563 questions from the media and the public, published 691 different types of communication, fully produced 20 events for the professional, lay and journalistic public from the initial idea to the final solution, and the design activity was communicated through the websites www.kosicenaokolo.sk, www.mytobezhranic.sk, www.d1d4.sk, www.visnovebude.sk and www.obchadzamuzpresov.sk.

In 2023, the Marketing and Communications Department was responsible for the complete redesign of the Motorway Patrol brand and the creation of a design manual for the new product, for the implementation of a new corporate website visual and the production of a new mobile application. It was necessary to strengthen communication in the sphere of internal communication, where we proceeded to communicate the topic of cyber security. The National Motorway Company started to communicate via podcasts to disseminate information not only to the internal environment but also to the general public. Open, transparent, modern and proactive communication has resulted in a change in the perception of the brand from the motorist's point of view.

The following were the main communication milestones of 2023:

- the large-format campaign "TOLL matters",
- safety campaign "(S)he works, I care",
- World Road Congress,
- opening of the R4 Prešov section, North Bypass,
- Bikoš and Branisko tunnel open days,
- introducing the new Motorway Patrol,
- "I'm bypassing Prešov II." campaign.

8.2. INTERNATIONAL RELATIONS

In 2023, a number of interesting international activities took place and the National Motorway Company was a part of them, presenting its experiences, best practices and progress in many areas of its activities. NDS became a member of another international organization, received an award for its contribution, but most importantly, represented itself with dignity in front of the professional public at many international events.

The agenda of foreign relations has a wide-ranging coverage and it includes mainly the following in NDS:

- **Membership in foreign organizations and related activities:** NDS is a member and fulfills its obligations in three foreign organizations. As a direct member, it works in the organization **ASECAP**, where, through four COPERs committees, it has active representation in two of them—in COPER II—safety, sustainability and services and COPER IV—traffic analysis and statistics. It works passively, as an observer, in COPER I — charging and COPER III — ITS. In addition to ASECAP, NDS is also a direct member of **IRF**, where it tries to develop activities beneficial for the future development of the Company, in particular in the field of road safety. This year, NDS was recognized and awarded for its contribution to

the IRF activities. In Q4 2023, NDS became a member of another international platform—the EETS Facilitation Platform (EFP) that was established to exchange information and discuss the technical, organisational and legal issues in order to facilitate the deployment of EETS. At the same time, NDS cooperates with the world organization **WRA/PIARC** through the national committee and in 2023 has nominated experts to participate in two technical committees.

- **The agenda of foreign work trips (FWT):** In 2023, 125 FWTs were made in order to participate at professional conferences and working meetings. A great success of NDS is its first ever active participation at the 50th International Conference ASECAP DAYS 2023, where NDS had two speakers. A special chapter in the field of international conferences was the World Road Congress, which was held in Prague again after 52 years. NDS was given the opportunity to be part of it and to play active part in the organising committee. On this unique occasion, NDS presented itself at the congress with four expert lectures, participation in two expert discussions and three representative stands in the accompanying exhibition, where it interactively informed about its activities in the field of charging, preparation, construction and operation of motorways and expressways in Slovakia. Through active participation, NDS participated in and contributed with its experience at the following conferences:
 - ASECAP DAYS 2023 (2 presentations),
 - World Road Congress (4 presentations),
 - ASECAP General ASSEMBLY (1 presentation),
 - ASECAP Meet up meeting (1 presentation),
 - Fire Safety of Tunnels 2023 (1 presentation),
 - Central Moravia—The Crossroads of Transport and Economic Interests (1 presentation).
- **Meetings with foreign partners in Slovakia or abroad:** Also in 2023, many of the meetings were held in an online environment, which again saved considerable costs for the FWT, not only as for finance, but especially as for time. NDS attended in person several working meetings that were very important for the development of the company, the most important of which were:
 - **Electronic construction diary**—Czech partner’s experience with SW development, functionality, best practices and shortcomings,
 - **Connection point of SK and CZ**—agreement on keeping the common connection point of R6 and D49, negotiation with the Directorate of Roads and Motorways of the Czech Republic,
 - **Visegrad Crossroads of Ideas**—exchange of experience between road operators of the V4 countries and the search for common solutions in the field of preparation, construction, operation and tolling.

8 meetings with foreign partners were organized at NDS, both in person and online. The meetings covered various professional issues within specific areas aimed at solving current problems in NDS. An interesting meeting were two visits of the Bulgarian delegation, where the professionals of NDS presented their experience and procedures in the field of EU funds or processes in the preparation of motorway and expressway projects.

- **Translations and interpreting for the needs of NDS:** Translation services are used in many ways, either as support for applications for finance from EU funds, for the purposes of the Legal Department, Public Procurement Department, but also in the case of translations of contracts for property right settlement or EETS. Interpreting is used at highly specialized meetings, where it is necessary to communicate exactly using specific technical, environmental, legal or economic vocabulary. A major boost to the international relations team was the hiring of an in-house translator/interpreter, which enables a larger number of NDS employees to participate in working meetings with foreign partners. In addition, NDS has started to distribute on a weekly basis to selected employees a “Newsletter”, submitted to NDS by ASECAP in English and subsequently translated into Slovak, which again allows regular news and activities from the foreign professional world to be disseminated to a larger number of employees.

Maintaining and increasing awareness of NDS abroad, more active presentation of NDS at foreign conferences or meetings with foreign partners, more active approach of NDS employees within the started projects or cooperation with foreign organizations is a long-term goal that helps to strengthen the reputation and position of NDS not only abroad.

9. FINANCIAL DATA

9.1. STATEMENT OF FINANCIAL POSITION AS AT 31/12/2023

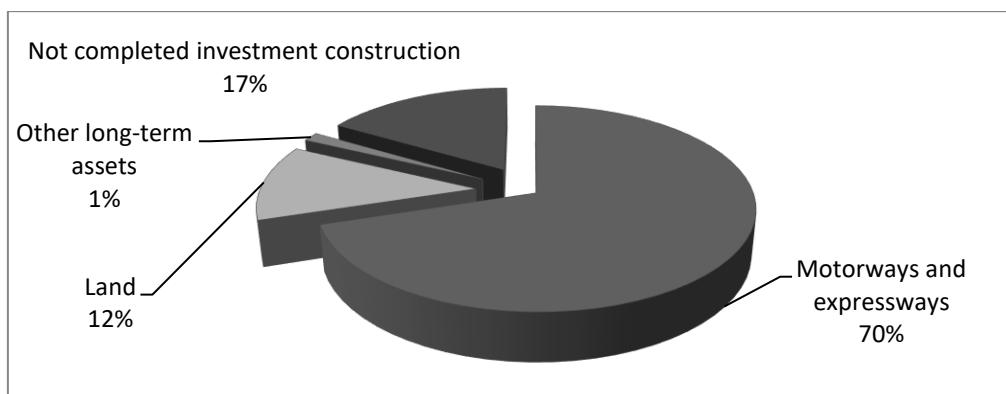
Data in EUR thousand	Status as at 31/12/2023	Status as at 31/12/2022	Difference 2023-2022
Fixed assets	10,726,234	10,318,923	407,311
Current assets	135,495	238,078	-102,582
Total assets	10,861,730	10,557,001	304,729
Equity	3,958,902	3,921,936	36,966
Non-current liabilities	6,567,902	6,284,321	283,581
Current liabilities	334,926	350,744	-15,818
Total equity and liabilities	10,861,730	10,557,001	304,729

9.1.1. ASSETS

Data (in EUR thousand)	Status as at 31/12/2023	Status as at 31/12/2022	Difference 2023-2022
Long-term tangible assets	10,721,515	10,314,837	406,678
Long-term intangible assets	4,719	4,086	633
Total fixed assets	10,726,234	10,318,923	407,311
Supplies	7,693	6,195	1,498
Trade receivables and other receivables	27,176	41,097	-13,921
Receivables from subsidies	26,491	134,633	-108,142
Deferred costs	3,402	1,459	1,943
Money and money equivalents	70,733	54,694	16,039
Total current assets	135,495	238,078	-102,582
Total assets	10,861,730	10,557,001	304,729

The year-on-year increase in the Company's assets (EUR 304,729k) was mainly driven by an increase in long-term tangible assets (EUR 406,678k).

Long-term tangible assets (LTA) increased by a total of EUR 406,678k compared to 2022. LTA structure:



The Company's **long-term intangible assets** mainly include software.

The status of supplies increased year-on-year by EUR 1,498k, with the most significant supplies item being the de-icing salt.

Trade receivables and other receivables (27,176k EUR):

- from trade in the amount of EUR 24,942k,
- other receivables amount to EUR 2,234k.

As at 31/12/2023, an adjustment entry in the amount of EUR 5,976k was made for short-term receivables. Adjustment entries are made in accordance with the precautionary principle.

Receivables from subsidies from EU resources are from the Operational Program Integrated Infrastructure (OPII).

Deferred costs mainly consist of the short-term part of accruals related to the commissions of eV sellers, which will be accounted for in costs in the subsequent accounting period.

Money and money equivalents (EUR 70,733k) include bank account balances of EUR 70,670k, balance of money in the cash register EUR 60k and security printed items of EUR 3k.

9.1.2. EQUITY AND LIABILITIES

Data (EUR thousand)	Status as at 31/12/2023	Status as at 31/12/2022	Difference 2023—2022
Capital	3,397,969	3,397,969	0
Statutory and other funds	367,189	365,396	1,793
Retained earnings	193,744	158,571	35,172
Total equity	3,958,902	3,921,936	36,966
Trade liabilities and other liabilities	27,875	27,430	445
Deferred tax liability	199,311	190,015	9,296
Deferred revenues	6,340,716	6,066,876	273,840
Total non-current liabilities	6,567,902	6,284,321	283,581
Loans	2	1	1
Trade liabilities and other liabilities	188,628	217,304	-28,676
Reserves	24,246	19,757	4,490
Deferred revenues	122,049	113,682	8,367
Total current liabilities	334,926	350,744	-15,818
Total equity and liabilities	10,861,730	10,557,001	304,729

Equity and liabilities increased by EUR 304,729k compared to the previous year mainly due to an increase in deferred revenues.

Statutory and other funds:

- the statutory reserve fund consisting of capital contributions is in the amount of EUR 332,783k,
- the statutory profit reserve fund in the amount of EUR 32,409k,
- other capital funds in the amount of EUR 1,998k.

By its decision dated 31 May 2023, the sole shareholder approved the **2022 profit distribution** presented in the financial statements compiled according to IFRS in the amount of EUR 17,935k by allocating EUR 1,793k to the

statutory reserve fund and the amount of EUR 179k to the social fund and by transferring the amount of EUR 15,962k to the account of retained earnings of preceding years.

Long-term trade liabilities and other liabilities include retention money guarantees from investment invoices for M&E construction, which are released in terms of valid contracts and long-term reserves for employee benefits.

Deferred tax liability from temporary differences between the tax and accounting residual value of assets and liabilities amounts to EUR 199,311k as at 31/12/2023.

Deferred revenues (long-term) from subsidies received for M&E construction include the non-released balance of subsidies provided from the state budget, European funds and assets acquired free of cost. Subsidies are released into revenues in time and material relation to the accounting of depreciation of additional assets.

Short-term loans are short-term credit frameworks in accordance with the concluded contracts. Their purpose is to bridge the temporary lack of operating and investment funds of our Company until funds from the state budget are contracted and received. As at 31/12/2023, the Company had concluded short-term loan agreements with three commercial banks (UniCredit Bank Czech Republic and Slovakia, a.s., a branch of a foreign bank, Slovenská sporiteľňa, a.s. and Komerční banka, a.s., a branch of a foreign bank) in the total amount of EUR 150 mil. with the maturity date on 30/11/2024. As at 31/12/2023, these loans had not been drawn.

Current trade liabilities and other liabilities in the amount of EUR 188,628k consist of:

- trade liabilities including reserves in the amount of EUR 177,821k,
- liabilities to employees including reserves in the amount of EUR 5,843k,
- liabilities related to social security including reserves in the amount of EUR 2,473k,
- tax liabilities in the amount of EUR 459k,
- other liabilities in the amount of EUR 2,032k.

As at 31/12/2023, NDS's liabilities were not secured by a lien or another form of security.

Provisions amounting to EUR 24,246k are reserves for litigations and other disputes. The Company formed these reserves on the basis of a detailed analysis of the state of liabilities enforced through court and on the basis of available information and an estimate of the possible outcome of the disputes. The final amount of the potential loss related to litigations is unknown and may differ from the Company's current estimates.

Deferred revenues (short-term) include the non-released balance of subsidies provided from the state budget, European funds and assets acquired free of cost (EUR 77,348k), the deferred revenues from electronic vignettes and electronic tolls (EUR 44,701k), which are temporally and materially linked to 2024.

9.2. COMPREHENSIVE INCOME STATEMENT

Data in EUR thousand	2023	2022	Difference 2023—2022
Revenues from ETC	231,325	231,490	-164
eVignette sales proceeds	102,230	82,049	20,180
Other revenues	17,959	17,153	806
Total revenues	351,514	330,692	20,822
Cost of ETC	-84,935	-113,452	28,517
Consumed material and services	-92,259	-76,838	-15,420
Personnel expenses	-70,677	-60,655	-10,022
Depreciation and amortization	-151,868	-150,458	-1,410
Income from subsidies	93,432	90,848	2,583
Net interest cost	1,473	-509	1,982
Other operating income/(cost) net	843	4,513	-3,670
Pre-tax profit	47,523	24,141	23,382
Income tax	-9,792	-6,206	-3,586
Net profit	37,731	17,935	19,796
Other components of the comprehensive income:			
Financial assets available for sale			
Cash flow hedges			
Increases from real estate revaluation			
Actuarial gains (losses) from defined pension schemes	-742	1,690	-2,432
Share of other components of the comprehensive income of associated enterprises			
Income tax applicable to the parts of other components of the comprehensive income	156	-355	511
Other components of the comprehensive income for the year after tax	-586	1,335	-1,921
Total comprehensive income for the year	37,145	19,270	17,875

In 2023, NDS revenues amounted to EUR 351,514k, which represents a year-on-year increase by EUR 20,822k. The increase was mainly due to eV sales proceeds, by EUR 20,180k. Capitalized costs of own activities directly related to the M&E preparation and construction amounted to EUR 8,816k.

The costs of electronic tolls decreased by a total of EUR 28,517k compared to 2022.

The costs of material and service consumption were higher in 2023, mainly due to the higher cost of repairs and maintenance of M&E constructions.

The year-on-year increase **in personnel expenses** is mainly related to the increase in the number of employees and the adjustment of wages in accordance with the Collective Agreement. The personnel expenses also include salaries and remuneration for the members of the Company's bodies and directors.

Data in EUR thousand	2023
Salaries of the current and former directors	401
Remuneration of the current and former members of the bodies	293
Total	694

The depreciation was higher by EUR 1,410k compared to 2022. The increase in the depreciation is mainly related to the inclusion of the completed constructions in the assets. Depreciation (cost) of the part of the assets acquired by NDS in the form of subsidies from the state budget or EU funds, is compensated by accounting the subsidy into income in the Income from subsidies item. This compensation does not apply to assets put in NDS when the company was founded or to assets acquired with own and credit resources.

Income from subsidies includes, in addition to the release of investment subsidies from the state budget and EU funds in the amount of EUR 77,443k, mainly the income from operating subsidies for M&E repair and maintenance amounting to EUR 15,989k.

Net interest cost includes primarily interest expense on investment loans and interest income on time deposits. Lower cost interests compared to 2022 are related to the lower principal of long-term bank loans due to the payment of loan instalments. The higher interest income compared to 2022 is mainly related to the increase in interest rates on time deposits.

NDS had no cost of development and research in 2023.

In 2023, a net profit of EUR 37,731k was reported.

9.3. CASH FLOW STATEMENT

Cash flow statement (in EUR thousand)	2023	2022
Cash flows from operating activities	128,729	115,506
Cash flows from investing activities	-112,691	-135,812
Cash flows from financial activities	1	-37,152
Cash balance as at 01/01	54,694	112,151
Cash balance as at 31/12	70,733	54,694

9.4. FUNDING SOURCES

NDS has the following funding sources available:

- additional funding sources—state budget (SB), EU funds, including co-financing,
- own funding sources—electronic tolls, vignettes, other own sources.

9.4.1. SUBSIDIES FROM THE STATE BUDGET

Funding source (in EUR thousand)	Subsidies provided in 2023
SB—non-investment	15,831
SB—investment	355,490
TOTAL	371,321

Subsidies from the SB were used to finance the preparation, implementation of repairs, maintenance and construction of motorways.

9.4.2. SUBSIDIES FROM EU FUNDS AND CO-FINANCING

Most of the M&E preparation and construction is financed through EU resources. In 2023, the implementation of OPII 2014-2020 continued.

In 2023, design documentation and construction work on the following projects were financed from EU funds:

- D1 Multimodal Feasibility Study Bidovce—state border SK/UA,
- D1 Lietavská Lúčka—Dubná Skala, including the Višňové tunnel
- D1 Prešov West—Prešov South,
- D3 Žilina, Brodno—Kysucké Nové Mesto, feeder road,
- D3 Green Bridge Svrčinovec,
- R1 Ružomberok, south I/18 junction, PD,
- R2 Šaca—Košické Olšany (Section II),
- R2 Šaca—Košické Olšany, Section I and II (project preparation),
- R3 Tvrdošín—Nižná,
- R4 Prešov—North Bypass, Stage I

Funding source (in EUR thousand)	Drawdown in 2023
Cohesion Fund (CF)	56,332
Co-financing to the CF	9,941
Structural Fund (SF)	51,300
Co-financing to the SF	9,053
TOTAL	126,627

9.4.3. OWN FUNDING SOURCES

Own sources (OS) of NDS consist of the following:

- revenues from electronic toll collection,
- vignette sales proceeds,
- other own sources (revenues from rent, services provided, sale of assets and material, income interests, etc.).

Funding source (in EUR thousand)	2023
Electronic tolls	231,325

Electronic vignettes	102,230
Other own resources	18,885
TOTAL	352,440

In 2023, the NDS' own resources were used to finance own current costs, to finance operational construction and machinery investment that was not covered by the funds from the SB and, to a lesser extent, to finance M&E preparation and construction.

9.5. ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements as at 31/12/2023 were compiled in accordance with Accounting Act 431/2002 Coll. as amended and with the International Financial Reporting Standards.

Accounting reports such as the Statement of Financial Position and the Comprehensive Income Statement document the state of assets and liabilities, as well as the profit/loss from operating activities of NDS for year 2023. The Financial Statements contain all essential facts regarding the accounting of NDS for the above reporting period.

The Cash Flow Statement was processed using the indirect method.

In accordance with the applicable legislation, the Company does not have an obligation to consolidate the profit/loss from operating activities for the above reporting period, since NDS does not have an equity interest in other companies.

The Company's Financial Statements as at 31/12/2023 will be published in accordance with applicable legislation and filed in the NDS registry centre.

AUDITOR'S REPORT

The Company's Financial Statements for the year ending on 31 December 2023 were verified by the contracted auditor:

BDO Audit, spol. s r.o.
Pribinova 10
Bratislava—municipal part Staré mesto 811 09
CRN: 44455526

Date of issue of the Auditor's Report: 26/03/2024

The Independent Auditor's Report in full wording is enclosed with this Annual Report together with the Company's complete Financial Statements for the year ending on 31 December 2023.

9.6. PROPOSAL FOR USE OF PROFITS FOR 2023

Profit for the current financial year 2023 of EUR 37,731k, after replenishment of the reserve fund and allocation to the social fund, will be retained as retained earnings of previous periods.

9.7. EVENTS THAT OCCURRED AFTER THE DATE OF THE FINANCIAL STATEMENTS AS AT 31/12/2023

After 31 December 2023 and until the date of preparation of the Financial Statements, there were no such events that would significantly affect the Company's assets and liabilities, except for those resulting from ordinary activities.

Given the minimal value of the Company's exposures to counterparties from Russia, Belarus and Ukraine, we do not expect any relevant impact of the ongoing military conflict on the Company's financial results or other impacts that should be published in the Financial Statements as at 31 December 2023.

With effect as of 01/01/2024, the company purchased part of the vignette business from Sky Toll, a. s, which was a separate organizational component of the seller's business referred to as "eZnámka" ("eVignette") and which consists of a set of tangible as well as personal and intangible components of the business and serves for the operation of the given part of the business, i.e. for the operation of activities aimed at the electronic collection and registration of payment of vignettes for the use of specified road sections in the Slovak Republic and other obligations under Act No. 488/2013 Coll. on vignette.

10. REPORTING OF INFORMATION IN ACCORDANCE WITH THE EU TAXONOMY

In July 2020, Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the “Taxonomy Regulation”) entered into force, establishing a basic framework for the classification of economic activities in terms of their environmental sustainability (the “EU Taxonomy”). The Taxonomy Regulation aims to steer investment flows towards a sustainability transformation in accordance with the European Green Deal by defining technical sustainability criteria for economic activities, and thus by measuring and reporting on the share of sustainable sales, investments and operational expenditure.

The economic activities that are eligible for reporting under the EU taxonomy are listed in the Annexes of the Commission Delegated Regulation (EU) 2021/2139 supplementing the Taxonomy Regulation (hereafter “Climate Delegated Regulation”) by establishing the technical screening criteria: I) for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation, or II) for determining whether that economic activity causes no significant harm to any of the other environmental objectives, published in the Official Journal of the EU on 9 December 2021.

The Taxonomy Regulation (Article 9) lists six environmental objectives:

- climate change mitigation (protection),
- climate change adaptation,
- the sustainable use and protection of water and marine resources,
- the transition to a circular economy,
- pollution prevention and control,
- the protection and restoration of biodiversity and ecosystems.

According to Article 3 of the Taxonomy Regulation, an economic activity is considered environmentally sustainable if that activity

- contributes substantially to one or more of the environmental objectives,
- does not significantly harm (adversely affect) any other environmental objective (does not cause significant harm),
- in addition, the economic activity must be carried out in compliance with the so-called minimum safeguards, i.e. certain minimum social protection requirements based on the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Economic and Human Rights, including the eight core conventions set out in the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights;
- on the basis of technical criteria to be specified in detail by the European Commission, to determine whether a significant contribution will be made to one of the environmental objectives or whether the environmental objectives will not be adversely affected.

For an economic activity to be considered sustainable, all of the following criteria must be met.

In accordance with Article 8 of the Taxonomy Regulation, companies meeting the specified criteria are required to report selected non-financial information on a mandatory basis. The criteria defining mandatory reporting companies are defined by Directive 2014/95/EU of the European Parliament and of the Council amending Directive 2013/34/EU as regards disclosure of non-financial and diversity-related information by certain large

undertakings and groups, which has been transposed into the legislation of the Slovak Republic, in particular into the provisions of Section 20(9) and (10) of Act No. 431/2002 Coll. on Accounting, as amended.

According to Article 8 of the Taxonomy Regulation, non-financial companies such as NDS are required to disclose in their non-financial report the proportion of revenues from products and services as well as the proportion of capital and operating expenditure related to assets or processes or environmentally sustainable economic activities.

In connection with this obligation, NDS is also required to report in the prescribed manner the proportion of its net turnover, capital expenditure and operating expenses that are eligible and reportable under the EU taxonomy to the company's total net turnover, capital expenditure and operating expenses for the relevant period. A critical factor in determining the relevance of the taxonomy is the precise description of the economic activities and their applicability to the NDS business model.

10.1. EVALUATION OF NDS ACTIVITIES IN RELATION TO EU TAXONOMY

NDS analysed its business and economic activities and made a comparison with environmentally sustainable economic activities in accordance with the Climate Delegated Regulation (Annex I of the Climate Delegated Regulation), focusing on the identification of economic activities defined in the EU taxonomy and their alignment with its own activities, and then on the evaluation of the activities thus identified by comparing the detailed description of the economic activities (including NACE codes) and the requirements of the technical assessment criteria.

The main activity of NDS is the planning, preparation, construction and operation of motorways and expressways, with independent sales generating revenue from tolls and the sale of motorway vignettes. It should be noted here that the EU's infrastructure taxonomy under the climate protection environmental objective limits economic activity to low-carbon infrastructure. These include, for example, "infrastructure enabling (low-carbon) road and public transport" or "infrastructure for personal mobility, bicycle logistics". The latter infrastructure for personal mobility, bicycle logistics, for example, is limited to "sidewalks, bicycle lanes and pedestrian zones, electric charging stations and hydrogen refuelling stations for personal mobility devices".

Given these limitations applicable to the infrastructure sector, it can be concluded that the economic activities carried out by NDS under the climate protection objective are not covered by the EU taxonomy and that no turnover or operating costs can be reported for the core activity of NDS and only limited capital (investment) expenditure can be considered for reporting under the EU taxonomy. In order for the investments to be assessed as "green", the investments made must be taxonomic. This means that the goods or services procured must be produced in accordance with the delegated act to Article 8, i.e. in accordance with the EU taxonomy.

Economic activities not included in the EU taxonomy can be seen as "non-taxonomic", NDS therefore does not provide any information in this sense on whether an activity is sustainable in principle or not.

However, it is important to note here from the NDS perspective that NDS has an important tool at its disposal by participating in the determination of toll pricing according to vehicle category, vehicle emission class and number of axles in cooperation with the Ministry of Transport of the Slovak Republic. In the future, the CO₂ emission class will also be taken into account when determining toll rates (in accordance with the "Eurovignette" EU directive, which Slovakia has not yet fully transposed into its legislation).

10.2. FINANCIAL INDICATORS RELEVANT TO THE EU TAXONOMY—INFORMATION ON THE SHARE OF REVENUES, CAPITAL EXPENDITURE AND OPERATING COSTS OF NDS FOR THE YEAR 2023 ASSOCIATED WITH ECONOMIC ACTIVITIES ELIGIBLE FOR OR ALIGNED WITH THE EU TAXONOMY

Information on the share of revenues, capital expenditure and operating costs of NDS for the year ending on 31 December 2023, describe the share of activities related to economic activities eligible under the first two environmental objectives (climate change mitigation and adaptation) in accordance with Article 8, paragraph 5 of Commission Regulation (EU) 2021/2178 (hereinafter referred to as the “Supplementary Delegated Act on Disclosure”).

An eligible economic activity under the EU taxonomy (hereinafter referred to as an “Eligible Economic Activity”) is an economic activity that is described in the delegated acts supplementing the EU taxonomy, regardless of whether that economic activity meets any or all of the technical review criteria set out in those delegated acts.

An economic activity aligned with the EU taxonomy (hereafter referred to as “Aligned Economic Activity”) is an activity that meets all the requirements of Article 3 of the Taxonomy Regulation, i.e.:

- economic activity contributes substantially to one or more of the environmental objectives,
- does not significantly harm any of the environmental objectives,
- is carried out in compliance with the minimum safeguards; and
- complies with technical screening criteria in the Delegated Act on Climate Targets supplementing the EU Taxonomy Regulation.

NDS assessed the activities against the Eligible Economic Activities as defined and set out in the Climate Delegated Regulation (Annex I—Mitigation of Climate Change Impacts and Annex II—Adaptation to Climate Change) and the Supplementary Delegated Act on Disclosure of information by non-financial corporations.

The share of Eligible Economic Activities and Aligned Economic Activities to each NDS indicator is shown in Table 10.1:

Year ending 31/12/2023	Total (EUR thousand)	Percentage of eligible (unaligned) econ. activities (%)	Percentage of aligned econ. activities (%)	Percentage of ineligible econ. activities (%)
Revenue (turnover) ¹	333,555	0 %	0 %	100 %
Capital expenditure ²	558,902	0 %	0 %	100 %
Operating expenditure (costs) ³	42,145	0 %	0 %	100 %

¹ Revenue (turnover): Sales by type of products and services and by main sales area, NDS Financial Statements, note 16

² Capital expenditure: Capital expenditure (investment) additions, NDS Financial Statements, note 4.2

³ Operating expenditure (costs): repair and maintenance costs, NDS Financial Statements, note 18

The list of potential eligible economic activities is summarised in Table 10.2 (the activities listed in Table 10.2 may in principle contribute to the revenues, capital expenditure and operating costs of NDS, but have not been identified in the 2023 reporting period in terms of a more detailed description of these economic activities):

Economic activity	Code	Description	Share of the indicator	NACE
Transport of motorcycles, passenger vehicles and light commercial vehicles	6.5	Purchase, leasing and operation of vehicles of categories M1 and N1 within the scope of Regulation (EC) No. 715/2007 of the European Parliament and of the Council, or vehicles of category L	CapEx OpEx	49.39
Infrastructure for personal mobility, cycling logistics	6.13	Sidewalks, bike lanes and pedestrian zones, electric charging stations and hydrogen refuelling stations for personal mobility devices	CapEx OpEx	42.11 42.13
Infrastructure enabling road and public transport	6.15	Construction, modernisation, maintenance of the infrastructure necessary for the operation of road transport with zero CO ₂ emissions	CapEx OpEx	42.11 42.13
Construction of new buildings	7.1	Elaboration of construction projects of buildings, construction of non-residential buildings	CapEx OpEx	41.10 41.20
Renovation of existing buildings	7.2	Construction and civil engineering works or their preparation	CapEx OpEx	41.20
Installation, maintenance and repair of electric vehicle charging stations in buildings and parking lots	7.4	Installation, maintenance or repair of electric vehicle charging stations	CapEx OpEx	42.xx 43.xx

Accounting and valuation methods

Key Performance Indicators (KPIs) include turnover, capital expenditure and operating expenditure. Those performance indicators are based on the definition in Annex I of the Supplementary Delegated Act on Disclosure to its Article 8.

Turnover

The proportion of taxonomic turnover consists of the products and services that are related to (consistent with) the reconciled economic activity (numerator) divided by (proportionate to) total net turnover (denominator), which is based on net turnover in accordance with IAS 1(82)(a).

In this regard, NDS did not identify any taxonomic economic activities related to turnover and therefore no taxonomic sales were identified.

Capital (investment) expenditure (CapEx)

In addition to investments in assets needed to provide or expand economic activities related to own turnover (capital expenditure categories **CapEx a** and **CapEx b** according to Annex I of the Supplementary Delegated Act), investments in products or services from taxonomic economic activities and the implementation of individual measures that enable the target activities to become low-carbon or lead to a reduction in greenhouse gas emissions (**CapEx c**) can also be considered as taxonomic capital expenditure (numerator). These are relative to

the total additions to fixed assets during the financial year (denominator), where total additions in the case of NDS include additions within the meaning of IAS 16 (Property, Plant and Equipment), IAS 38 (Intangible Assets) and IFRS 16 (Leases) (denominator).

Based on the fixed asset additions register, NDS has not identified any taxonomic economic activities related to turnover, and therefore any capital expenditure categories CapEx a and CapEx b—i.e. investments in assets needed to provide or expand economic activities related to turnover itself—are not classified as taxonomic.

NDS also did not identify any significant taxonomic economic activities and measures that would enable the target activities to become low carbon or lead to GHG emission reductions, and therefore no CapEx c capital expenditure is classified as taxonomic. Such capital expenditure has not been quantified, partly because of its negligible nature and also because the cost of obtaining such information would outweigh the potential benefits of such information.

Operating expenditure (OpEx)

As NDS has not identified any taxonomic economic activities related to turnover and the total amount of taxonomic **OpEx c** category operating expenditure under Annex I of the Supplementary Delegated Act (i.e. related to the purchase of output of economic activities aligned with the taxonomy and to individual measures enabling the target activities to become low-carbon or leading to GHG emission reductions) is negligible, the operating expenditure is classified as completely non-taxonomic. Operating expenditure has not been determined or quantified due to its insignificance.

10.3. MINIMUM SAFEGUARDS

The assessment of the alignment of management activities with the EU taxonomy also includes an assessment of compliance with minimum safeguards. Minimum social safeguards include procedures designed to ensure that economic activities are carried out in accordance with:

- OECD Guidelines for Multinational Enterprises,
- The UN Guiding Principles on Gender and Human Rights (UNGPs), including the principles and rights specified in the eight core conventions set out in the ILO Declaration on Fundamental Principles and Rights at Work,
- International Bill of Human Rights.

An assessment of compliance with minimum social safeguards has been carried out for the following areas:

- human rights (including labour and consumer rights)
- corruption and bribery,
- taxation,
- fair competition.

Although NDS did not carry out any eligible activities in 2023 that, if carried out as aligned, would require compliance with the minimum safeguards at the company level, for future reporting purposes NDS has decided to undertake this assessment.

NDS assessed compliance with the minimum safeguards by assessing corporate processes in the areas of human rights, corruption and bribery, taxation and fair competition, as well as possible breaches by senior management.

NDS acknowledges and recognises the need for continuous improvement of processes in these areas and considers its processes in this regard to be sufficient and in line with minimum safeguards.

11. EXPECTED SITUATION IN 2024

The construction of Ms&Es in Slovakia has been a much-discussed topic throughout society for several years. Also for this reason, NDS is one of the most discussed companies in the Slovak Republic.

The following are the main projects in the area of M&E construction in 2024:

- Investment activity—constructions in progress:
 - D1 Bratislava—Senec, Capacity Enhancement Stage I (Bratislava—Triblavina),
 - D1 Lietavská Lúčka—Dubná Skala, including the Višňové tunnel,
 - D1 Technological equipment of the Višňové tunnel, including the motorway information system,
 - D1 Hubová—Ivachnová,
 - D2 Noise barrier Lamač,
 - D3 Žilina, Brodno—Kysucké Nové Mesto, Feeder,
 - D3 Green Bridge Svrčinovec,
 - R2 Kriváň—Mýtňa,
 - R2 Šaca—Košícké Olšany Section II,
 - R3 Tvrdošín—Nižná,
 - R4 Prešov—North Bypass, Stage II.
- Investment activity—start of construction:
 - D1 Fire Station Prešov—Vydumanec,
 - D1 Fixed Permanent Snow Protection D1
 - R1 Banská Bystrica—Slovenská Ľupča, Stage I,
 - R2 EMMC Šebastovce

In 2024, the priority of the operation is to ensure the highest possible quality, available, safe and user-acceptable Ms&Es. This means that the priority is to maintain the Ms&Es in a condition corresponding to the purpose which they have been designed and built for. That refers mainly to the provision of winter and summer maintenance and repair of Ms&Es and other related structures. In 2024, NDS plans to repair 82 km of pavements, completely repair 5 bridge structures, repair and supplement safety elements and equipment. This is closely related to the increase in the quality of services provided on Ms&Es (e.g. maintenance of the rest areas, filling stations, refreshment facilities).

In the area of tolling, in 2024 NDS foresees the transposition of Directive (EU) 2022/362 of the European Parliament and of the Council of 24 February 2022 amending Directives 1999/62/EC, 1999/37/EC and (EU) 2019/520, as regards the charging of vehicles for the use of certain infrastructures). This Directive introduces a one-day vignette. The price of the one-day vignette is assumed to be EUR 5.40. Furthermore, NDS plans to continue optimising the set-up of the system for the sale and registration of vignette payments (eV). As for the eV system, it is planned to continue improving the system of direct check of vignette payment through fixed and mobile cameras and to continue optimizing the operation of the new eV check system, which will bring the expansion and improvement of the quality of the eV system in the next years.

In the area of the electronic toll collection (ETC) system in 2024, NDS plans to continue optimising the system set-up and extending the toll collection to newly opened motorway sections, or other necessary upgrades of the road network. In the area of ETC future strategy, it is planned to launch the European Electronic Toll Service (EETS) and to finalise the tendering procedures for the provision of toll collection. In 2024, it is planned to start the operation of EETS toll collection in the beginning of the year and at the same time to continue toll collection

with the current system operator with the gradual phasing out of the operation and preparation for the transition to the new toll system.

The setting of goals for 2024 was based on current information, forecasts on the state of the economy of the Slovak Republic, legislation, contractual relations of NDS and also internal regulations of NDS at the time of their preparation.

OUTLOOK FOR THE COMPANY'S ECONOMY FOR 2024

Data in EUR thousand	Outlook for 2024	Reality 2023	Difference 2024-2023
Revenues from Electronic Toll Collection (ETC)	237,667	231,325	6,342
eVignette sales proceeds	99,008	102,230	-3,222
Other revenues	20,844	17,959	2,885
Total revenues	357,519	351,514	6,005
Cost of ETC	-95,940	-84,935	-11,005
Consumed material and services	-100,223	-92,259	-7,965
Personnel expenses	-75,060	-70,677	-4,383
Depreciation and amortization	-159,276	-151,868	-7,408
Income from subsidies	86,705	93,432	-6,726
Net interest income / expenses	535	1,473	-938
Other operating income/(cost) net	-4,156	843	-4,999
Pre-tax profit	10,104	47,523	-37,419
Income tax	-2,358	-9,792	7,434
Net profit	7,746	37,731	-29,985
Other components of the comprehensive income:			
Financial assets available for sale			
Cash flow hedges			
Increases from real estate revaluation			
Actuarial gains (losses) from defined pension schemes		-742	742
Share of other components of the comprehensive income of associated enterprises			
Income tax applicable to the parts of other components of the comprehensive income		156	-156
Other components of the comprehensive income for the year after tax		-586	586
Total comprehensive income for the year	7,746	37,145	-29,399

The Company expects to reach a net profit of EUR 7,746k by the end of 2024.

Data in EUR thousand	Outlook for 2024	Reality 2023	Difference 2024-2023
Total assets	11,312,628	10,861,730	450,898
Total fixed assets	11,138,073	10,726,234	411,839

of which Long-term tangible assets	11,121,945	10,721,515	400,430
Total current assets	170,019	135,495	34,524

The increase in the total amount of the Company's assets in 2024 is represented by an increase in the area of long-term assets and documents the expected trend in the Company's investment activity, i.e. the preparation and construction of new sections of Ms&Es.

12. APPENDICES

Appendix 1:

Valid and effective contracts as at 31/12/2023 related to the priority infrastructure assets of NDS

No.	Contract number	Contract type	Subject-matter of the Contract	Term of the Contract
1	ZML/96/2009	lease	lease of part of land in the cad. ter. Kočovce for the purpose of laying a steel protection tube	09/06/2024
2	ZML/271/2010	lease	lease of part of the West Portal structure of the tunnel Horelica	06/06/2026
3	ZML/272/2010	lease	lease of part of the West Portal structure of the tunnel Branisko	30/06/2024
4	ZML/273/2010	lease	lease of part of land for the Čataj base station	31/12/2024
5	ZML/274/2008	lease	lease of part of land for the base station in the cad. ter. Lozorno	31/12/2024
6	ZML/160/2009	lease	lease of part of D1 Senec—Trnava in the cad. ter. Igram—toll gate F3	indefinite period
7	ZML/182/2009	lease	lease of part of D1—Liptovský Hrádok—Hybe—toll gate F4	indefinite period
8	ZML/189/2009	lease	lease of part of D2 Kúty Malacky—toll gate F1	indefinite period
9	ZML/125/2009	lease	lease of part of D2—Viedenská road—SK/HU state border—toll gate F2	indefinite period
10	ZML/247/2010	lease	lease of the Beckov wastewater treatment plant	31/12/2024
11	ZML/72/2010	lease	lease of part of R1—Nová Baňa—Žarnovica—toll gate F5	indefinite period
12	ZML/275/2010	lease	lease of part of the Right-side Motorway Rest Area Hrádok	21/06/2036
13	ZML/276/2010	lease	lease of non-residential premises in the MMMC 2 Bratislava	indefinite period
14	ZML/283/2010	lease	lease of part of the Right-side Motorway Rest Area Malacky	01/07/2024
15	ZML/285/2010	lease	lease of part of the Right-side Motorway Rest Area Hybe	29/06/2028
16	ZML/286/2010	lease	lease of part of the Left-side Motorway Rest Area Hybe	29/06/2028
17	ZML/287/2010	lease	lease of part of the Right-side Motorway Rest Area Zamarovce	23/11/2027
18	ZML/288/2010	lease	lease of part of the Left-side Motorway Rest Area Zeleneč	31/12/2026
19	ZML/289/2010	lease	lease of part of Right-side Motorway Rest Area Zlaté Piesky	30/08/2034
20	ZML/290/2010	lease	lease of part of the Right-side Motorway Rest Area Lamač	31/12/2026
21	ZML/0001/2008	lease	lease of part of the Right-side Motorway Rest Area Jarovce	14/04/2038

22	ZML/291/2010	lease	lease of part of the Left-side Motorway Rest Area Jarovce	22/08/2027
23	ZML/294/2010	lease	lease of part of the Left-side Motorway Rest Area Lamač	17/12/2034
24	ZML/295/2010	lease	lease of part of land in the cad. ter. Malacky	indefinite period
25	ZML/296/2010	lease	lease of part of the Right-side Motorway Rest Area Ivachnová	26/10/2028
26	ZML/297/2010	lease	lease of part of the Right-side Motorway Rest Area Zeleneč	31/12/2026
27	ZML/298/2010	lease	lease of part of the Left-side Motorway Rest Area Zamarovce	27/12/2034
28	ZML/299/2010	lease	lease of part of Left-side Motorway Rest Area Zlaté Piesky	31/01/2035
29	ZML/300/2010	lease	lease of part of the Right-side Motorway Rest Area Sekule	31/12/2026
30	ZML/301/2010	lease	lease of part of the Left-side Motorway Rest Area Sekule	31/12/2027
31	ZML/1835/2010	lease	lease of technology room 1.10 + part of the mast for placing the satellite dish Bôrik tunnel	22/03/2025
32	ZML/324/2010	lease	lease of the Both-side Rest Area Janovík	27/06/2030
33	ZML/331/2010	lease	lease of part of the West Portal structure of the tunnel Horelica	31/12/2026
34	ZML/332/2010	lease	lease of part of the West Portal structure of the tunnel Branisko	30/06/2024
35	ZML/334/2010	lease	lease of a land in the MMMC 2 Bratislava	30/09/2030
36	ZML/335/2010	lease	lease of part of the Motorway Rest Area Janovík	30/09/2030
37	ZML/336/2010	lease	lease of part of the Rest Area Čataj	11/08/2024
38	ZML/12/2011	lease	lease of part of the Left-side Motorway Rest Area Červeník	30/12/2026
39	ZML/13/2011	lease	lease of part of the Right-side Motorway Rest Area Červeník	31/12/2026
40	ZML/67/2011	lease	lease of the Left-side Motorway Rest Area Červeník	22/03/2037
41	ZML/68/2011	lease	lease of the Right-side Motorway Rest Area Červeník	31/12/2026
42	ZML/1448/2010	lease	lease of the technology room + part of the mast for placing the satellite dish in the Bôrik tunnel	17/12/2025
43	ZM/2011/0222	lease	lease of the wastewater treatment plant at the Rest Area Hrádok	30/06/2025
44	ZM/2012/0071	lease	lease of part of the Right-side Motorway Rest Area Sverepec	15/03/2042
45	ZM/2012/0070	lease	lease of part of the Right-side Motorway Rest Area Malý Šariš	15/03/2042
46	ZM/2012/0069	lease	lease of part of the Left-side Motorway Rest Area Malý Šariš	15/03/2042
47	ZM/2013/0179	lease	lease of part of the Left-side Motorway Rest Area Hrádok	22/07/2043
48	ZM/2013/0217	lease	part of the Left-side Motorway Rest Area Štrba	22/07/2043

49	ZM/2013/0218	lease	part of the Right-side Motorway Rest Area Štrba	22/07/2043
50	ZM/2014/0279	lease	lease of part of land in the cad. ter. Petržalka and the artwork "Sundial"	13/08/2024
51	ZM/2015/0025	lease	lease of part of land in the cad. ter. Vajnory	31/08/2024
52	ZM/2015/0438	lease	lease of the service facility at the Right-side Motorway Rest Area Prejta	17/10/2024
53	ZM/2015/0160	lease	lease of part of D1 Prešov—Budimír for the construction of a toll gate	indefinite period
54	ZM/2015/0121	lease	lease of part of the Left-side Motorway Rest Area Považská Bystrica	26/03/2045
55	ZM/2015/0436	lease	lease of part of the Left-side Motorway Rest Area Zeleneč for the construction of a charging station	15/10/2025
56	ZM/2015/0435	lease	lease of part of the Left-side Motorway Rest Area Sekule for the construction of a charging station	15/10/2025
57	ZM/2015/0475	lease	lease of part of the mast at the MMMC 1 Malacky	11/11/2025
58	ZM/2015/0027	lease	lease of the service facility at the Left-side Motorway Rest Area Beckov	17/01/2025
59	ZM/2015/0012	lease	lease of part of land in the cad. ter. Ružinov	14/01/2025
60	ZM/2015/0441	lease	lease of part of the Left-side Motorway Rest Area Levoča	21/10/2045
61	ZM/2015/0524	lease	lease of a part of the 1st class road I/17 and expressway R2 (I/50)	23/12/2045
62	ZM/2016/0260	lease	Lease of part of land in the cad. ter. Banská Bystrica	05/07/2026
63	ZM/2016/0213	lease	lease of part of the mast at the MMMC 1 Malacky	04/05/2031
64	ZM/2016/0212	lease	lease of part of the East Portal structure of the tunnel Šibenik	04/05/2026
65	ZM/2016/0261	lease	lease of part of the East Portal structure of the tunnel Šibenik	01/07/2026
66	ZM/2016/0259	lease	lease of part of lands and part of the cable area of the Lafranconi bridge	05/07/2026
67	ZM/2016/0377	lease	Lease of part of lands in the cad. ter. Sekule	31/12/2026
68	ZM/2016/0397	lease	lease of part of the paved area at the motorway rest area of the Brodské border crossing	31/12/2024
69	ZM/2017/0155	lease	lease of non-residential premises at the MMMC 10 Beharovce	31/05/2025
70	ZM/2017/0282	lease	HDPE pipe rental	08/09/2027
71	ZM/2017/0331	lease	lease of land and part of the mast at the MMMC 1 Malacky	02/11/2032
72	ZM/2017/0328	lease	lease of part of the paved land cad. ter. Ivanovce	15/01/2031
73	ZM/2017/0388	lease	lease of part of land in the cad. ter. Ružinov	12/12/2027
74	ZM/2017/379	lease	lease of part of the land at Right-side Motorway Rest Area Zeleneč	18/12/2027

75	ZM/2017/0400	lease	lease of the technology room and part of the mast for placing the satellite dish in the tunnel Poľana	20/12/2027
76	ZM/2017/0401	lease	lease of the technology room and part of the mast for placing the satellite dish in the tunnel Svrčinovec	20/12/2027
77	ZM/2018/0027	lease	lease of the technology room and part of the mast for placing the satellite dish in the tunnel Poľana	17/02/2028
78	ZM/2018/0029	lease	lease of the technology room and part of the mast for placing the satellite dish in the tunnel Svrčinovec	17/02/2028
79	ZM/2018/0037	lease	lease of part of the paved areas and mast in the MMMC Trnava	01/06/2028
80	ZM/2018/0030	lease	lease of the technology room and part of the mast for placing the satellite dish in the tunnel Poľana	17/02/2028
81	ZM/2018/0028	lease	lease of the technology room and part of the mast for placing the satellite dish in the tunnel Svrčinovec	17/02/2028
82	ZM/2019/0024	lease	lease of part of land in the cad. ter. Petržalka	23/01/2029
83	ZM/2019/0212	lease	lease of part of the Right-side Motorway Rest Area Stupava, cad. ter. Mást	10/07/2024
84	ZM/2019/0211	lease	rent of a border point of sale in the cad. ter. Čierne	10/07/2024
85	ZM/2019/0213	lease	rental of optical cables	28/02/2029
86	ZM/2019/0233	lease	lease of part of the Right-side Motorway Rest Area Čataj in the cad. ter. Čataj	26/07/2024
87	ZM/2019/0319	lease	lease of part of land in the cad. ter. Ružinov	25/09/2029
88	ZM/2019/0366	lease	lease of parts of 26 selected motorway rest areas for the purpose of preparation and construction of charging stations	01/11/2039
89	ZM/2019/0236	lease	Lease of part of land in the cad. ter. Ružinov	26/07/2029
90	ZM/2019/0254	lease	lease of the service facility at the Left-side Motorway Rest Area Dubnica	20/08/2024
91	ZM/2020/0101	lease	lease of part of the mast in the MMMC 10 Beharovce	26/02/2030
92	ZM/2020/0138	lease	lease of part of road I/9 CZ/SK Border Drietoma (Toll gate P62—Holbová)	indefinite period
93	ZM/2020/0228	lease	lease of the service facility at the Left-side Motorway Rest Area Predmier	31/07/2025
94	ZM/2020/0350	lease	lease of the service facility at the Right-side Motorway Rest Area Predmier	30/11/2025
95	ZM/2021/0148	lease	lease of parts of the Left-side Motorway Rest Area and Right-side Motorway Rest Area Stupava	11/05/2026

96	ZM/2021/0361	lease	rent of a border point of sale in the cad. ter. Skalité	indefinite period
97	ZM/2021/0399	lease	Lease of parts of lands in the cad. ter. Ladce and Púchov	30/11/2024
98	ZM/2022/0090	lease	lease of part of land in the cad. ter. Ilava	30/11/2025
99	ZM/2022/0136	lease	lease of part of land in the cad. ter. Ružinov	30/11/2026
100	ZM/2022/0227	lease	Lease of part of lands in the cad. ter. Petržalka	30/11/2027
101	ZM/2022/0319	lease	lease of part of land in the cad. ter. Petržalka	30/11/2028
102	ZM/2022/0384	lease	lease of part of land in the cad. ter. Malacky	30/11/2029
103	ZM/2022/0426	lease	lease of part of the multi-functional structure of the Left-side Rest Area Milhošť	30/11/2030
104	ZM/2023/0055	lease	lease of part of lands in the cad. ter. Turany	04/02/2033
105	ZM/2023/0054	lease	lease of part of land in the cad. ter. Nivy	31/12/2026
106	ZM/2023/0212	lease	lease of part of land in the cad. ter. Lamač	10 years from the date of handover of the subject of the lease
107	ZM/2023/0310	lease	lease of part of the land at the Left-side Motorway Rest Area Malacky	10 years from the date of handover of the subject of the lease
108	ZML/56/2009	borrowing	letting the non-residential premises + movable property in the area of the MMMC 1 Malacky for use	01/01/2025
109	ZML/162/2009	borrowing	letting the non-residential premises in the MMMC Mengusovce for use	01/01/2030
110	ZML/72/2009	borrowing	letting the non-residential premises in the MMMC 10 Beharovce for use	01/01/2030
111	ZML/55/2009	borrowing	letting the non-residential premises in the MMMC 10 Beharovce for use	01/01/2030
112	ZML/61/2009	borrowing	letting the non-residential premises + movable items in the area of the MMMC 8 Liptovský Mikuláš for use	01/01/2025
113	ZML/57/2009	borrowing	letting the constructions in the area of the MMMC 4 Trenčín + movable items for use	31/12/2026
114	ZM/2018/0367	borrowing	letting the real estates in the cad. ter. Skalité and parts of the OTS Poľana to provide the operation of the SITNO radio network used by the PF SR and rescue units of the integrated system	31/12/2028
115	ZM/2021/0164	borrowing	letting the real estate for use (non-residential premises and paved areas) at the border crossing Jarovce	31/12/2026
116	ZM/2021/0200	borrowing	letting the real estate for use (non-residential premises and paved areas) at the MMMC Prešov	31/12/2026

117	ZM/2021/0345	borrowing	letting the real estate for use (non-residential premises) at the Right-side Motorway Rest Area Malý Šariš	31/12/2026
118	ZM/2022/0170	borrowing	letting the non-residential premises in the MMMC 5 Považská Bystrica for use	31/12/2024
119	ZML/128/2008	easement	the right to lay a pressure sewer in the cad. ter. Chorvátsky Grob near the D1 motorway	lifetime of the pressure sewer
120	ZML/92/2009	easement	the right to lay a cable distribution line in part of the land in the cad. ter. Senec	for indefinite period of time
121	ZML/0005/2009	easement	agreement on payment of compensation for restricted use of the real estate—a fibre-optic line in the cad. ter. Trnávka	for indefinite period of time
122	ZML/150/2009	easement	the right to establish a fibre-optic cable on part of the land in the cad. ter. Zeleneč	for indefinite period of time
123	ZML/97/2009	easement	the right to establish a sewerage and water connection in part of the land in the cad. ter. Zeleneč	lifetime of the utility lines
124	ZML/322/2010	easement	the right to build an MV cable connection in the cad. ter. Lamač	30/11/2026
125	ZML/323/2010	easement	the right to route an LV cable connection through part of the land in the cad. ter. Ružinov	20/10/2024
126	ZML/397/2010	easement	the right to build utility lines across part of the land in the cad. ter. Žlkovce	lifetime of the utility lines, or 20 years after gaining the easement right
127	ZML/1306/2010	easement	the right to build DTL and NTL connections on the NDS land in the cadastral territory Ružinov	lifetime of the utility lines
128	ZML/1714/2010	easement	the right to build fibre-optic lines on the lands in the cad. ter. Záhorská Bystrica, the right of entry for the purpose of repairs, etc.	27/09/2033
129	ZML/1876/2010	easement	the right to establish an MV cable connection on part of the land in the cad. ter. Ružinov	20/04/2031
130	ZM/187/2011	easement	the right to build part of the sewerage system on the lands in the cad. ter. Banská Bystrica and the right of entry to them for the purpose of repairs, etc.	for indefinite period of time
131	ZM/2011/0498	easement	the right to build an HP gas connection partly on the land under the D1 motorway	for indefinite period of time
132	ZM/2012/0017	easement	the right to build fibre-optic cables on the NDS lands in the cad. ter. Ružinov and the right of entry to it for the purpose of maintenance, etc.	04/04/2032
133	ZM/2013/0137	easement	the right to lay a sewer and the right of entry to part of the lands in the cad. ter. Zeleneč	31/12/2026

134	ZM/2013/0139	easement	the right to lay a sewer and the right of entry to part of the lands in the cad. ter. Banská Bystrica	30/12/2033
135	ZM/2013/0248	easement	the right to lay a sewer and the right of entry to part of the land in the cad. ter. Zavar	20/08/2034
136	ZM/2013/0387	easement	the right to lay a sewer and the right of entry to part of the land in the cad. ter. Malacky	04/02/2034
137	ZM/2015/0310	easement	the right to lay MV lines through the lands in the cad. ter. Lamač	02/11/2035
138	ZM/2015/0517	easement	the right to place an electric power construction on part of the lands in the cad. ter. Petržalka	for indefinite period of time
139	ZM/2016/0128	easement	the right to place an electric power construction in the cad. ter. Zeleneč	15/10/2025
140	ZM/2016/0080	easement	the right to place a water structure and the right of entry to part of the lands in the cad. ter. Bernolákovo	lifetime of the utility lines, or 20 years after gaining the easement right
141	ZM/2016/0204	easement	the right to lay electric power equipment and the right of entry in the cad. ter. Sereď	lifetime of the electric power equipment
142	ZM/2016/0209	easement	the right to place a water structure and the right of entry in the cad. ter. Trnávka	lifetime of the utility lines, or 20 years after gaining the easement right
143	ZM/2016/0239	easement	the right to lay electric power equipment and the right of entry in the cad. ter. Petržalka	lifetime of the electric power equipment
144	ZM/2016/0418	easement	the right to lay a sewer and the right of entry to part of the lands in the cad. ter. Vrakuňa	lifetime of the sewer
145	ZM/2016/0460	easement	the right to lay a sewer and the right of entry to part of the lands in the cad. ter. Malacky	indefinite period, from gaining the easement right
146	ZM/2017/0193	easement	the right to lay a sewer and the right of entry to part of the lands in the cad. ter. Záhorská Bystrica	for the lifetime of the water structure
147	ZM/2017/0236	easement	the right to lay storm sewers on the lands in the cad. ter. Mlyňárce	for indefinite period of time
148	ZM/2017/0244	easement	the right to lay electric power equipment in the cad. ter. Vlčkovce	for the lifetime of the structure
149	ZM/2017/0317	easement	the right to lay a water pipe, in the cad. ter. Mlyňárce	for the lifetime of the structure
150	ZM/2018/0350	easement	the right to place public lighting in the cad. ter. Mlyňárce	for indefinite period of time
151	ZM/2019/0159	easement	the right to lay utility lines in the cad. ter. Sverepec	for the term of the lease agreement ZML/2012/0071, i.e. 15/03/2042

152	ZM/2020/0054	easement	the right to lay utility lines—power line, gas pipeline, sewer at the Left-side Motorway Rest Area Sekule	for the term of NZ ZML/301/2010, i.e. until 31/12/2027
153	ZM/2020/0087	easement	the right to lay gas pipeline, cad. ter. Banská Bystrica	for indefinite period of time
154	ZM/2020/0130	easement	the right of passage by persons and vehicles, cad. ter. Malacky	definite period, 20 years after entering the right in the Real Estate Cadastre, i.e. until 27/04/2040
155	ZM/2020/0286	easement	the right to lay utility lines: gas pipeline and water connection, cad. ter. Banská Bystrica	for a definite period—for the term of the construction, however, for a maximum of 60 years after gaining the easement right in the Real Estate Cadastre, i.e. a maximum until 04/11/2080
156	ZM/2020/0316	easement	the right of passage by persons and vehicles, cad. ter. Petrovany	20 years after the authorization of entering the right in the Real Estate Cadastre, i.e. until 04/02/2041.

Appendix 2:
Movements in the records of the PIA specified by the MT SR in 2023 (in EUR thousand)

	Buildings, halls, constructions— centres	Constructions motorways	Constructions expressways	Lands	TOTAL
Acquisition cost as at 01/01/2023	79,538	5,858,775	1,674,677	145,313	7,758,303
Book value as at 01/01/2023	58,423	4,751,620	1,381,123	145,313	6,336,479
Depreciation 2023	1,551	94,989	23,431	0	119,971
Additions	306	1,110	153	0	1,569
Technical upgrade	306	1,110	153	0	1,569
Inclusion in the PIA by decision of the MT SR	0	0	0	0	0
Accounting transfers	0	0	0	0	0
Disposals	0	0	0	0	0
Removal from PIA by decision of the NDS Board of Directors	0	0	0	0	0
Sale/Disposal	0	0	0	0	0
Accounting transfers	0	0	0	0	0
Acquisition cost as at 31/12/2023	79,844	5,859,885	1,674,830	145,313	7,759,872
Book residual value as at 31/12/2023	57,178	4,657,741	1,357,845	145,313	6,218,077