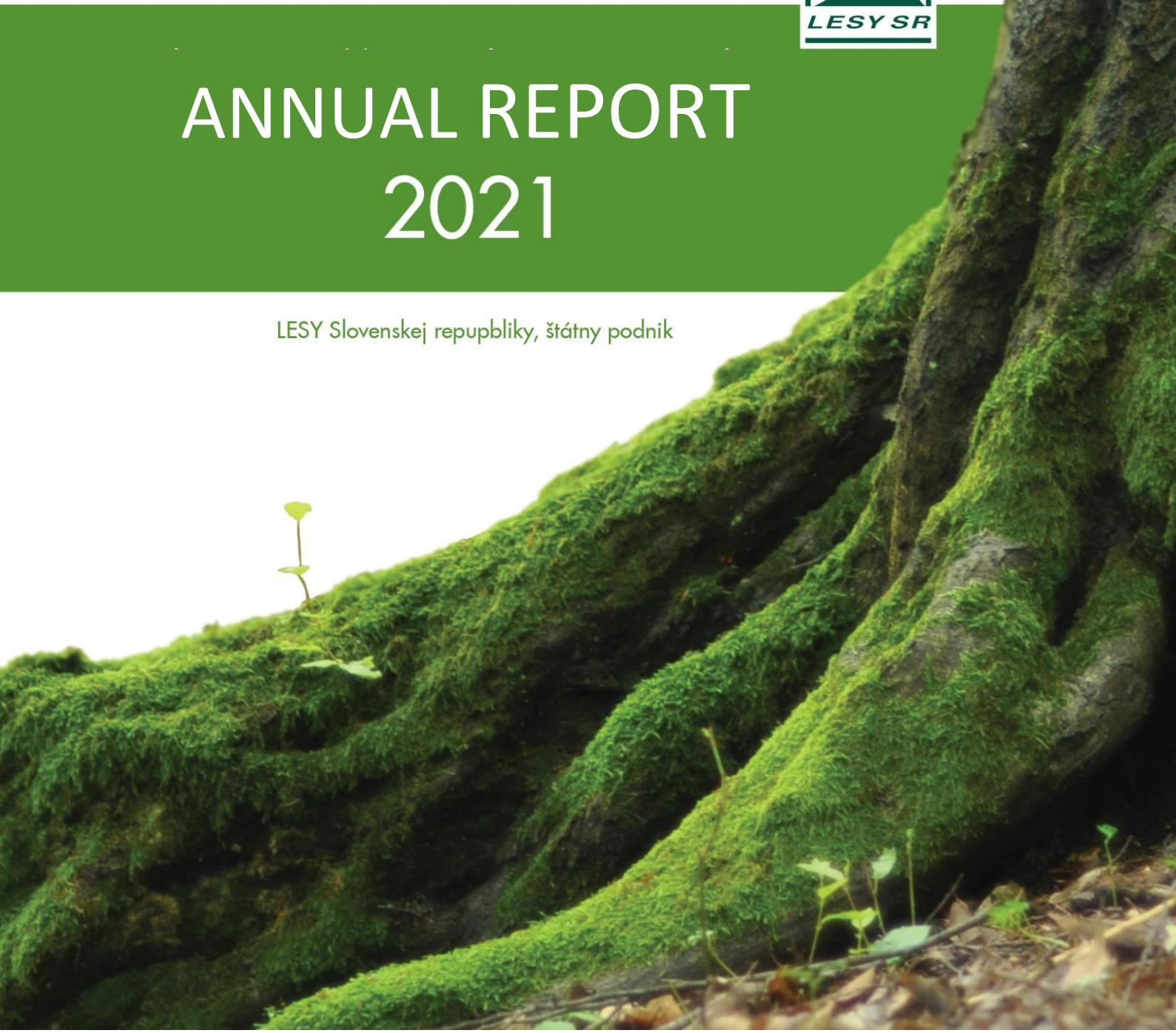
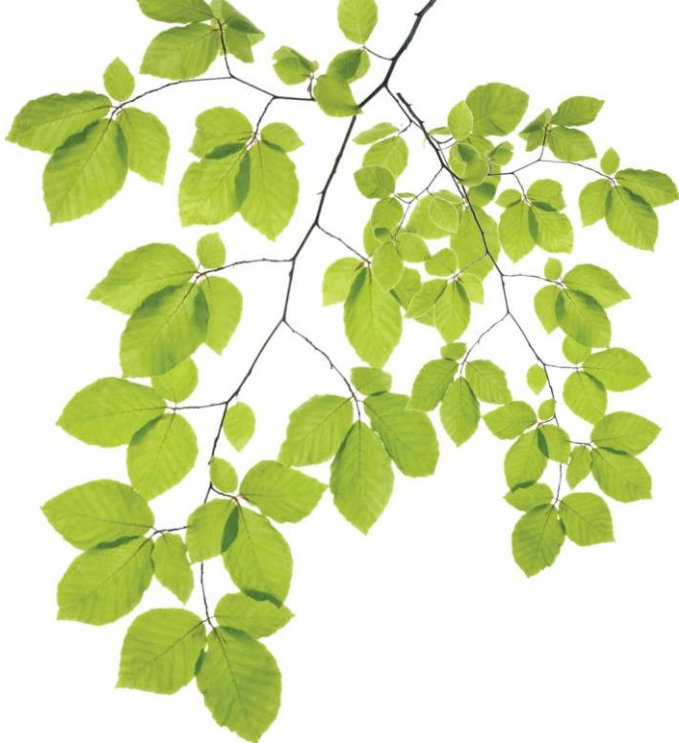


ANNUAL REPORT 2021

LESY Slovenskej republiky, štátny podnik





Annual Report 2021

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Foreword by General Director

Dear public, business partners and colleagues,

Allow me to present to you the annual report of Lesy Slovenskej republiky, state enterprise for the year 2021, which provides basic information on the management and activities of the Company.

The year 2021 was the second year in a row that the company had to operate in the complicated conditions of the COVID-19 pandemic, which affected virtually all its activities. However, it was also a year in which major changes to the Nature and Landscape Conservation Act were made, with significant implications for the future management and operations of the company. It was also a year of significant changes within the company.

With the arrival of 2022 the Company put into practice the necessary change in its organizational structure. A new business strategy, which brought efficient and transparent rules in the timber trade, came to its final form.

The current situation on the timber market together with the upcoming delimitation of territories under the Ministry of the Environment of the Slovak Republic has fundamentally affected the demand for timber raw material. A well-chosen commercial policy, together with an increase in the share of electronic timber auctions, has led to extremely successful economic results. The State Enterprise achieved a pre-tax result of € 15.607 million in 2021, which is historically the second highest economic result of the enterprise since its establishment. Positive results were achieved at a logging level of 3.775 million m³, which is virtually identical to 2020, yet significantly less than in previous years, when logging levels were 4.3-4.6 million m³. An increase in timber revenues of almost €40 million resulted in higher average timber monetization compared to 2020. Only 3% of the total market supply of coniferous and deciduous timber, was destined for export. In 2021, the State Enterprise managed to restore a total of 5,658 ha of forest cover, with a natural regeneration rate of 44%.

Despite the increase in direct costs of cultivation and harvesting activities, as well as the increase in overhead costs, the State Enterprise, as in previous years, paid great attention to public utility activities in 2021. The company spent 653K € on the management of watercourses and the payment for rapids, including flood protection measures. The amount of € 490 thousand was spent on the activities of the Forestry and Timber Museum in Zvolen and the Forestry Open-Air Museum in Zvolen. The Forestry Department spent € 490 thousand, € 386 thousand on horse breeding in Muráň and bison breeding in Topoľčianky. The amount of € 358 thousand was spent on public relations activities.

In accordance with the legislation in force and the program declaration of the Government of the Slovak Republic, it is currently the intention of the state enterprise to apply nature-friendly forest management to the widest possible extent as the basic strategy of the state in the management of the forest property in its ownership. Another prerequisite for achieving positive economic results in the future is the effective diversification of the State Enterprise's activities and the consistent use of the potential of all assets managed by the State Enterprise. This also stems from the changing societal order, which currently reflects the perception of the mission of forests and the role of forest managers in the eyes of the public. Clearly, our challenge is to meet such expectations while responsibly respecting the needs not only of forest ecosystems and nature, but also of all economic subjects that are legitimately involved in the management and use of forest resources.



Ing. Ján Marhefka
General Director

Basic information, scope of activities and company profile



Business name:

Lesy Slovenskej republiky,
state enterprise

Seat:

Námestie SNP 8
975 66 Banská Bystrica

Legal form:

state enterprise

Date of Establishment:

1. 7. 1999

Reg. No.:

36038351

VAT No.:

SK 2020087982

Registration:

Registered in the Trade Register
of the District Court in Banská Bystrica

In the Trade Register:

on 29 October, Section PŠ, Insert No. 155/S

The state enterprise LESY Slovenskej republiky, Banská Bystrica continues in rich and long-term forestry traditions in Slovakia. Based on the Decree of the Ministry of Agriculture the enterprise was established on 1. July 1999 by merging 6 former regional state forest enterprises.

The main scope of activities of the state enterprise LESY SR in Banská Bystrica is to manage forests and other property in the ownership of the Slovak Republic. It provides a balanced fulfillment of all functions of forests and a sustainable use of tangible and intangible products and services provided by forests.

The main objective of the state enterprise LESY SR, s. e. is to provide sustainable management of forests in the ownership of the state and other forest owners so that an increased functionality and maximum positive management effects can be achieved.

The international acknowledgment of these management activities is the fact that the total forest area managed by forest enterprises is PEFC or FSC certified. Thus, LESY SR has become a leader in the process of forest certification and gained a credible proof of the quality of work of foresters, which is needed for assuring the fulfillment of forest functions for the whole society.

From the viewpoint of market position, LESY SR managed 1,040,565 ha of forests in 2000. In 2021 it was 879,113 ha, which means it decreased by 161,452 ha. The total forest area of the Slovak Republic is 2,025,508 ha out of which, in 2021, 43.40 % was managed by the state enterprise LESY SR. Following the decreasing acreage of managed forests, the share of LESY SR on the relevant timber sales market is also decreasing in the long term (although the year 2021 was very specific due to the COVID-19 pandemic). In 2021, entities managing forests in Slovakia supplied 7,640,721 m³ of wood matter; LESY SR, s. e., participated in this quantity with a total volume of 3,661,096 m³ of wood matter, i.e., with a share of 48 %.



Company vision and mission statements

Company vision

“Our vision is to achieve sustainable development of state forests which can provide a balanced fulfilment of society needs and optimal valuation of the state forest property. “

Company mission statement

“Through our activities we want to achieve sustainable development of forests and to work for the benefits of the whole society while respecting the principles of environmental protection, forestry traditions and long-term prosperity of the company.“

Code of Ethics

Ethical code is a unified set of principles and standards of conduct of the state enterprise LESY SR and its employees at all levels within the company and in relation to the external environment – business partners, representatives of the state and public administration, civil organizations, stakeholders, and all citizens of the Slovak Republic. It also states responsibilities towards all entities within labor and business relations. At the same time respecting the ethical rules contributes to the refinement of the economic system and has a beneficial effect on the whole society.



Organizational structure and company top management

Company bodies:

General Director

Ing. Tibor Kőszeghy, MPH

Supervisory board

prof. Dr. Ing. Viliam Pichler (chairman) until 30. 9. 2021

Ing. Miroslav Tököly until 30. 09. 2021

JUDr. Ing. Erik Sibal until 30. 09. 2021

Ing. Adrián Macko until 31. 05. 2021

doc. JUDr. Jozef Tekeli, PhD. until 30. 09. 2021

Ing. František Fodor Ing. Igor Vizslai Ing. Peter Zima

Jozef Minarik

Only four members have been serving as members of the Supervisory Board from 01.10. 2021, three of whom were elected by the company's employees from among the employees since 2020 and one of whom is delegated by the union from among its members.

Organizational structure

The state enterprise LESY SR consists of 23 forest enterprises and 2 specialized enterprises:

Number of

forest enterprises	2
forest districts	1
forest divisions	9
timber yards	6
specialized and other centers	2
special-purpose facilities	4

Forest enterprises

Forest enterprises provide operational administration of the forest and other property aimed mainly at silvicultural activities, forest protection and biological works of the whole-society significance, planned timber harvesting and utilization of other forest products.

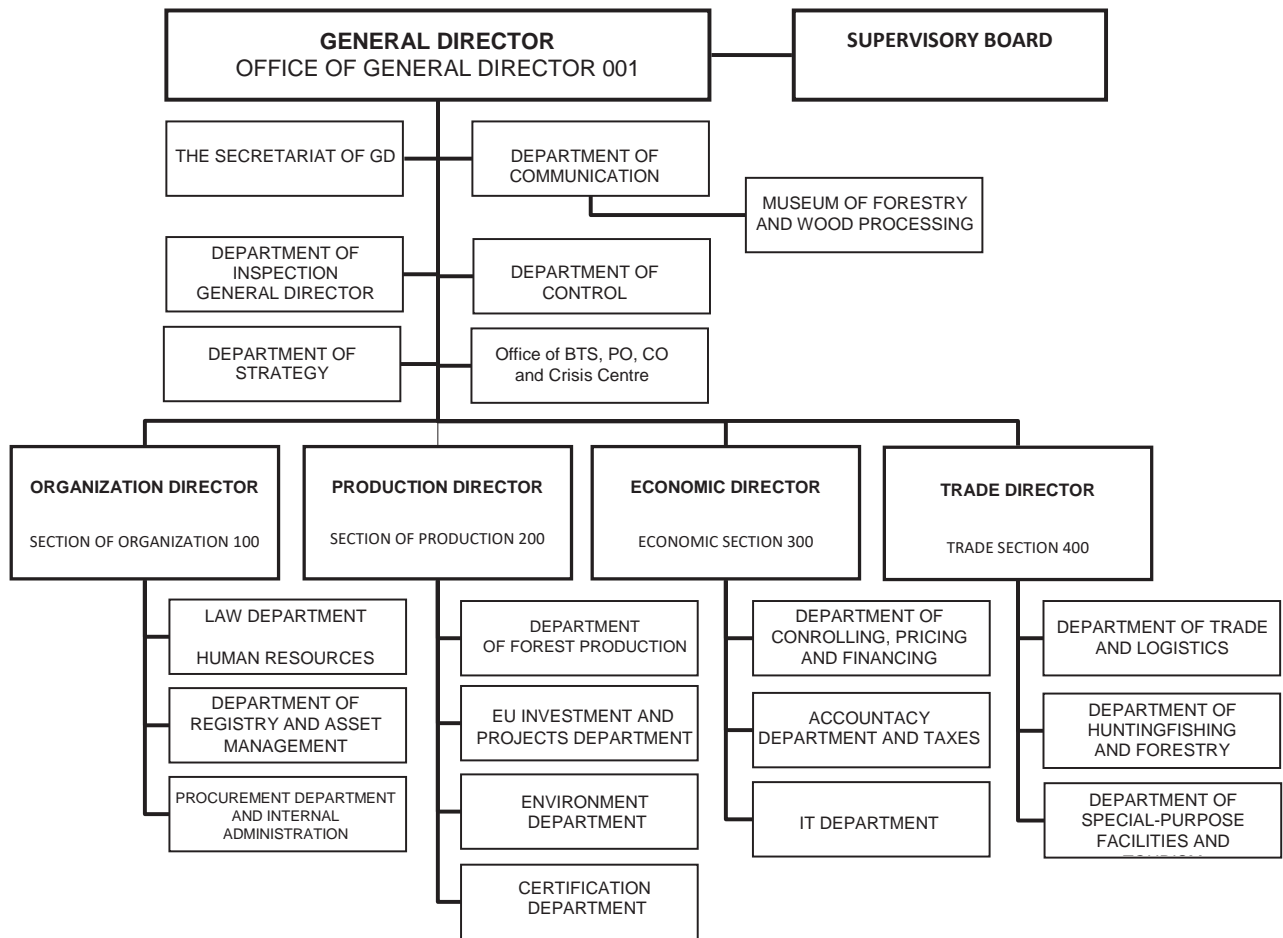
Specialized forest enterprises

Branch Factory of Forest Technology – oriented on the internal services mainly in the field of harvesting operations, timber transport and maintenance of forest technology.

Branch Factory Semenoles – provides services in forest seed management and production of forest and ornamental trees. At the same time its mission is to maintain the gene pool of Slovak forests.

The organizational structure of LESY SR enables a flexible approach to the modification of number of organizational units at different management levels depending on their current needs.

Organizational structure of the Directorate-General as of 31.12.2021



Company top management

Ing. Tibor Kőszeghy, MPH – general director

*1964, Bratislava

- statutory body of the enterprise appointed by the Minister of Agriculture of SR, subordinate to the Minister
- directly manages four section directors of General Directorate and 25 directors of forest enterprises and through them the entire economic activities of the state enterprise
 - directly manages Department of Control, Department of Communication with Forestry and Wood Museum in Zvolen
 - regulates activities of civil defense and crisis management, occupational safety, health at work and fire protection
 - regarding company matters acts independently in accordance with the valid legislation and internal guidelines and regulations of the Minister of Agriculture of SR
 - makes decisions on principal and key issues and delegates a part of his responsibilities to the section directors and directors of forest enterprises

Until 28. February 2021 the position of general director was held by Ing. Tomáš Čuka. From 1. March 2021 to 11. March 2021 JUDr. Ján Golian was entrusted with the function of General Director. From 12. March 2021, Ing. Tomáš Čuka was appointed General Director until his dismissal on 15. July 2021. From 16. July 2021 the founder entrusted the function of the GD to Ing. Tibor Kőszeghy, MPH, whom the founder subsequently appointed to the position of GD as of 16. October 2021.

JUDr. Ján Golian – organization director

*1984, Lučenec

- coordinates and methodically directs organization department
- manages all materials connected with organization structure, principles, and system of management
- coordinates and directs activities of department of human resources
- creates conditions for law department and its effectivity
- directs the provision of the state of land ownership within the enterprise and disposal of the state's forest property in the administration of the state enterprise
 - takes care of internal management activities and dedicated facilities
 - coordinates and methodically directs activities of public procurement around goods, services, and jobs in accordance with the law, ensures cooperation with the Public Procurement Office
 - manages the sale of movable and immovable property
 - cross-section cooperates with other departments of state-owned enterprise, directs branch offices, cooperates with founder and external bodies

Ing. Tomáš Čuka – Production and Technical Director

*1976, Nitra

- coordinates and methodically directs forest operations and management of forest operations
- in accordance with the enterprise development manages the elaboration of company strategy and conception and manages technical development
 - coordinates activities around environment to ensure such functions of managed forests that are beneficial to the public
 - cooperates with municipal and state administration bodies, Institute for Forest Management (NLC-ÚHÚL), elaborators of forest management plans
 - manages development-investment activities within the enterprise to fulfil the tasks of the legislation and to create optimal conditions for the existence and development of the enterprise
 - manages the preparation and implementation of EU projects in the state enterprise and cooperates with international institutions in this field

- manages the implementation of process audits and audits for the management of property management of LESY SR
- in relation to forest enterprises through relevant organizational units carries out mainly methodological, management and coordination activities.

From 12. January 2021 to 16. July 2021, the function of Production and Technical Director was performed by Ing. Ján Schürger, PhD.

Ing. Dušan Lašák – economic director

*1974, Myjava

- 1st Deputy Director General from 12. 08. 2021,
- runs, coordinates, and methodically directs the areas of economy, finance, taxes, prices, levies, accounting, information system and the area of information and communication technologies
- in accordance with the enterprise development organizes elaboration of enterprise conception within the economic section
 - manages development-investment activities within the enterprise to fulfil the tasks of the legislation and to create optimal conditions for the existence and development of the enterprise
 - in relation to forest enterprises through relevant organizational units carries out mainly methodological, management and coordination activities.

Until 26. 7. 2021 the position of general director was held by Ing. Karol Vinš.

Mgr. Michal Demák – trade director

*1974, Žilina

- manages sales of timber and other commodities in the state enterprise, coordinates logistic activities and marketing
 - manages hunting activities
 - manages sales of production of the state enterprise to key domestic and foreign customers
 - manages marketing in the areas of market research, conception of trade, monitoring of competitors, price survey, planning, promotion, and advertisement
 - coordinates special-purpose facilities owned by the state enterprise,
 - methodically manages, guides, and controls the business of subordinate organizational units

Until 12. 8. 2021 the position of trade director was held by Ing. Albert Macko



Human resources and training of employees

To operate successfully, the company has developed precise human resource management procedures, from the recruitment of employees to the termination of employment, so that in changing market conditions, economic conditions and changing environmental conditions, it is able to have at its disposal a quality and educated human potential that is able to work effectively.

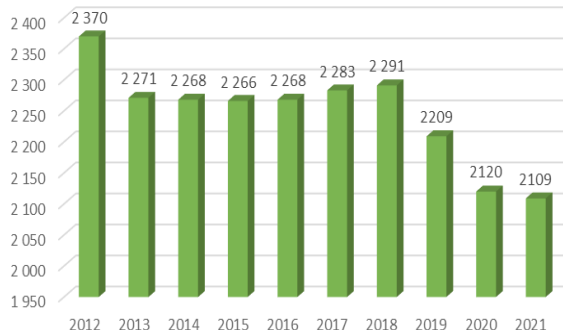
Within the framework of collective labor relations, a collective agreement was concluded between the employer and employee representatives – a trade union for a period of one year. Changes have been agreed on following changes in labor legislation and wage changes, which are a compromise between employee requirements and employer economic opportunities.

LESY SR is a member of the Human Resources Management and Development Association/EAPM and WF-PMA member.

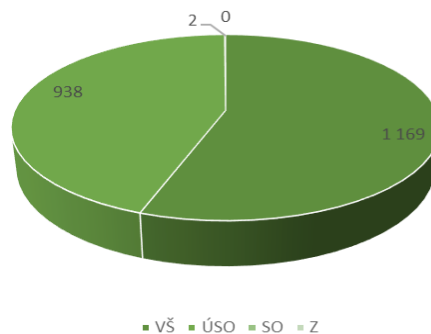
We strive to create the right working conditions for our employees, in addition to their professional and personal development, social benefits. Thanks to this we can maintain the position of responsible employer, not only in the environment of Slovak forestry.

In the framework of active labor market measures in accordance with paragraph 51 of Act no. 5/2004 Coll. as amended, allowed LESY SR performing graduate practice by job seekers throughout the Slovak Republic. We were also actively involved in gaining practical professional experience of secondary school and university students in the state enterprise's workplaces.

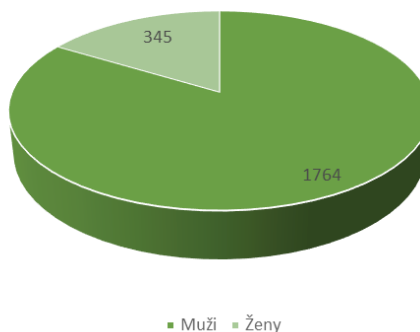
Development of TMS in LESY Slovenskej republiky, s.e.



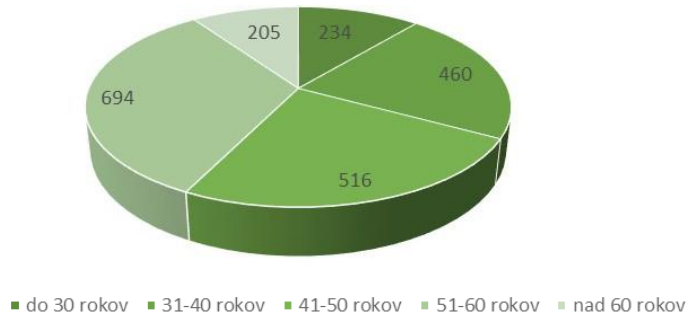
Structure of TMS according to education in 2021



Structure of TMS according to gender in 2021



Structure of TMS according to age in 2021



Average registered number of employees in 2021

Technical managerial staff	2
Workers	1
Total	3
	316

Number of technical and managerial staff as of 31 December 2021

Central offices of forest	4
Expedition warehouses	1
Forest districts	1
Specialized centers	1
Specialized forest enterprises	8
General directorate and centers	1
Total number of TMS	2

Training activities

One of the most important tasks in human resources management is the development of education, knowledge and skills of employees, its process, and the setting of its optimal model so that it builds on the corporate goals and needs of the company and at the same time uses the potential of its employees. Knowledge and skills not only in the professional work of the employee, but also in areas contributing to the widening of the employees' educational horizon. Increased knowledge and skills requirements for employees also arise through the advancement of intense technical development. The main purpose of employee training in our company is therefore to respond to the needs of the business and employees.

To increase the value of their workforce and to achieve and maintain the competitiveness of an enterprise, the development of an employee is not only a matter of enterprise but also a personal concern of each employee, so that they also take care of their educational development that should become a lifelong process for them. The company enjoys employees who not only need but also want to work on themselves.

Training implementation

Staff training during the reporting period was significantly reduced due to the COVID-19 pandemic situation.

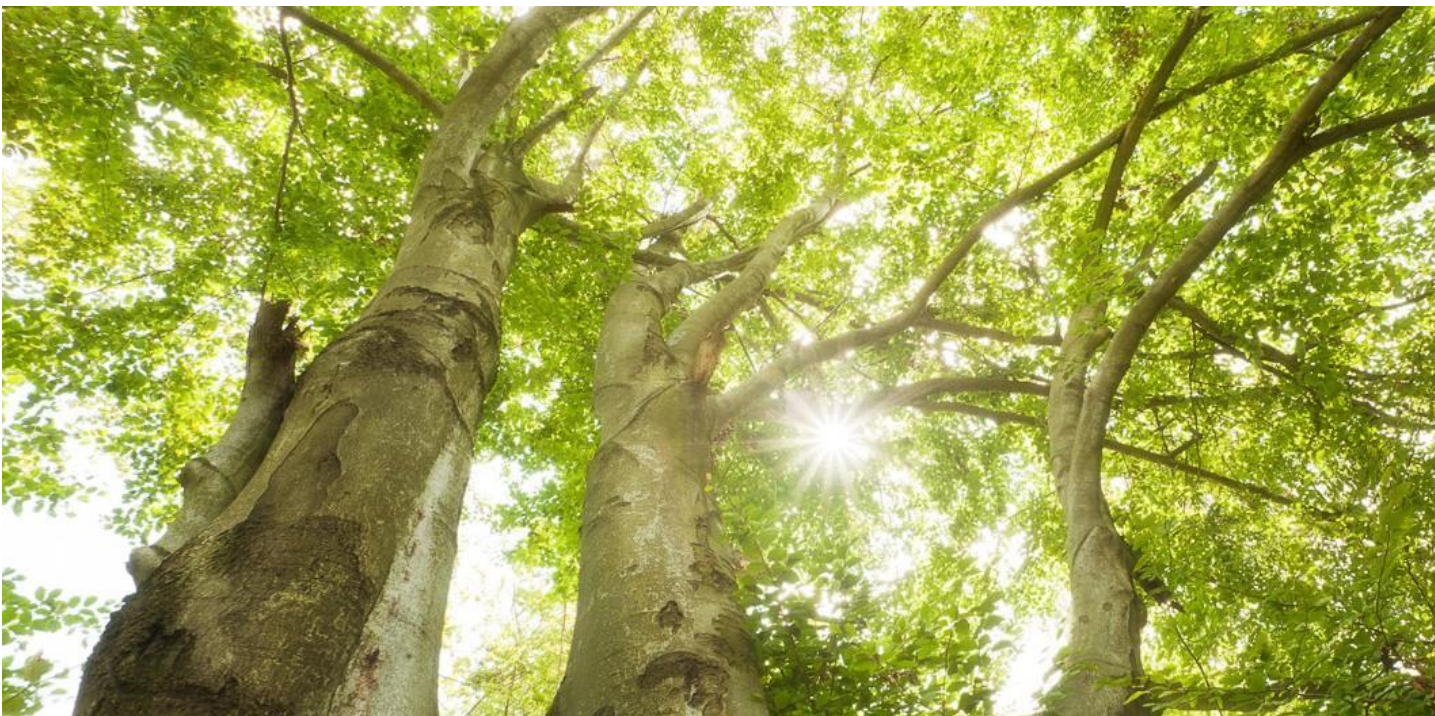
The activities were aimed at maintaining and increasing the professional forestry competences, especially of the employees of the forestry operation. Training for candidates for the OLH examination was completed by 101 staff members. 137 employees completed the training of OLH certificate holders for the target group of employees, holders of the OLH certificate, and 277 employees received training for OLH applicants.

The training of applicants for certificates of professional competence for activities with forest reproductive material (LRM) was attended by 40 employees.

Vocational training in the application of plant protection products or other preparations and their application in forestry practice intended for the target group of BF and LS employees encountering chemical preparations for plant protection was attended by 128 employees of the state enterprise.

The staff also attended seminars and conferences focusing on current legislative changes, in labor law, public procurement, accounting, protection of personal data, information technology, as well as expert forestry topics, based on the supply of educational institutions and the needs of the employer.

The total cost of all types of education in 2021 is € 153,502 in all organizational units of the company.



Occupational safety and health at work

Development of accidents at work in 2021 according to the data from forest enterprises

Overview of number of industrial injuries at workplaces of LESY SR, state enterprise in 2021:

	Total	Recorded	Registered	Serious	Serious with fatal consequences	Dangerous incident not counted as injuries
LESY SR	92	51	39	2	0	18
contractors/ *	8	not recorded	not recorded	6	2	
self-producers/*	0	not recorded	not recorded	0	0	
Other/*	6	not classified				

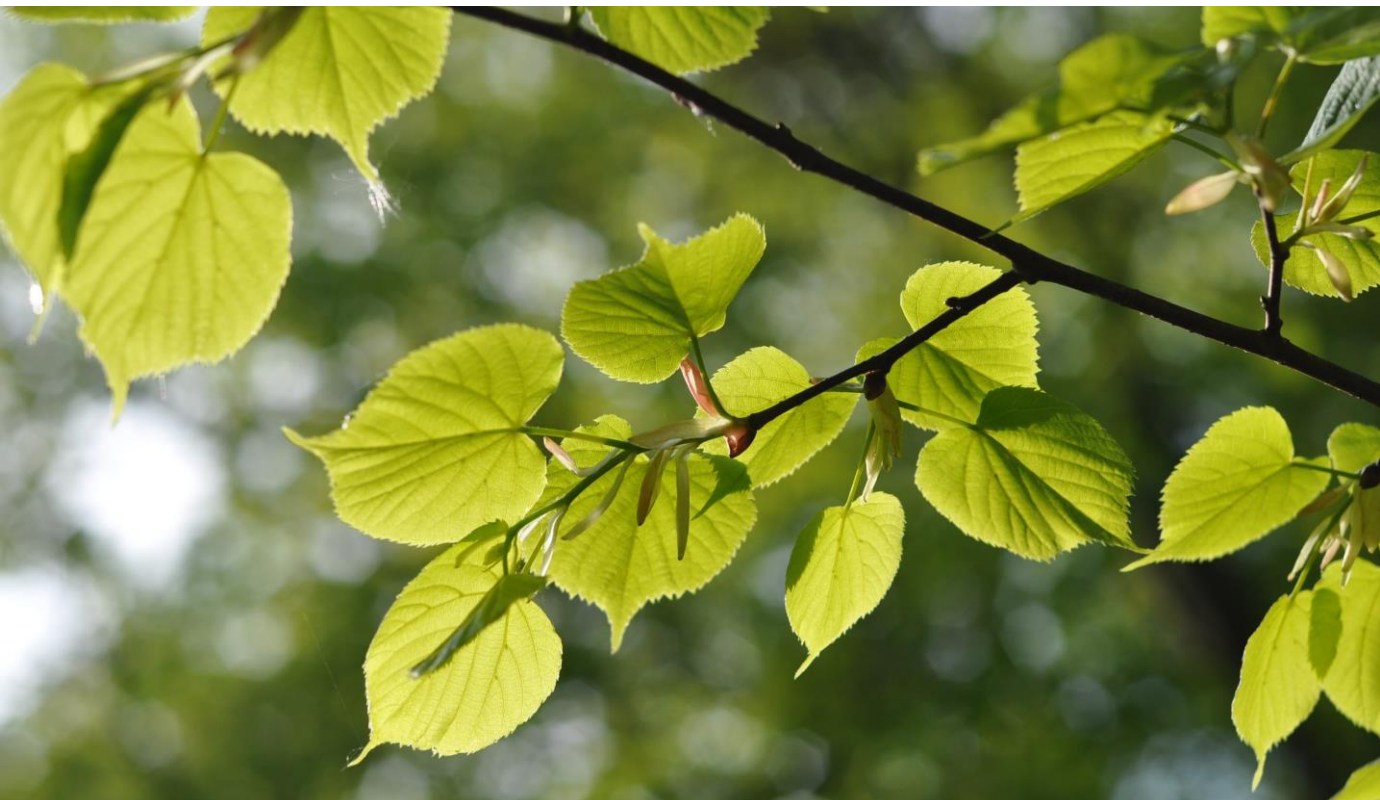
* – reported accidents or accidents ascertained by employees of LSR

Employees of the state enterprise LESY SR had 5 more registered work accidents compared to 2020, while the number of serious work accidents increased by 2. In the case of registered injuries of own employees, the most frequent cause of injury was "deficiencies of personal prerequisites, personal indisposition" and the most frequent source of injuries was "working and transport premises and material, loads, objects".

The highest number of registered occupational accidents was recorded at OZLT B. Bystrica, due to the greater riskiness of work and a larger number of employees. This represents 19 injuries out of the total number of injuries to own employees.

In the case of injuries on the contractors' side, no causal fault or contributory fault on the part of LSR was found in any of the cases. There was a slight increase in serious injuries with severe bodily injury, but a decrease in fatal injuries by up to 4.

No occupational diseases were recorded in 2021.



Sustainable development of forest resources

The strategic goal of the state enterprise LESY SR is to provide sustainable management of forests owned by the state and other forest owners so that an increased functionality and maximum positive management effects can be achieved while observing all the principles of sustainable development. The objective of sustainable forest management is not only sustainable timber production, but also broader understanding of the forest value in compliance with the EU forestry strategy and the EU Action Plan for Forests.

In this sense the conception and objectives of enterprise policy of sustainable forest management are mainly oriented on:

- maintenance and increment of the existing forest area and optimization of forest reserves to the level which is required regarding economic, ecological, and social forest functions,
- improvement of health of forests and reduction of damage risks,
- sustainability and balance of supply of wood and non-wood forest products, always as a part of environmental forest function,
- the support of biodiversity and the maintenance of the favorable state of rare forest ecosystems and home sites of protected plant and animal species
- supporting the soil and water protection functions of forests,
- active cooperation in development of montane and sub-montane regions.



The quality assessment of sustainable forest management (SFM) is carried out by independent certification bodies by comparing methods and results of forest management with requirements of certification schemes.

Holders of TUOL certificates in the FSC scheme are BF Trenčín, Prešov, Šaštín, Smolenice and Považská Bystrica with a total area of 190 182 ha, which is 62% of FSC-certified forests in Slovakia. BF Žarnovica and BF Sobrance are after the certification audit before the certificates are issued. The area of all forests, including plantations on agricultural land certified according to the FSC scheme, is 322,606 ha in the Slovak Republic.

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The TUOL certificate according to the PEFC scheme covers the entire area of forests used by the State Enterprise Forests of the Slovak Republic, namely 887 629 ha in all 23 BF of the enterprise, which constitutes 72% of PEFC certified forests in Slovakia. Certification in the PEFC scheme is based on the regional principle in four regions created for this purpose, in which LESY SR, s. e., represents the interests of other forest managers who have decided to verify the quality of the results at TUOL. In 2021, annual surveillance audits according to SFCS PEFC requirements were carried out in all regions, namely: WEST, NORTH, MIDDLE and EAST. Audits by certification bodies were conducted on 13 forest reports and GR-based internal audits were conducted on 15 forest management reports. Forests of the Slovak Republic is a representative of all four regions in the regional certification in the PEFC scheme.

The total area of forests managed by the state enterprise LESY SR and certified by FSC is 1.216,611 ha. Certified forests have 129 forest managers who have issued 257 certificates of participation in forest certification.

In the Slovak Republic, 253,375 ha of forest land are covered by double certification.

Managing of forests

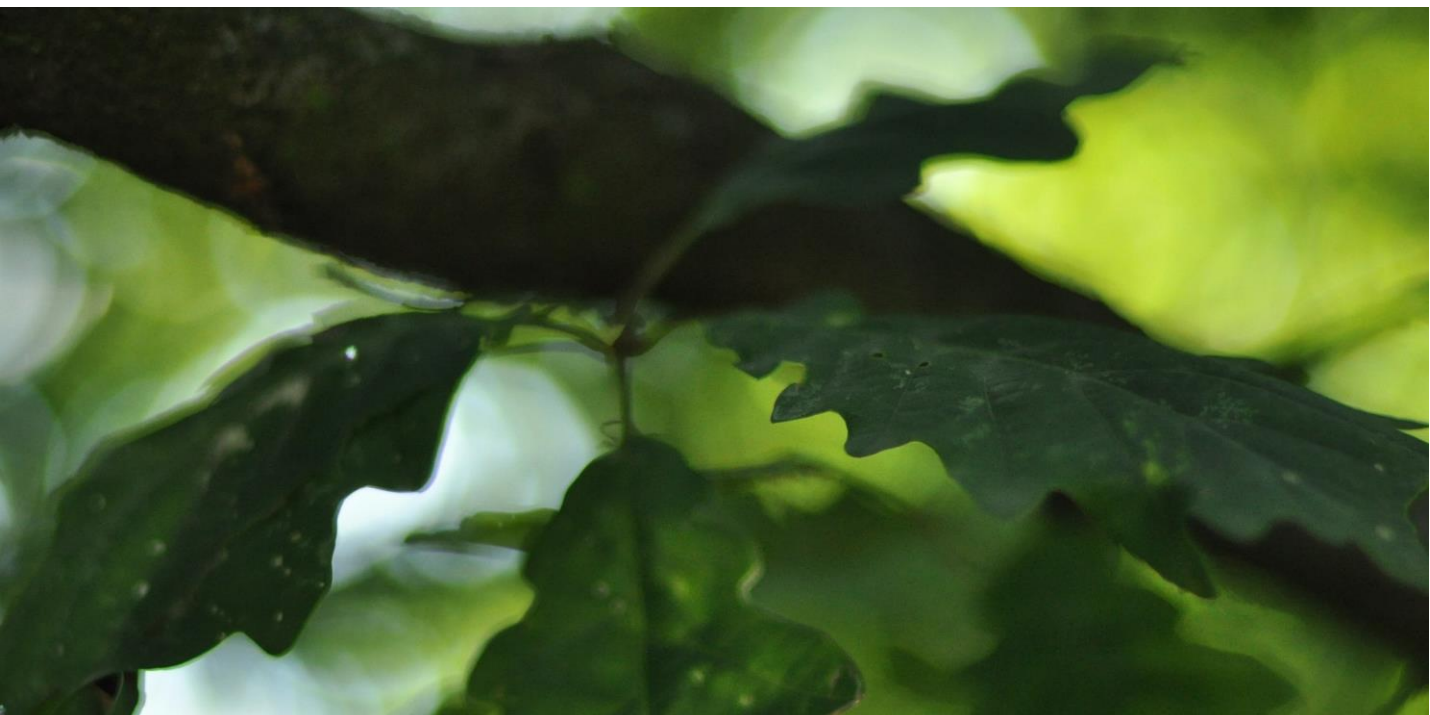
LESY SR, s. e. uses their own capacity in the economic planning process. Priority was given to the tasks related to early PSL renewal, PSL projects for plots declared as forest land under the Land Registry, expansion of planned PSL tasks, documentation for declaring special purpose forests for LC coming into PSL renewal in the following year according to the PSL renewal schedule.

In 2021, PSL was finalized and approved by the state administration on the Lesy Poltár forest complex with a total area of 4,605 ha, prepared by internal capacities as an early PSL recovery. At the same time, the early renewal of the PSL in the forest unit LC Nižná Slaná I. with a total area of 5 194 ha was started.

Another important activity was the creation of forest management projects, which were developed for 8 newly declared parcels for forest land with a total area of 33 ha. The projects concerned the following QA: Kriváň (1), Levice (1), Čadca (1), total 3 projects.

In connection with the return of forest management to their owners, 8 projects for changes to the boundaries of the woodlots, which are common property, were dealt with (BF Kriváň, BF Liptovský Hrádok, BF Čadca, BF Namestovo).

In 2021, complete proposals for declaring forests of special purpose for forestry were drawn up in connection with PSL restoration: Košice (3 LC), Kriváň (1 LC), Čadca (1 LC), Prešov (1 LC), Považská Bystrica (3 LC), Rimavská Sobota (2 LC), Sobrance (3 LC) and Topoľčianky (2 LC), a total of 16 LC on an area of 5 945 ha.



Financial and technical indicators

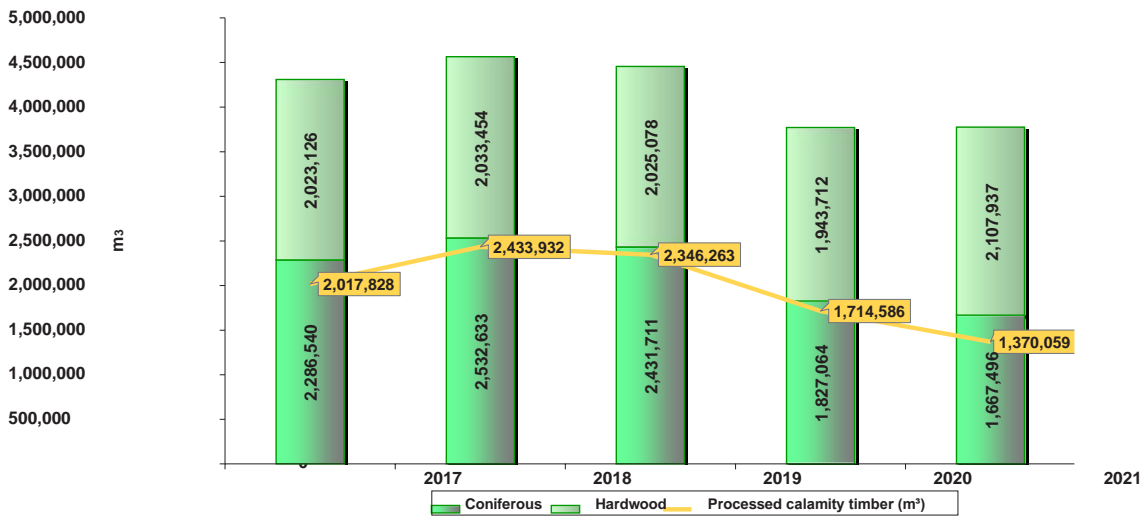
Overview of selected economic indicators in 2017 – 2021

Lesy Slovenske republike, state enterprise

No.	Indicator	Unit	2017	2018	2019	2020	2021	2018-2017	2019-2018	2020-2019	2021-2020
1.	Forest regeneration	ha	6,764	7,604	7,036	7,158	5,658	+840	-568	+121	-1,499
2.	out of which natural regeneration	ha	3,044	3,541	3,126	2,981	2,475	+497	-415	-145	-506
3.	Thinning	ha	17,245	16,822	14,429	8,716	14,757	-423	-2,393	-5,714	+6,042
4.	Direct costs of silviculture TOTAL	K €	27,267.74	31,297.91	27,866.48	17,497.94	28,034.18	+4,030.17	-3,431.43	10,368.54	+10,536.24
5.	out of which allowance for creation	K €	+7,601.98	11,552.95	11,665.47	7,259.91	13,512.88	+3,950.97	+112.52	-4,405.56	+6,252.97
6.	usage	K €	6,198.36	6,855.03	10,179.85	12,043.86	8,693.28	+656.67	+3,324.82	+1,864.00	-3,350.57
7.	Direct cost of silviculture without allowance	K €	25,864.12	26,599.99	26,380.86	22,281.88	23,214.58	+735.87	-219.13	-4,098.98	+932.70
8.	Direct costs of logging	K €	109,202.61	119,595.81	113,621.67	99,683.19	106,109.55	+10,393.20	-5,974.14	13,938.48	+6,426.36
9.	DC of Logging in m ³		25.34	26.19	25.49	26.44	28.11	+0.85	-0.70	+0.94	+1.67
10.	Overheads	K €	71,368.09	75,677.00	74,084.14	69,785.54	76,533.17	+4,308.91	-1,592.86	-4,298.60	+6,747.63
11.	Thinning in forests up to 50y	ha	12,343	10,780	9,893	8,095	8,741	-1,563	-887	-1,798	+646
12.	Total logging	m ³	4,309,666	4,566,087	4,456,789	3,770,776	3,775,433	+256,421	-109,298	-686,013	+4,657
13.	out of which coniferous trees	m ³	2,286,540	2,532,633	2,431,711	1,827,064	1,667,496	+246,093	-100,922	-604,647	-159,569
14.	deciduous trees	m ³	2,023,126	2,033,454	2,025,078	1,943,712	2,107,937	+10,328	-8,376	-81,366	+164,226
15.	out of which salvage logging	m ³	2,017,828	2,433,932	2,346,263	1,714,586	1,370,059	+416,104	-87,669	-631,677	-344,527
16.	Timber supplies (domestic + export)	m ³	4,177,578	4,300,457	4,212,637	3,749,656	3,661,096	+122,879	-87,820	-462,982	-88,560
17.	out of which coniferous trees	m ³	2,231,396	2,371,865	2,342,516	1,857,525	1,601,616	+140,469	-29,349	-484,991	-255,909
18.	deciduous trees	m ³	1,946,182	1,928,592	1,870,122	1,892,131	2,059,479	-17,590	-58,470	+22,009	+167,348
19.	Timber supplies for export	m ³	99,190	106,524	104,342	89,353	111,792	+7,334	-2,182	-14,990	+22,440
20.	out of which coniferous trees	m ³	6,839	20,746	18,914	17,350	9,880	+13,907	-1,832	-1,564	-7,470
21.	deciduous trees	m ³	92,351	85,778	85,428	72,003	101,912	-6,573	-350	-13,426	+29,910
22.	Timber revenues	K €	207,362.49	216,072.96	202,844.17	171,828.21	211,811.71	+8,710.47	13,228.79	-31,015.95	+39,983.49
23.	Average price of wood (conif + dec.)	€·m ⁻³	49.64	50.24	48.15	45.83	57.85	+0.60	-2.09	-2.33	+12.03
24.	Average price of wood (conif + dec.)	€·m ⁻³	51.36	48.59	43.27	37.94	63.84	-2.77	-5.32	-5.33	+25.90
25.	Average price of wood (conif + dec.)	€·m ⁻³	47.66	52.27	54.26	53.56	53.20	+4.61	+1.99	-0.70	-0.36
26.	Profit/loss before tax	K €	+9,305.29	+6,752.51	+4,047.36	+1,173.94	+15,607.28	-2,552.78	-2,705.14	-2,873.42	+14,433.34
27.	Profit/loss after tax	K €	+7,522.31	+5,231.90	+3,030.03	+820.58	+12,243.66	-2,290.42	-2,201.86	+2,209.46	+11,423.08
28.	Average number of employees	person	3,566	3,635	3,557	3,427	3,316	+69	-78	-130	-111
29.	out of which workers	person	1,286	1,339	1,326	1,275	1,217	+53	-13	-51	-58
30.	technical managerial staff	person	2,280	2,296	2,231	2,152	2,100	+16	-65	-79	-52
31.	Productivity of labor from added value	€	29,801.30	30,020.52	29,191.11	24,610.35	36,921.84	+219.22	-829.41	-4,580.75	+12,311.49

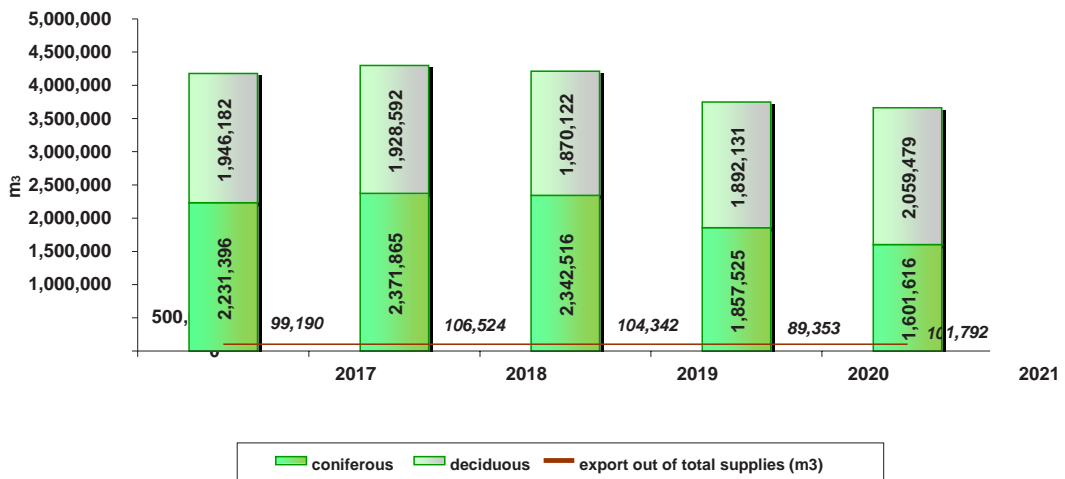
Timber harvesting including self-production and standing timber sale

	2017	2018	2019	2020	2021
total logging (m ³)	4,309,666	4,566,087	4,456,789	3,770,776	3,775,433
processed calamity m ³	2,017,828	2,433,932	2,346,263	1,714,586	1,370,059
coniferous trees	2,286,540	2,532,633	2,431,711	1,827,064	1,667,496
deciduous trees	2,023,126	2,033,454	2,025,078	1,943,712	2,107,937



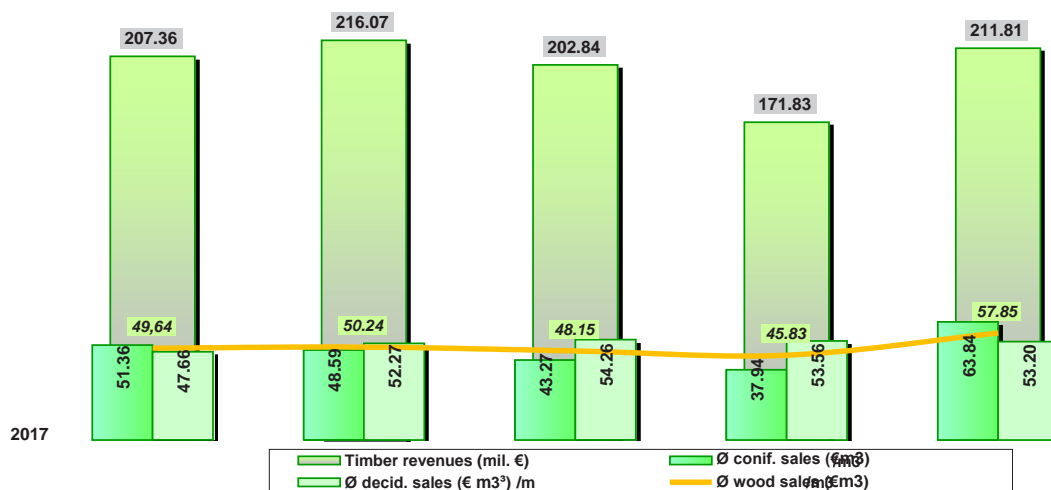
Timber Supplies in m³

	2017	2018	2019	2020	2021
coniferous trees	2,231,396	2,371,865	2,342,516	1,857,525	1,601,616
deciduous trees	1,946,182	1,928,592	1,870,122	1,892,131	2,059,479
export of total deliveries (m ³)	99,190	106,524	104,342	89,353	111,792
export of total deliveries (%)	2	2	2	2	3



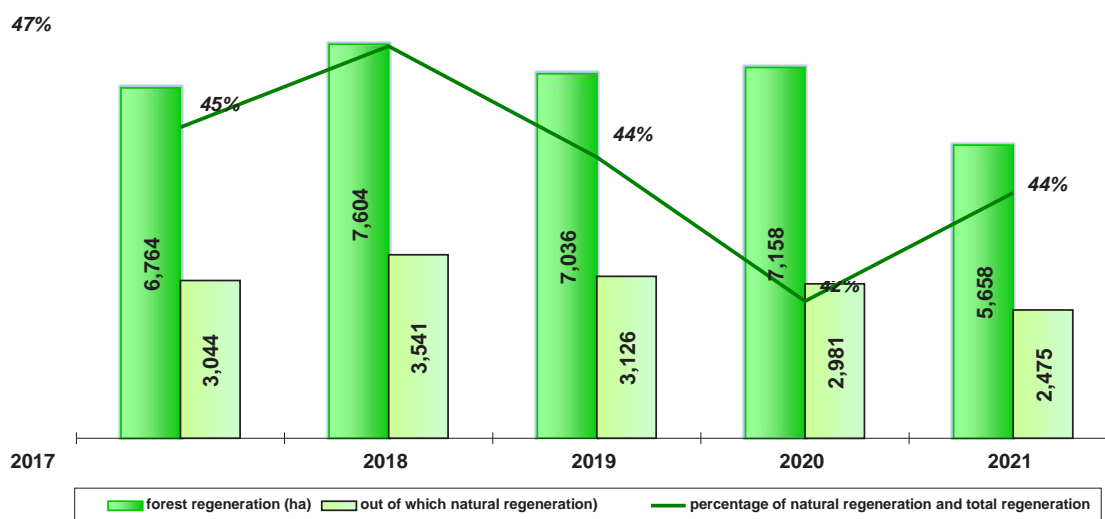
Timber revenue and average timber yield

	2017	2018	2019	2020	2021
Timber revenues (mil.€)	207.36	216.07	202.84	171.83	211.81
Ø timber sales (€/m ³)	49.64	50.24	48.15	45.83	57.85
Ø conif. sales (€/m ³)	51.36	48.59	43.27	37.94	63.84
Ø decid. sales (€/m ³)	47.66	52.27	54.26	53.56	53.20



Forest Regeneration

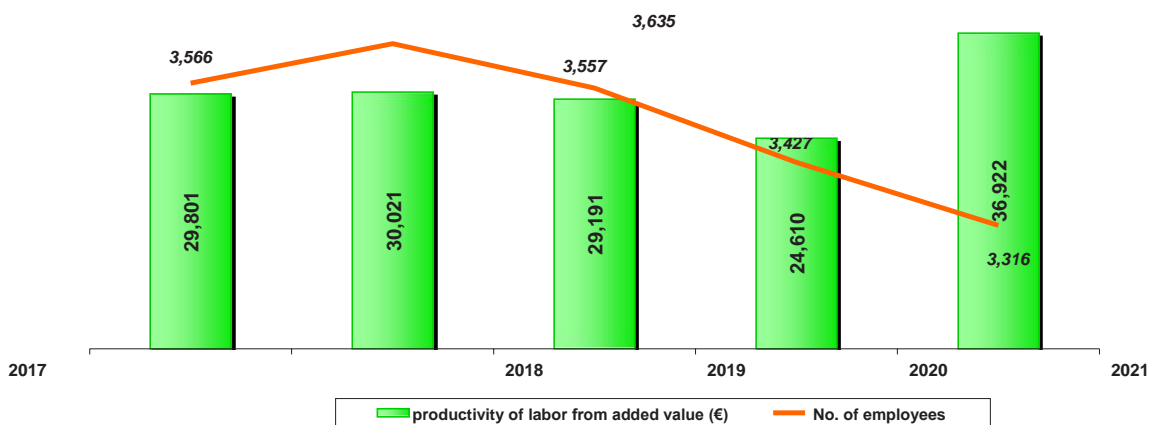
	2017	2018	2019	2020	2021
coniferous trees	2,231,3	2,371,8	2,342,5	1,857,5	1,601,6
deciduous trees	1,946,1	1,928,5	1,870,1	1,892,1	2,059,4
export of total deliveries (m ³)	99,190	106,52	104,34	89,353	111,79
export of total deliveries (%)	2	2	2	2	3



Productivity of labor from added value

18

	2017	2018	2019	2020	2021
productivity of labor from added value (€)	29,801	30,021	29,191	24,610	36,922
number of employees	3,566	3,635	3,557	3,427	3,316



Costs related to asset management and public benefit activities for the years 2017 to 2021

Costs related to asset management and public benefit activities for the years 2017 to 2021		year 2017	year 2018	year 2019	year 2020	year 2021
		K €	K €	K €	K €	K €
1.	Asset settlement services	-389.73	-350.59	-266.32	-51.65	-52.60
2.	Management of watercourses – dam protection of torrents	-658.16	-674.73	-541.26	-531.49	-501.52
3.	Flood protection and remediation	-1,204.27	-393.68	-265.30	-829.62	-622.44
4.	Forestry and Wood Museum Zvolen	-420.75	-445.13	-321.47	-336.45	-369.10
5.	Breeding of Bison Topoľčianky	-73.46	-64.04	-78.54	-91.15	-66.35
6.	Breeding of horses Muráň	-520.56	-625.25	-639.32	-586.09	-345.42
7.	Park management	-85.38	-113.99	-131.38	-86.20	-147.76
8.	Public Relations	-397.63	-1,469.30	-709.53	-404.98	-375.75
9.	Forest Open Air Museum	-230.60	-267.47	-276.29	-227.06	-226.59
10.	Loss from management in non-state non-transferred forests	-853.24	-739.49	-1,097.67	-1,155.35	-533.44
TOTAL		-4,833.78	-5,143.67	-4,327.08	-4,300.04	-3,240.97

Structure of Personnel Cost – in €

Labor Costs Total	year 2021	year 2020
	55,867.79	48,210.07
out of which:		
basic salaries of workers	10,566.98	9,851.70
bonuses, rewards, and jubilees of workers	3,821.39	2,403.82
compensation of workers' wages	3,134.48	3,116.26
basic salaries of TMS	20,248.58	18,126.99
bonuses, rewards, and jubilees of TMS workers	11,266.07	7,954.73
compensation of TMS workers' wages	6,533.39	6,508.62
agreements	296.90	247.95
Average Monthly per Employee TOTAL	1.449	1.150
Average Monthly Pay per Worker Employee TOTAL	1,236	1,009
Average Monthly Pay per TMS Employee TOTAL	1,572	1,234
Bonuses for Board Members	23.60	14.81
Social Insurance	19,953.51	17,749.49
Other Social Insurances (SRS)	1,355.30	1,129.85
Social Costs Together	6,685.73	4,463.96
out of which:		
meal allowance	1,647.26	1,625.10
social fund	727.41	565.59
protective equipment	780.98	676.80
uniforms of foresters	701.19	108.06
leaving allowance	335.53	585.92
Severance	1,372.49	453.59
the change of reserves for employee benefits under the CA	607.78	-63.74
compensation for temporary inability to work	195.00	223.08
medical examinations and reconditions stays	51.47	52.94
allowance for vacations according to § 152a CoL	157.17	135.00
other statutory social costs	109.45	101.62
Other social costs – business recreational facilities	11.02	11.93
Personal costs TOTAL	83,896.95	71,580.11

Annual remuneration

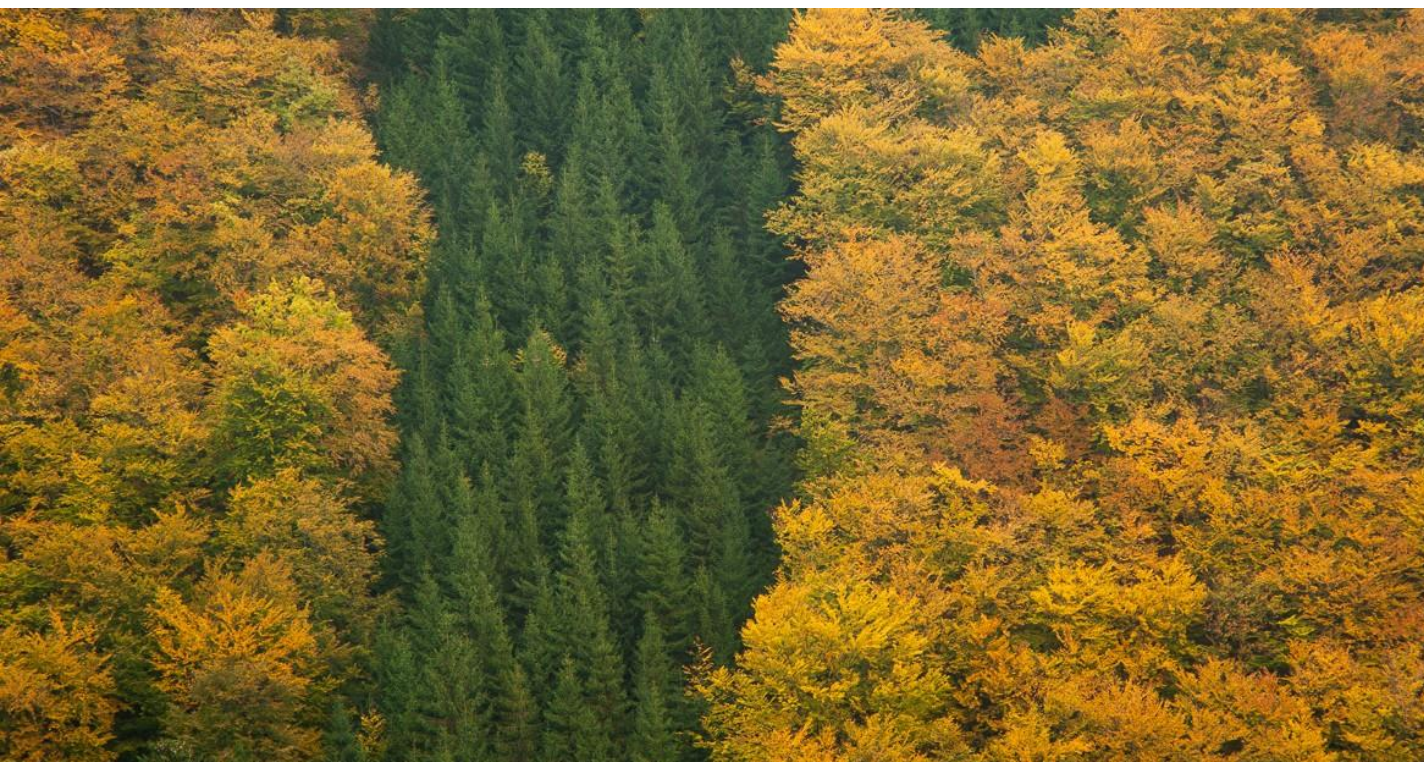
Information on the amount of the annual remuneration of the director of the state-owned enterprise and the members of the Supervisory Board and the amount of their shares in the profit of the enterprise pursuant to Section 9, Para. Act No. 111/1990 Coll. as amended

year 2021	annual remuneration	the amount of remuneration for profit – sharing
General Director of the state enterprise	7,612	3,375
Members of the Supervisory Board	0	647

Tax and Levy Burden

20

		2017	2018	2019	2020	2021
Taxes and government contributions to social and health security for employer and employees	mil. €	58.22	62.13	58.10	52.30	66.63
out of which:						
Payment of taxes employer + employees	mil. €	33.35	35.47	31.40	28.62	38.06
value added tax (paid)	mil. €	19.58	21.03	17.74	15.67	23.37
real estate tax	mil. €	6.70	6.75	6.86	7.31	7.35
road tax	mil. €	0.11	0.12	0.12	0.09	0.08
income tax payable	mil. €	0.94	0.91	0,00	0,00	1.27
income tax on employment income	mil. €	6.02	6.66	6.68	5.55	5.99
Taxes and government contributions to social and health security	mil. €	24.87	26.66	26.70	23.69	28.58
taxes and government contributions to social and health security – employer	mil. €	17.79	19.07	19.15	17.05	20.56
taxes and government contributions to social and health security – employees	mil. €	7.08	7.59	7.55	6.64	8.02
Number of employees	people	3,566	3,635	3,557	3,427	3,316
Tax and Levy Burden per 1 employee (employer's levies + employee's levies+ employment tax)	€	8,664	9,168	9,386	8,530	10,423



Forest privatization

Since the beginning of the privatization process, 906,779 ha of forest land has been returned to former owners, out of which 189,680 ha to private owners, 457,503 ha to cooperatives, 179,753 ha to municipalities, 71,090 ha to churches and religious communities, and 8,753 ha to other owners.

Of the total 906,779 ha surrendered, LESY of the Slovak Republic has leased 28,478 ha and the owners own 877,977 ha.

As of 31 December 2021, the State Enterprise Forests of the Slovak Republic manages or manages a total of 879,113 ha, of which 706,420 ha based on administration, 28,479 ha based on lease and 143,891 ha based on the Land Act.

Out of the total area of non-state and not returned forests of 143,891 ha, 21,927 applications covering the area of 32,725 ha were considered. It was impossible to return forestland physically due to different objective reasons, i.e., small ownership proportions, area of unknown owners over 50% in the common area, insufficient documentation, unmarked boundaries, or unwillingness of owners to create an association. the area of 32,725 ha also includes the area covered by rental agreements without actual return, which represents 5,586 ha.

The 111,116 hectares owned by non-state actors who have not requested the property to be handed over include the acreage of unknown owners, the acreage of owners known according to the CN, but it is not possible to specify the actual known owners due to the fact that it is not possible to determine how much is the acreage of owners whose inheritance proceedings are underway, the place of residence is not correctly indicated in the CN, etc.

Out of the area of governed land representing 706,420 ha, the Slovak Republic owns 682,666 ha, 12,535 ha is disputable, and 11,219 ha is rented to other organizations (TU Zvolen, Forestry College Banská Štiavnica, Forestry College Prešov, town of Dobšiná, etc.).



Requests for return of forest land

22

Indicator	Unit	line	Total in the beginning of forest privatization
a	b	c	1
Applications for returning ownership and user rights to forest land	n	1	87,748
	h	2	939,504
out of which private forestland owners	n	3	83,440
	h	4	245,663
Applications approved	n	5	65,821
- physically returned forestland (line 1 and 2)	h	6	906,779
private owners' line 7 ≥ line (9+11)	n	7	60,539
line 8 ≥ line (10+12)	h	8	189,680
out of which (from line 7 and 8)			
applications pursuant to Art. 6 and 9	n	9	2,863
act No. 229/91 Coll. as amended	h	10	54,361
applications pursuant to Art. 3 from 503.	n	11	51
	h	12	654
land communities (burghers, comprisesorates, cellars and others)	n	13	3,816
	h	14	457,503
municipalities	n	15	531
	h	16	179,753
church	n	17	703
	h	18	71,090
other	n	19	232
	h	20	8,753
Processed applications – physically not returned forestland	n	21	21,923
managed by the state forestry administration	h	22	32,715
Applications approved – total	n	23	87,744
	h	24	939,494
Not processed applications	n	25	4
physically not returned forestland	h	26	10
Total sum (line 1 to 24)	x	99	4,441,37



Overview of managed area of forest land fund

Ownership structure		line	No. of entities	Reality on 31 December 2022 Area (ha)	Expected state on 31 December 2022 (ha)	
a	b	1	2	3		
Total used area of FF line 1 = line (2+7)		1	x	879,113	872,056	
State owned total line 2 = l. (3+6)		2	x	706,420	699,842	
out of which	a) state owned line 3 = (4+5)	3	x	69,3885	69,6040	
	out of which	cultivated	4	x	682,666	684,869
		leasehold (rented to other entities)	5	x	11,219	11,171
	b) disputable	6	x	12,535	3,802	
Non-state – total line 7 = l. (8+9+15)		7	29,122	172,693	172,214	
out of which	Rented from non-state entities to which forestland was returned	8	7,195	28,802	27,909	
	Owned by non-state entities which applied for returning – being processed -line 9 = l. (10 to 14)	9	21,927	32,725	41,822	
	out of which	a) private	10	17,295	27,279	32,927
		b) joint ownership (indivisible, shared)	11	4,407	4,073	5,224
		c) municipal	12	64	312	840
		d) church	13	136	812	1,863
		e) other	14	25	249	968
Owned by non-state entities which have not requested the land	15	x	111,166	102,483		
Total sum (line 1 to 13)		99	80,171	3,363,949	3,354,030	

Overview of returned and rented forests in ha from the beginning of the privatization process until 31.12. 2021

Not returned forests	Private Owners				Associations				Municipalities				Church and religious organizations			
	Total	Returned		Not returned forests	Total	Returned		Not returned forests	Total	Returned		Not returned forests	Total	Returned		
		Out of which	Rented SF			Out of which	Rented SF			Out of which	Rented SF			Out of which	Rented SF	
3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
2	189,680	181,725	7,955	8,229	457,503	443,180	14,323	1,253	179,753	175,099	4,654	3,252	71,090	69,374	1,716	

Not returned	Other owners				Total				State Forest	SF managed 22+25+26	Total forest area
	Total	Returned		Not returned	Total	Returned					
		Out of which	Rented by SF			Out of which	Rented by SF				
18	19	20	21	22	23	24	25	26	27	28	
6,628	8,753	8,599	154	143,891	906,779	877,977	28,802	706,420	879,113	1,757,090	

Overview of forestland based on the governance and use as of 31.12. 2021

24

Area of managed forest land in ha area in ha	Type of use						
	based on governance			based on rent		based on the Land Act	
	owned by SR	disputable	left No. of entities	by		acc. to § 5	acc. to § 22
				from other entities	from SLF		
1	2	3	4	5	6	7	8
879,113	682,666	12,535	11,219	28,478	324	13,395	130,496
		706,420					143,891

NOTES:

1. Total area of forestland used by the organization
2. Owned by the Slovak republic (state-owned)
3. Disputes between municipalities, church, or other entities (legal proceedings)
4. Forestland used by other entities
5. Use based on agreements, contracts for more than 5 years (Art. 3 of Act No. 266/1992 Coll.)
6. Use based on the contract with the Slovak Land Fund
7. 8. Use by a liable entity in accordance with Act No. 229/1991 Coll. on land ownership as amended



Forest production

The sustainable fulfilment of all forest functions is the basic principle of its management. Long ago, people already realized that unlimited and uncoordinated exploitation demands about the forest production function can be accepted only to a certain extent. Different principles, regulations and legislation have gradually been created to guarantee satisfaction of human needs to the extent which is without detriment to the fulfillment of all forest functions.

Timber harvesting is the most discussed, and many times considered as negative, production function of the forests. Everything in the nature, and in forests, comes into existence at a certain moment and after certain time it ceases to exist giving space to new life, a new forest. This process is irreversible. There are only two ways of treating forests.

The first possibility, a very simple one, is to leave a forest on its own allowing natural elements and self-regulation to work without any utilization of the forest production function, i.e., without forest management.

Another possibility is, following proven and legislatively covered principles of sustainability, to implement economic measures in such a way that raw wood material is utilized before its natural destruction without interrupting other important social functions of forests.

Forestry with its more than 300-year-old history, experience, results as well as the condition of forest stands guarantees that utilization of all forest functions is correctly managed. It is a matter of the whole society how it can value professional activities of foresters and use resources to maintain and improve Slovak forests.

The state enterprise LESY SR has always guaranteed sustainable forest management in accordance with valid legislation and principles of nature conservation recognized in EU countries.

Silviculture

A total of 23,864.09 K €, used 23,214.58 K € without the impact of the reserve on the cultivation activity. The plan of direct cultivation costs was not fulfilled by 649,51 K €, which is a fulfillment of 97.28%. In the technical units, the plan was fulfilled in the main activities of forest regeneration, forest clearing and clearing of areas after logging, in addition to fertilization of forest stands, protection of young forest stands (MLP) from wild animals. The planned technical units in other performances were not met. The most pronounced non-implementation was in natural regeneration cooperation (35 % of the plan) due to a very poor seed harvest. Only 77% of full land preparation was achieved due to insufficient capacity of the contractors. The planned crop protection costs of 865 K € (fulfilling plan to 91,9%) due to leaving part of the weed areas without affecting the shading of seedlings in exposed habitats in times of extremely warm weather, as well as because weeds did not grow to a size threatening the growth of seedlings. In forest protection, the planned expenditure was not met by 180,73 (fulfilling plan to 83,7%) thousand euro. However, all the necessary work related to measures against the spread of insect pests was carried out. However, all necessary work related to measures against the spread of insect pests, in particular sub-insect pests, was carried out. Non-fulfillment of other outputs resulted from a reassessment of local needs of individual OZs without a negative impact on the maintenance of favorable conditions and development of young forest stands.

The extent of forest regeneration was based on the balanced task of 7,292 ha. The total regeneration covered 5,658 ha, out of which 2,475 ha were naturally regenerated.

The planned tasks were exceeded by 1,169 ha.

Preventions were carried out on an area of 14,757 ha, compared with a plan of an increase of 329 ha. Of these, the sub-tasks of clearing and pruning balanced from the data of the forest care programs were carried out on 12,099 ha, which was 2,677 ha less than the balance of the annual tasks of 14,776 ha, when all the strictly necessary educational interventions were carried out.

Compared to the previous year, the total SNEs for the CA excluding provisions were higher by 932.70 K €. The most significant was the amount of € 1 214.38 thousand for the purification expenses. The amount of € 534.75 thousand was higher than in the previous year, this was mainly due to the higher volume of performances. Significantly lower was the PN on the forest restoration performance by 1 484,30 K €. This was due to a year-on-year decrease in the need for seedlings by 3,437 thousand pcs because of the widespread introduction of nature-friendly forest management.

Nature-Friendly Forest Management

In accordance with the legislation in force and the program declaration of the Government of the Slovak Republic, which elevated nature-based forest management (PBHL) to the basic strategy of the state in forest management, the Forests of the Slovak Republic proceeded to a mass determination of the suitability of stands for PBHL according to the methodology of the NLC Zvolen. The selection criterion of an appropriate combination of management sets of forest types and management sets of stand types were used. The Department of Forestry Production and PBHL, by individual management acts, obliged the branch plants to carry out restoration and educational interventions in all suitable forest stands. To ensure an adequate professional approach in forestry operations, 6 posts of PBHL regional coordinators were created in the department, whose main activity was to conduct advisory and consultancy activities, organize and professionally provide educational activities on PBHL.

Harvesting activities

In 2021, the planned harvesting volume was 3,711,271 m³, including 1 545 227 m³ of coniferous timber and 2,166,045 m³ of deciduous timber. Actual extraction was 3,775,433 m³ (101.73 % compliance with the plan). Timber harvesting remained at the level of the previous year, 2020, in which 3,770,776 m³ timber was harvested (a decrease of 1.58%). The deciduous harvesting plan was 107.91% fulfilled, the actual amount of harvesting was 1,667,496 m³. The deciduous harvesting plan was 97.32% fulfilled, the actual amount of harvesting was 2,107,937 m³.

The 122 269 269 m³ overrun of the conifer harvesting plan was due to a higher volume of incidental conifer harvesting (+79,293 m³) as well as regenerative intentional conifer harvesting (+67,044 m³). The amount of incidental conifer harvesting not carried out was 62,914 m³.

The planned area of educational intentional logging up to 50 years (10,515 ha) was met by 83.13% (-1,774 ha), the area of educational intentional logging over 50 years (13,621 ha) by 85.34% (-1,997 ha). The BF Liptovský Hrádok, which concentrated the maximum production capacity in incidental harvesting for the processing of the wind calamity of 14 July 2021, contributed most significantly (23.5%) to the non-fulfilment of the educational harvesting.

The share of incidental logging in the total harvest was 36.29%, the share of incidental coniferous logging in the total coniferous harvest was 68.17%, and the share of incidental deciduous logging in the total deciduous harvest was 11.07%.

The average cost of timber production after OM of 15.86 €/m³ was 0.42 €/m³ compared to the planned 16.27 €/m³. The reason for the lower average cost was a change in the proportion of the planned type of harvesting, in particular a lower share of the more expensive educational harvesting in the total harvest. Compared to the average cost of wood production after OM in 2020 (14.83 €/m³), the average cost was 6.94% higher (1.03 €/m³).

The total proportion of regenerative deliberate harvesting carried out using the principles of nature-based forest management (PBHL) was 47.32%. The total share of educational harvests implemented by applying PBHL was 26.89%. The higher silvicultural effort in the conversion to PBHL (36.30 m³/ha in PBHL compared to 31.50 m³/ha in conventional management) compensated for the lower volume of timber from the implemented silvicultural harvests.

Mining activity indicators 2021

No.	Indicator	Unit	Yearly Target	Time Target	Reality	Difference fact/time target	Reality last year	Difference fact/last year
a	b	c	2	3	4	5	6	7
1.	Total logging	m ³	3,711,271	3,711,271	3,775,433	64,162	3,770,776	4,657
2.	out of which coniferous trees	m ³	1,545,227	1,545,227	1,667,496	122,269	1,827,064	-159,569
3.	deciduous trees	m ³	2,166,045	2,166,045	2,107,937	-58,107	1,943,712	164,226
4.	Harvesting by other companies	m ³	3,423,192	3,423,192	3,456,697	33,505	3,362,181	94,516
5.	Total thinning	ha	24,136	24,136	20,365	-3,771	17,895	2,471
6.	Thinning in forests up to 50y	ha	10,515	10,515	8,741	-1,774	8,095	646

Timber stocks as of 31. December 2021

The share of timber stocks as of 31. December 2021 (263 439 m³) to the total amount of harvesting in 2021 is 6,98%. In the year-on-year comparison, timber stocks as of 31. December 2021 was lower by 49 809 m³ (-15,90%).

Non-productive, public benefit functions of the forest

Forests on our planet cover 4.033 billion hectares, which represents a forest cover of 31% of the total land area. Europe's average forest cover is 44.5%. In the ranking of forest cover of European countries, Slovakia ranks 11th with a forest cover of 41.2%. According to the Green Report from 2020, the area of forest land in the Slovak Republic was 2.02 mil. ha, of which forest land 1.95 mil. ha.

In addition to the productive functions of the forest, all forests also perform non-productive, public benefit functions. These are the functions:

A. Ecological:

1. Soil protection (anti-erosion, anti-deflation, anti-slip, anti-avalanche, anti- avalanche)
2. Water protection (hydric)
3. Climate (impact on local climate, CO₂ sequestration)
4. Air pollution mitigation
5. Genetic (species origin)

B. Social:

1. Medical (recreational, medical)
2. Cultural (landscaping, conservation, scientific, defense)
3. Nature protection (biodiversity conservation)

In terms of the predominant functions of the forest, we divide forests into protective forests, special purpose forests and commercial forests. Protective forests perform mainly ecological functions, special purpose forests mainly social functions and commercial forests mainly production functions. Lesy SR manage 76% of commercial forests, 16% of protective forests and 8% of special purpose forests.

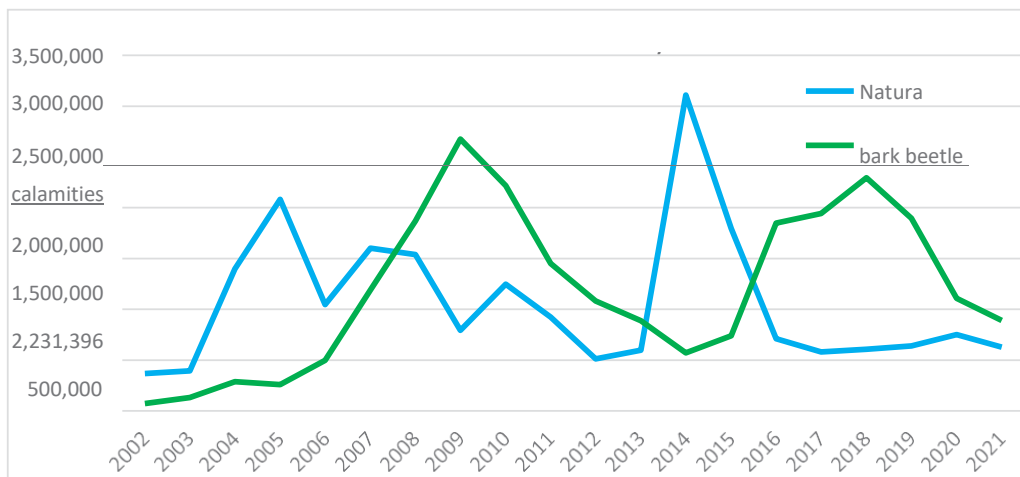
All management measures planned in forest management programs for a period of 10 years consider the functional focus of individual stands.



Forest protection

The initial state of calamity as of 1. January 2020 was 203,959 m³. The calamity increments in 2021 were 1,393,256 m³, which is 300,335 m³ less than in 2020. 1,363,030 m³ of wood were processed. In view of this, 234,185 m³ of wood matter remains to be processed as of 31. December 2021, which is 739 m³ more than in 2020.

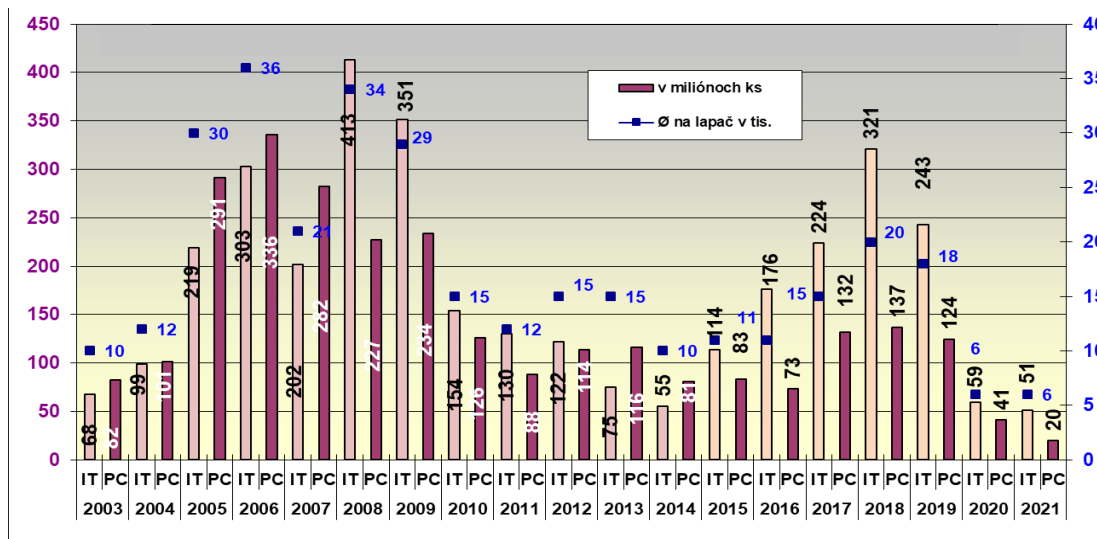
History of natural and lateral calamities since 2002 in m³.



The actual state of the calamity and the state of pest trapping clearly indicate the necessity of an active approach to integrated forest protection. In the first place is the treatment of active beetles in time, before the pests emerge. All harvested and attractive timber must be removed from the stands in such a way that it does not endanger the surrounding stands. If they cannot be removed, the trunks must be removed chemically or by debarking. Subsequent measures after the treatment of the calamity are strict stand hygiene, disposal of logging residues with subsequent sanitation by burning, chipping or chemically in time to prevent the emergence of the subsequent generation of the glossy lycopodium beetle.

Monitoring of traps provides a sufficient overview of the development of bark beetles during the monitored period. Because of a decreasing number of trapped beetles since 2009 it can be presumed that if protection measures are used constantly, it is possible to keep bark insect outbreak under control. The period of 2010-2014 proved this presumption and we reached the levels of 2003 through 2004 in trapping. In 2015, a year after the Žofia calamity, average captures per trap started to increase significantly and peaked in 2018. The year 2019 marked the beginning of a decline in interceptions. The year 2021 is historically the lowest in captures over the entire tracking period.

Overview of bark beetle catches during the period 2003 – 2021 within LSR



Nature and landscape protection

Nature and landscape protection in Slovakia is handled by two levels of protection:

- territorial protection and
- protection of species

The predominant form of protection is protection of areas – protected areas. The protected areas constitute so-called “national network of protected areas” and “NATURA 2000 network”, i.e., a system of biotope protection and protection of species of European Community interest. The Slovak Republic joined this protection system within the accession talks before it joined the EU. The NATURA 2000 system was implemented in the national legislation and is monitored by the European Community in the form of so-called reporting.

The national network of protected areas and the NATURA 2000 network are not two independent parallel systems, but they overlap. The protection of protected species is applied regardless of the type and category of protected area, i.e., it is applicable to the entire territory of the Slovak Republic.

1. Protected areas integrated in the national network

a) Large-scale protected areas (national parks, protected landscape areas)

Overview of national parks (NP) and their area within LESY SR

Name of NP	Area (ha)
NP Malá Fatra	3,125
NP Muránska planina	15,110
NP Nízke Tatry	39,667
NP Poloniny	1,267
NP Slovenský kras	9,908
NP Slovenský kras	12,146
NP Veľká Fatra	24,793
TANAP	1
OP NP (protected areas)	55,038
Total LESY SR	161,055

Overview of protected landscape areas (PLA) and their area within LESY SR

Name of PLA	Area (ha)
PLA Biele Karpaty	16,062
PLA Cerová vrchovina	5,171
PLA Dunajské luhy	3,846
PLA Horná Orava	18,391
PLA Kysuce	27,650
PLA Latorica	1,451
PLA Malé Karpaty	42,004
PLA Poľana	15,051
PLA Ponitrie	23,880
PLA Strážovské vrchy	8,609
PLA Štiavnické vrchy	28,605
PLA Vihorlat	7,902
PLA Východné Karpaty	7,098
PLA Záhorie	8,652
Total LESY SR	214,372

b) Small-scale protected areas (national nature reserves, nature reserves, national nature monuments, nature monuments, protected sites)

Overview of small-scale protected areas and their area within LESY SR, state enterprise

Category of protected area	Area (ha)
NNR – national nature reserves	17,116
NR – nature reserves	13,265
NNM- national nature monuments	6
NM – nature monuments	508
PS – protected sites	2,096
PA MCHU (protected areas)	2,603
Total LESY SR, s.e.	35,594

In 2021 the Slovak Government Decree No. 427/2021 Coll. was approved, declaring some nature reserves as Slovak Forests. The Nature Reserve Pralesy Slovenska (Slovak Forests) consists of 76 self-contained sites covering an area of 6,457 ha under the management of the Lesy SR.

2. PAs integrated in the Natura 2000 network

Independently of the national network of protected areas, the Slovak Republic as an EU member state develops a coherent European ecological network of protected areas NATURA 2000.



a) protected bird areas

One of the commitments of the SR following from the EU accession is the obligation to implement Council Directive 79/409/EEC of 2 April 1979 on the conservation of wild birds to the Slovak legislative standards. On 30. November 2009, this Directive was replaced by the Directive 2009/147/EC of the European Parliament and the Council on the conservation of wild birds. Based on them, a new category of protected areas “protected bird areas” must be created in Slovakia. The national list of the proposed Special Protection Areas was adopted by the decision of the Slovak Government No. 636/2003 on 9. July 2003. They comprised of 38 special protection areas. Two habitats were excluded from the list by the decision of the Slovak Government No. 345/2010 of 25 May 2010. On the contrary, EC added to the decision 5 new Special Protection Areas: Levočské vrchy, Chočské vrchy, Čergov, Slovenský raj and Špačince-Nižná. The total area of the proposed Special Protection Areas in the SR, included in the national list, is 1,286,296 ha, which represents 26.2% of the area of SR.

b) Special Areas of Conservation (SAC)

The national list of the proposed Special Areas of Conservation was adopted by the decision of the Slovak Government No. 239/2004 on March 17, 2004. By the Commission Decision 2008/26/EC of November 13, 2007, on the list of Special Areas of Conservation for the Pannonian biogeographical region and the Commission Decision 2008/218/EC of January 25, 2008, the first updated list of Special Areas of Conservation for the Alpine biogeographical region was adopted. An update of the Special Areas of Conservation was adopted by the decision of the Slovak Government No. 577 of August 31, 2011, “B” list.

The total area of the amendment is 11,986 ha, i.e., 0.2% of the area of the SR. The forest land covers 55% of this area. The overlap with the national network represents 92 %. The document approving the extension of NATURA 2000 areas by approx. 0.2% of the Slovak territory was approved by the government of the Slovak Republic and sent to DG ENVIRO Brussels.

On 7. December 2017, the Ministry of the Environment of the Slovak Republic adopted Measure No. 1/2017 amending the Decree of the Ministry of the Environment of 14. July 2004 no. 3 / 2004-5.1, issuing a national list of territories of European significance. The measure establishes the addendum to the national list of European significance, in accordance with the Resolution of the Government of the Slovak Republic no. 495/2017 of 25. October 2017 on the Second Update of the National List of Territories of European Importance, "C" stage of the VU lists. The measure came into effectiveness on 1. January 2018.

Based on these documents (the so-called 'A' and 'B' lists of EUVs), the Slovak Republic is obliged to declare 473 sites of European importance with a total area of 58,4350 hectares (11,9% of the total area of the Slovak Republic). Since 1. January 2018, the "C" stage has gained 169 new sites with an area of 31,656 ha. The total area has increased from 11.9% of the area of the Slovak Republic to 12.6%. The draft proposal for the addition to the national list of sites of European importance was discussed with the relevant stakeholders in 2020 and 2021 and, after evaluation of the comments, will be submitted to the inter-ministerial comment procedure in 2022.

3. Apart from the national and European network of protected areas there are other PS

such as biosphere reservations, Ramsar sites and sites designated as UNESCO World Heritage.

a) biosphere reservations

There are 4 biosphere reservations on the forest land of the SR (Poľana, Slovenský kras, Tatry, Východné Karpaty) with the total area of 35.440 ha.

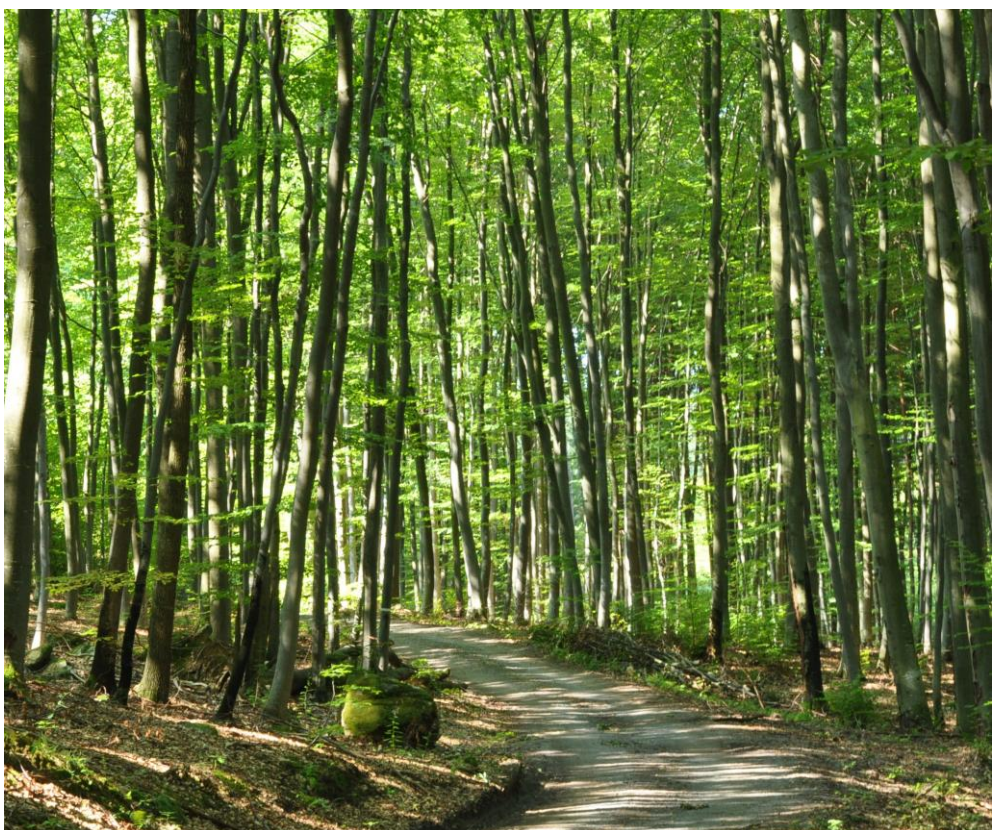
b) ramsar sites

On the LESY SR forest lands, there are 12 Ramsar sites (Aluvium of Moravia, Aluvium Rudavy, Alluvium Tisy, Domica, Dunajské luhy, Demänovská dolina Cave, Latorica, Mokrade Oravská kotlina, Mokrade Turca, Poiplie, River Orava and its tributaries, Šúr) 7,519 ha.

c) UNESCO World Heritage

On the forest land of the Forests of the Slovak Republic, there is also a part of the Carpathian Beech Primeval Forests included in the UNESCO World Heritage List. In 2019, the Government of SR approved the government material Proposal for the Modification of the Boundaries of the Slovak Components of the World Heritage Site Old Beech Forests and Beech Forests of the Carpathians and Other Regions of Europe. Based on this material, the process of declaring new nature reserves was initiated in those parts of the UNESCO site where the highest level of nature protection, level 5, was not in force.

This has also ensured from a legal point of view a strictly no-touch regime on the entire territory of the Slovak components under the management of the Slovak Forests, as required by the World Heritage Committee.



Timber trade

32

In the period under review, the company produced a total of 3,661,096 m³ of coniferous and deciduous timber. Total deliveries against plan were exceeded by +13,286 m³, of which conifer deliveries were exceeded by +58,411 m³, broadleaf deliveries were missed by 45,126 m³. The overrun is due to intensive processing of calamity in coniferous plantations.

Total deliveries against plan were exceeded by 88,560 m³, of which conifer deliveries were exceeded by 255,909 m³, broadleaf deliveries were missed by +167,348 m³.

Revenues from wood of direct deliveries for realization represent 211,811.71 K €. Compared to the plan, revenue is exceeded by € 12,445 K. Of this, sales of coniferous deliveries are exceeded by 12,949.62 K €. Sales of broadleaf deliveries were underperformed by € 503,96 K €.

Revenues from realization were higher compared to the previous period by 39,983 K €.

The average monetization in the observed period was achieved in the amount of 57.85 €/m³, which represents an improvement compared to the plan by -3.20 €/m³. In the year-on-year comparison, the decrease in average monetization was -2.32 €/m³, while the average monetization in the same period of 2020 was 45.83 €/m³. The average monetization in the observed period was achieved in the amount of 63.84 €/m³, which represents an improvement compared to the plan by 5.98 €/m³. Compared to the same period last year, the increase was 25.90 €/m³. The average monetization in the observed period was achieved in the amount of 53.20 €/m³, which represents an improvement compared to the plan by +0.90 €/m³. Compared to the same period last year, the increase was 0.36 €/m³.

Variations in the average monetization between the plan and the reality are mainly due to the adjustment of coniferous and deciduous raw timber price lists during the first half of the year and to the different type of harvesting that was carried out. In all enterprises, we record higher average timber harvesting compared to the planned harvesting. It is possible to evaluate positively the results achieved in the timber trade in the whole spectrum of realized assortments, but especially in the increased yield of logs and the enormous increase in the demand for log assortments of coniferous timber.

In the monitored period, the company sold coniferous and deciduous wood in the amount of 164,903 m³ and in the amount of 15,242,203 thousand via electronic timber auctions (EAD). € with an average monetization of 92.43 €/m³. In the year-on-year comparison, 103,036 m³ more timber was sold in this form, an increase in revenue of € 13,214,326.

Valuable assortments of raw timber were sold through public wood auctions in the volume of 10,781.36 m³. Revenues from sales amounted to 3,117,233 K € with an average monetization of 289.13 €/m³. In the year-on-year comparison, 258 m³ more timber was sold in this form, an increase in revenue of € 1,495,124.



Overview of coniferous deliveries, revenues, and average price in 2021

001.2021 – 012.2021

001.2020 – 012.2020

Assortment	In-company deliveries					Direct deliveries in m³					Revenues in K €					Average price €/m³						
	plan m³	reality m³	prev. year m³	real sales in K €	prev. year real sales in K €	plan m³	reality m³	differ. + -	period of prev. year m³	real. in K € - real. in K € 2020	plan K €	reality in K €	differ. + -	reality of period of prev. year	real. 2021 - real. in K € 2020	plan	reality	reality without discounts and mark up	differ. + -	reality of period of prev. year	reality - real. last year	
Quality classes I and II	dom.	0	0	0,00	0,00	366	1,736	1,370	498	1,238	49.44	265.02	215.58	84.20	180.82	135.08	152.67	152.67	17.59	168.95	-16.28	
quality classes	exp.					140	30	-110	0	30	18.80	4.15	-14.65	0,00	4.15	134.29	138.76	138.32	4.47	0,00	138.76	
Quality classes III.	dom.	0	99	7.10	4.39	1,030,158	1,077,198	47,040	1,062,184	15,013	76,574.84	87,259.59	10,684.75	55,263.24	31,996.35	74.33	81.01	80.81	6.67	52.03	28.98	
quality classes	exp.					0	5,319	5,319	8,767	-3,449	0,00	462.27	462.27	418.25	44.02	0,00	86.91	86.42	86.91	47.70	39.21	
Pole timber	dom.	0	0	0,00	0,00	1,049	1,081	32	1,357	-276	87.21	97.26	10.05	122.12	-24.86	83.14	90.00	90.00	6.87	89.99	0.02	
and sawlog	exp.					0	0	0	0	0	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
Mining wood	dom.	0	0	0,00	0,00	3,900	4,487	587	495	3,992	185.40	225.24	39.84	17.82	207.42	47.54	50.20	50.20	2.66	36.00	14.20	
Quality class IV	exp.					0	458	458	5,248	-4,790	0,00	29.10	29.10	188.91	-159.81	0,00	63.57	63.57	63.57	36.00	27.57	
Thin poles	dom.	0	0	1	0,00	0.04	5,285	4,684	-601	608	4,076	159.97	137.91	-22.06	16.65	121.26	30.27	29.44	29.44	-0.83	27.39	2.06
quality class IV	exp.					0	0	0	0	0	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
Pulpwood and other wood	dom.	0	29	124	0.94	2.76	429,939	418,837	-11,102	624,888	-206,051	10,912.40	11,341.59	429.19	11,169.32	172.27	25.38	27.08	3,589.26	1.70	17.87	9.20
average timber of V quality class	exp.					2,718	3,528	810	3,272	256	75.94	109.41	33.47	103.94	5.47	27.94	31.01	31.01	3.07	31.76	-0.75	
Fuel wood total	dom.	430	441	500	9.33	9.16	51,239	57,363	6,124	55,457	1,906	950.50	1,116.95	166.45	928.58	188.36	18.55	19.47	19.45	0.92	16.74	2.73
out of which deposited	dom.	0	0	0	0,00	0,00	0	0	0	0	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
Export fuel wood	exp.					0	0	0	0	0	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
Raw tree trunks	dom.	0	0	0	0,00	0,00	1,763	12,696	10,933	43,875	-31,180	110.91	1,018.86	907.96	1,693.94	-675.08	62.91	80.25	80.25	17.35	38.61	41.64
	exp.					0	545		0	545	0,00	27.00	27.00	0,00	27.00	0,00	49.50	49.50	49.50	0,00	49.50	
Sales of stumpage	dom.	0	0	0	0,00	0,00	7,373	4,503	-2,870	39,161	-34,659	34.49	21.95	-12.54	315.46	-293.51	4.68	4.88	4.88	0.20	8.06	-3.18
	exp.						0	0	63	-63		0,00	0,00	1.26	-1.26	0,00	0,00	0,00	0,00	20.12	-20.12	
Wood for groundwood pulp	dom.	0	0	0	0,00	0,00	0	0	0	0	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
	exp.					0	0	0	0	0	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
Coniferous chips	dom.	0	0	0	0,00	0,00	0	0	0	0	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
Energy wood	dom.	0	0	0	0,00	0,00	9,275	9,154	-121	11,651	-2,497	134.82	128.04	-6.78	154.75	-26.71	14.54	13.99	13.68	-0.55	13.28	0.71
	exp.	0	0	0	0,00	0,00			0		0		0,00		0,00	0,00	0,00		0,00	0,00	0,00	
Internal deliveries	dom.								0				0,00		0,00	0,00	0,00		0,00	0,00	0,00	
CONIFEROUS	dom.	430	569	701	17.37	16.34	1,540,347	1,591,736	51,389	1,840,175	-248,439	89,199.97	101,612.41	12,412.44	69,766.09	31,846.32	57.91	63.84	63.65	5.93	37.91	25.92
TOTAL	exp.	0	0	0	0,00	0,00	2,858	9,880	7,022	17,350	-7,470	94.74	631.92	537.18	712.36	-80.43	33.15	63.96	63.69	30.81	41.06	22.90
TOTAL CON dom. + exp.		430	569	701	17.37	16.34	1,543,205	1,601,616	58,411	1,857,525	-255,909	89,294.71	102,244.33	12,949.62	70,478.44	31,765.89	57.86	63.84	63.65	5.98	37.94	25.90

37.85

Plan
Real.
Real.

1,030,66
1,084,38
1,071,52

6
6
5

from intra-company and direct deliveries of
from intra-company and direct deliveries of
from intra-company and direct deliveries of

Overview of deciduous deliveries, revenues, and average price in 2021

001.2021 – 012.2021
001.2020 – 012.2020

Assortment	In-company deliveries					Direct deliveries in m ³					Revenues in K €					Average price €/m ³						
	plan m ³	reality m ³	prev. year m ³	real sales in K €	prev. year real sales in K €	plan m ³	plan m ³	reality m ³	prev. year m ³	real sales in K €	Plan in K €	reality in K €	plan m ³	reality m ³	prev. year m ³	real sales in K €	reality	reality without discounts and mark up	plan m ³	reality m ³	prev. year m ³	
Quality classes I & II	dom.	0	0	0	0,00	0,00	4,869	5,180	311	2,605	2,575	1,209.25	1,786.14	576.89	759.31	1,026.83	248.36	344.82	344.79	96.46	291.54	53.28
Quality classes	exp.						1,330	2,022	692	1,457	565	358.09	701.44	343.36	553.55	147.90	269.24	346.87	346.86	77.63	379.88	-33.01
Quality classes III.	dom.	0	0	1	0,00	0.09	1,034,019	960,034	-73,985	888,586	71,448	61,982.75	58,422.93	-3,559.82	54,696.06	3,726.87	59.94	60.86	60.65	0.91	61.55	-0.70
Quality classes	exp.						28,438	47,048	18,610	35,968	11,080	1,917.55	3,444.87	1,527.32	54,696.06	803.86	67.43	73.22	73.00	5.79	73.43	-0.21
Mining wood	dom.	0	0	0	0,00	0,00	4,799	4,729	-70	4,491	238	281.08	287.58	6.50	234.47	53.11	58.57	60.81	60.80	2.24	52.21	8.60
Quality class IV	exp.						0	27	27	159	-132	0,00	2.06	2.06	11.13	-2.09	0,00	76.00	76.00	76.00	70.00	6.00
Thin poles	dom.	0	0	0	0,00	0,00	625	581	-44	208	372	28.40	27.29	-1.11	9.71	17.58	45.44	47.00	47.00	1.56	46.60	0.39
Quality class IV	exp.						0	0	0	0	0	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Pulpwood and other wood	dom.	0	38	0	1.70	0,00	895,172	868,216	-26,956	821,635	46,581	38,852.93	37,711.61	-1,141.31	37,180.43	531.18	43.40	43.44	43.22	0.03	45.25	-1.82
Average timber of V quality class	exp.						26,444	52,447	26,003	33,883	18,564	1,293.65	2,610.81	1,317.17	1,766.87	843.94	48.92	49.78	49.40	0.86	52.15	-2.37
Fuel wood total	dom.	210	49	99	2.20	4.60	93,579	100,972	7,393	75,309	25,663	3,965.95	4,316.53	350.58	3,178.27	1,138.26	42.38	42.75	42.73	0.37	42.20	0.55
Out of which deposited	dom.						0	0	0	0	0	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Export fuel wood	exp.						0	368	368	174	193	0,00	14.95	14.95	7.06	7.89	0,00	40.65	40.65	40.65	40.47	0.18
Raw tree trunks	dom.	0	0	0	0,00	0,00	0	202	202	528	-326	0,00	9.72	9.72	29.18	-5.32	0,00	48.00	48.00	48.00	55.23	-7.23
Raw tree trunks	dom.	0	0	0	0,00	0,00	0	0	0	0	0	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	exp.						0	0	0	0	0	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Sales of stumpage	dom.	0	0	0	0,00	0,00	1,538	2,023	485	16,160	-14,137	3.46	7.35	3.90	123.53	-116.18	2.25	3.63	3.63	1.39	7.64	-4.01
	exp.							0	0	362	-362		0,00	0,00	7.26	-7.26	0,00	0,00	0,00	0,00	20.07	-20.07
Energy wood	dom.	0	0	0	0,00	0,00	13,792	15,630	1,838	10,606	5,024	178.25	224.09	45.84	151.94	72.15	12.92	14.34	14.23	1.41	14.33	0,01
	exp.								0	0	0			0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Internal deliveries	dom.								0	0				0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Deciduous	dom.	210	87	100	3.90	4.69	2,048,393	1,957,567	-90,826	1,820,128	137,439	106,502.06	102,793.24	-3,708.81	96,362.90	6,430.34	51.99	52.51	52.31	0.52	52.94	-0.43
Total	exp.	0	0	0	0,00	0,00	56,212	101,912	45,700	72,003	29,910	3,569.29	6,774.14	3,204.85	4,986.87	1,787.27	63.50	66.47	66.17	2.97	69.26	-2.79
Total dec. dom. + exp.		210	87	100	3.90	4.69	2,104,605	2,059,479	-45,126	1,892,131	167,348	110,071.34	109,567.38	-503.96	101,349.77	8,217.61	52.30	53.20	53.00	0.90	53.56	-0.36
Dec. and con.	dom.	640	656	801	21.27	21.04	3,588,740	3,549,303	-39,437	3,660,303	-111,000	195,702.02	204,405.65	8,703.62	166,128.99	38,276.66	54.53	57.59	57.40	3.06	805	12.20
Wood total	exp.	0	0	0	0,00	0,00	59,070	111,792	52,722	89,353	22,440	3,664.03	7,406.06	3,742.03	5,699.23	1,706.83	62.03	66.25	65.95	4.22	63.78	2.46
Total		640	656	801	21.27	21.04	3,647,810	3,661,096	13,286	3,749,656	-88,560	199,366.05	211,811.71	12,445.65	171,828.21	39,983.49	54.65	57.85	57.66	3.20	45.83	12.03

Total LPV I:-

Plan
Real.
Real.

1,068,65
1,014,28
928,616

-
4
4

from intra-company and direct deliveries of
from intra-company and direct deliveries of
from intra-company and direct deliveries of

Forest technology

Forests of the Slovak Republic, a state enterprise, provides part of the performance in the main forestry, service-repair, and investment activities through the specialized Forest Technology Branch Plant (OZLT) Banská Bystrica.

In 2021, OZLT carried out complex mining activities with special environmentally suitable technologies in the total amount of 163 thousand m³, which amounts to 4.5% of the company's annual timber harvest (excluding self-produced timber).

The Harvester technology (machine to tree) was used by OZLT to process 82 K m³, of which by its own machinery 50 K m³, the remaining 32 K m³ through external contractors in subcontracting.

OZLT carried out a comprehensive logging activity in the volume of 81 K m³ by means of forest rope systems (tree to machine), forest wheel tractors and other logging techniques. In 2021, 19 forest rope systems were in operation, covering the requirements of the branch plants, mainly in pre-logging and calamity logging. A significant positive of the company LESY SR is the continuous increase of the most ecological – environmentally sensitive cableway technologies.

The OZLT mechanisms also performed the handling of timber mass in the volume of 77 K m³ through multi-operational machines with processor heads. Of this volume, 56 thousand m³ were realized by own means and 21 K m³ through external contractors in subcontracting.

OZLT carried out the collection with its own collection vehicles in the amount of 2,404 K m³, which represents about 66% of the annual logging volume of the company. Of which 2,313 K m³ was the initial removal from the removal points to the dispatch warehouses, 41 K m³ axial deliveries from the collection point directly to the customer, 50 K m³ loading of timber onto other means of transport. This confirms the stabilization of the capacity in timber removal by OZLT's own hauling rigs of over 2 million m³.

The total amount of forest road and slope maintenance work was 2,384 K €. As in previous years, the technology of repairing the forest road network with a set of road cutters was positively evaluated by the branch plants. A greater proportion of the work of construction machinery was also directed towards the rehabilitation of flood damage and the implementation of flood protection measures.

Service and repair activities were provided by OZLT in support of products and services in the field of repair and service of handling lines, front-end loaders, mechanization equipment and products of OZLT throughout the company in the amount of 1,357 K €.

In 2021, OZLT also participated in the implementation of investment actions within the company LESY SR (OZLT as in-house contractor), in the total amount of 2,174 K €. Of this, machinery investments amounted to 391 K € construction investments 1 783 K €. The implementation of investment activities optimizes the time and performance utilization of equipment and staff and has a significant positive impact on the OZLT economy. However, the allocated volume of work for the implementation of construction and engineering investments was low in 2021, and the OZLT would have had the capacity to deliver a significantly higher volume of work.

In 2021, the trend of high utilization of OZLT's intra-company capacity continued. OZLT's capacity means security for the company. Also due to the consistent application of the Public Procurement Act within the company LESY SR, š. p., which is often lengthy, OZLT can operatively, in real time, with its own employees and its own equipment, provide technologies in complex logging activities and in the removal of timber, as well as in the elimination of the consequences of calamities. At the same time, the implementation of these activities takes place at prices comparable to the external environment. This means maintaining price stability and permanent monitoring of the cost of the main performances and activities within the state enterprise LESY SR.

Forest-tree nursery

The branch plant Semenoles (BF Semenoles) in 2021 managed 193 ha of production area in nine nursery centers (Jochy, Šajdíkové Humence, Trstice, Hladomer, Oravská Priehrada, Drakšiar, Brod, Čeremošná, Šariš, Centre of gene pool and ornamental trees Jochy).

In 2021, the centers developed the production of planting material in the volume of 54.260 million pcs of seedlings, which is 4.03 million pcs less compared to the previous year. Of these, 28.738 million (53.0%) are coniferous open-rooted seedlings, 22.621 million (41.7%) are broadleaved open-rooted seedlings and 2.901 million (5.3%) are shrub-rooted seedlings.

Semenoles sold 18,76 mil. pieces of seedling, out of which for the State Forestry of the Slovak Republic, state enterprise 13,22 mil. (70%) and for other entities 5,54 million pcs (30%). Beech seedlings were the most sold (6.5 million pcs), spruce was the second most sought-after species (4.7 million pcs), and shrub seedlings, with sales of 2.104 million pcs, accounted for 11% of the total.

Semenoles focuses on growing ornamental and Christmas trees. In the segment of ornamental trees, 601 thousand pieces were propagated, and sales were at the level of 112 thousand pieces. The cultivation of Christmas trees is secured by the BF on an area of 18.08 ha.

Seed production

BF Semenoles ensures the collection, processing, and storage of seeds for the needs of the state enterprise LESY SR and for non-state entities and creates an optimal stock of forest seeds to bridge the barren years. In 2021 it collected 27,365 kg of seed material for LESY SR, state enterprise (of which 2,980 kg sc, 8,142 kg bo, 4,397 kg jd, 0 kg bk 1,064 kg db). Compared to 2020, BF Semenoles collected 86 173 kg less seed material. This was related to the state of the harvest, which fluctuates from year to year, but it is also a consequence of the reduction in the prospective need for seedlings by the branch plants, which is related to the transition of management to PBHL.

The stock of seeds on 31.12.2021 was 15 506,62 kg with a value of € 500 671,45; of which sm 1 505 kg, jd 1 064 kg, bo 408 kg, sc 458 kg, bk 8 011 kg, db 3 262 kg. The volume of pre-seeding preparation in 2021 was 10,241 kg.

BF Semenoles processed 30 924 kg of seed raw material for non-state subjects. Revenue from seed sales in 2021 was €60,652, of which exports were €33,979.

Tree breeding and gene pool conservation

BF Semenoles operates a total of 26 seed orchards with an area of 50.4 ha. In autumn 2021, additional planting of the core seed orchard of the summer oak Gabčíkovo took place. A total of 41 grafted trees were planted, an inventory was also carried out and 14 more grafted trees will have to be added. In November 2021, the planting of a seed orchard of small-leaved linden Jelšinky took place, the area is in the former forest nursery Smižany. 413 grafted trees were planted.

In winter, graft collections were carried out to establish new seed orchards:

- *Pinus sylvestris* from 58 selected trees from Gbely, Borský Peter and Leváre,
- *Sorbus torminalis* from 49 selected trees from Pezinok, Rozbehly, Skalica, Rajecké Teplice and Opatová,
- *Larix decidua* from 58 selected trees from Muráň and Tisovec,
- *Fraxinus excelsior* from 24 selected trees from Holíč, Križovany nad Dudváhom, Lipníky, Petrovce, Duchonka, Ihráč,
- *Acer pseudoplatanus* from 3 sampled trees in Hermanovce.

The collection of secondary grafts was carried out in the seed orchard Krásny Dub from 12 clones of *Sorbus torminalis*, in the seed orchard Políčko from 21 clones of *Pinus sylvestris* and in SGOD Jochy from 8 clones of *Acer pseudoplatanus*.

It was grafted to establish seed orchards:

- *Pinus sylvestris*: 870 rootstocks from 58 clones (316 rootstocks from 40 clones were grafted repeatedly), 614 rootstocks were received from secondary grafts 252 rootstocks from 21 clones (212 rootstocks from 15 clones were grafted repeatedly), 131 rootstocks were received,

– *Acer pseudoplatanus*: 23 rootstocks from 3 clones, 307 were received, 23 rootstocks from 8 clones from secondary grafts, 8 were received,

– *Fraxinus excelsior*: 378 rootstocks from 34 clones, 14 were received, 23 rootstocks from 8 clones from secondary grafts, 8 were received,

– *Sorbus torminalis*: 304 rootstocks from 49 clones, from secondary grafts 28 rootstocks from 12 clones, 206 received,

– *Larix decidua*: 870 rootstocks from 58 clones, 870 were received.

In May, *Larix decidua* (870 pcs), *Pinus sylvestris* (1 122 pcs), *Sorbus torminalis* (332 pcs), *Fraxinus excelsior* (378 pcs), *Acer pseudoplatanus* (50 pcs) were treated.

In June, *Acer pseudoplatanus* (270 pcs), *Tilia cordata* (172 pcs) were treated, fertilized, and transplanted. Older *Fraxinus excelsior* (1 077 pcs), *Acer pseudoplatanus* (314 pcs) and *Tilia cordata* (343 pcs) were also treated and fertilized.

The following rootstocks were installed to establish and replenish new seed orchards: 300 pcs *Fraxinus excelsior*, 200 pcs *Acer pseudoplatanus*, 300 pcs *Pinus sylvestris*, 500 pcs *Larix decidua*, 150 pcs *Sorbus torminalis*. Subsequently, all rootstocks were treated in both the summer and autumn months.

BF Semenoles stores 65 sections of the Seed Bank, the balance as of 31/12/2021 was 60.52 kg of base stock and 134.20 kg of working stock. From the working stock, 1.4 kg of Norway spruce seed and 0.2 kg of Norway spruce seed were released in 2021 and sown at Drakšiar Nursery, to be used for re-productive planting and re-growth. The seed material of one section of Norway spruce, one section of larch and two sections of Scots pine shall be processed.



Game management

One of the main activities of the state enterprise, Forests of the Slovak Republic, is hunting and related tourism. Hunting forms a separate production-economic circuit.

LESY SR, š. p. exercised the right of hunting in 135 overhead hunting grounds with a total area of more than 450 thousand ha as of 31 December 2021. The average area of a hunting ground is 3,350 ha but there are two hunting grounds whose area is more than 20 thousand ha. Of the total number of overhead ranges, there are 11 game farms and 4 pheasant farms. In 64 hunting grounds the shooting of game and the taking of venison is sold off.

The planned hunting in the 2021 hunting season was fulfilled by 31.01.2022 at the level of 90% for red deer, 84% for fallow deer, 74% for mouflon, 74% for roe deer and 130% for wild boar. The overall fulfilment of the planned hunting of red deer was 99 %.

It was planned to hunt 8 chamois, of which 7 were taken by fee hunters.

As of 31 December 2021, 151.7 t of venison had been imported to the Venison Processing Facility in Topoľčianky (ZSD), which is 7.35 t more than in the previous year. The share of individual game species was as follows: deer 105.4 t, fallow deer 16.6 t, roe deer 1.6 t, mouflon 4.4 t and wild boar 23.7 t. Buyout from others was 94.5 t of venison. Of the purchased venison, a total of 54.6 t of skinned game was processed in the ZSD into frozen products. Despite the problems on the market, the situation in the trade with frozen products was more favorable than in the previous year, which is evidenced by the economic result higher by 8.2 K € compared to 2020, as well as lower stock levels.

Trophy and wild boar hunting fees in hunting season 2020/21 and 2021/22

Species	2020/21	2021/22	Difference (2020/21 – 2021/22)
Deer	761	788	+ 27
Fallow Deer	164	204	+ 40
Mouflon	116	147	+ 31
Roe Deer	371	366	-5
Boar	2,425	3,517	+ 1092

Basic economic indicators of the LSR on the performance "241 – hunting" in 2021

In 2021, the result from direct costs was €570,832 higher than planned.

Total Revenue	4 643 447 €	(year-on-year increase of € 353 K)
Direct costs	1,730,283 €	(year-on-year decrease of € 53 K)
DI (from direct costs)	2,913,164 €	(year-on-year increase of € 300 K)



Ecology and Environmental Politics

The State Enterprise Forests of the Slovak Republic organizes its activities in such a way as to fulfill the purpose and mission of the enterprise, which is the sustainable development of state forests, which forms the basis for meeting the needs of nature, the requirements of society and the economic sphere, and at the same time optimally evaluates the forest assets of the state. It subordinates its activities to this principle both to the inside of the organization and to the external environment, which is the society and the state and public administration bodies.

The essence of the implementation of this plan was based on respecting the conditions and a rational approach to environmental care as much as possible, especially in the areas of nature and landscape protection, air protection, water protection as well as waste management.

The constant effort of the state enterprise and its environmental policy is to eliminate negative impacts on the protection and creation of the environment to the greatest extent possible in all its organizational units. To this end, environmental measures are currently taken and implemented in all company activities in accordance with environmental legal standards.

In the area of air protection, air quality is maintained in the long term in places where it is good, and in other cases the company improves air quality by reconstructing and modernizing boiler plants and the technologies of the air pollution sources they are responsible for. Statistically, it operates 23 medium-sized sources of air pollution within the territorial jurisdiction of 18 district offices and 646 small sources of air pollution within the jurisdiction of 300 municipalities. Due to the predominance of sources, which are natural gas-fired boiler houses, their operation results in minimal air pollution within the standard limits.

Obligations concerning compliance with the specified emission limits for medium-sized sources are ensured by the BF by periodic authorized measurements, the results of which demonstrate compliance.

The generation of waste at LESY SR affects their economic development. The reduction of waste in the production process at its individual plants is gradually being achieved through the introduction of production means corresponding to ecological and environmental criteria, more modern technologies, as well as by giving preference to products with a longer service life in the commercial network.

In the case of the types of waste generated by the Slovak Forests and in relation to the focus of the tasks of the state enterprise, the issue of waste after the phase of prevention of its generation is solved in a commercial way based on contractually contracted relations. Contracts are concluded between the company and authorized persons based on market research, tender procedures, and public procurement procedures in accordance with their requirements, considering economics and respecting the principle of proximity to suitable waste recovery facilities in accordance with the principles of the waste management hierarchy.

When selecting customers regarding subsequent waste management, the company mainly applies the principle of ensuring the recovery of the waste produced by them to the greatest possible extent, which is also confirmed by the consistency of the objectives of the environmental policy of the state enterprise in the field of waste management.

Separate collection of usable components (paper, glass, plastics, and metals) is introduced in all organizational units of the state enterprise and separation of biodegradable waste is ensured, especially by composting. Across all its administrative sites, the ongoing vision is to continuously reduce the amount of municipal waste ending up in landfills. Its minimization is achieved by the company through the efforts of every employee who puts only the unusable components of municipal waste into the bins and containers intended for municipal waste.

The implemented activities of the state enterprise confirm the compliance of its environmental policy with the national environmental policy as well as the environmental policy of the European Union and the efforts of the state enterprise for a rational approach to care for the environment.

Investment activities

The implementation of the investment plan for 2021 is at 85.36%.

	Yearly plan in K €	Fulfillment in K €	Fulfillment in %
Yearly plan in K €	11,971.60	10,218.73	85.36
1/ Status of work – Own Sources	3,679.20	3,586.53	97.48
2/ Status of Work – EUF	0,00	0,00	0,00
3/ Design work – own resources	100.00	94.93	94.93
4/ Design work – EUF	250.00	174.69	69.88
5/ Other investment	290.00	24.94	8.60
6/ Changes	0,00	0,00	0,00
Total – Construction investment	4,319.20	3,881.09	89.86
7/ Machinery	6,152.60	5,194.12	84.42
8/ Long term intangible asset	1,499.80	1,143.52	76.24
9/ Machinery investment – EUF	0	0	0,00
9/ Machinery investment – Total	7,652.40	6,337.64	82.82

1. Construction Investment in 2021

Construction investments – own resources

The total volume of construction investments realized from own resources in the monitored period was 3,681.46 K €, of which design work in the value of 94.93 K €, construction works worth 3,586.53 K € (supplier 1,803.66 K €, in-house – OZLT in the value of 1,782.87 K €). Funds in the amount of 24.94 K € were used for other investments (purchase of land) and land swaps were not carried out during this period. The low percentage fulfillment of funds intended for other investments (purchase of land) was in connection with the planned reform of the transfer of national parks under the Ministry of the Interior. For this reason, the planned purchase of land within the Dobšiná Horse Breeding Center has not yet taken place.

Expenditure of investment funds for construction work

Construction work	K €	%
Forest roads	1,899.98	52.98
Timber yards	214,55	5.98
Forest-tree nurseries	0,00	0,00
Housing construction	18.41	0.51
Other constructions	1,435.08	40.01
Other constructions	0.00	0.00
Ecology constructions	18.51	0.52
Total	3,586.53	100.00

In the category of forest roads (LC), the highest volume was rebuilt in the monitored period on the action Forest Road Predpoloma – reconstruction (BF Trenčín) 252.51 K €, LC Mičovec landslide (BF Považská Bystrica) 148.05 K €, BF Považská Bystrica) 148.05 K €, Lesná cesta Krivá – Východ, remediation of landslide (BF Liptovský Hrádok) 38,13 K €, LC Javorová – Mazurka, reconstruction (BF Rimavská Sobota) 924,81 K € 346,01 thousand for LC Palota, reconstruction (BF Vranov nad Topľou)

In the category of other construction, funds were used for the action Rybáreň Parina, construction modifications (BF Smolenice) 52,96 K €, Social operational building MES Oravský Podzámok (BF Námestovo) 136,06 K €, Reconstruction of floors in stables for breeding and young horses (BF Revúca) 67,19 K € 19.19, Area of the former

DHS Rožňava – gas connection (BF Rožňava) 22,35 K €, Administrative building BF Košice – insulation and facade renovation (BF Košice) 958,05 K € 92,71 thousand and RSLT BB Administration Building – building modifications (OZLT Banská Bystrica) € 92,71 thousand (OZLT Banská Bystrica) €.

In the category of timber depots, funds were used in the period under review for the action Expedition warehouse Čierny Balog, paved areas (BF Čierny Balog) 194,55 K €, Surfacing Expedition warehouse Šášovské Podhradie (BF Žarnovica) 20,00 K €.

In the category of ecological constructions, the construction action Reconstruction of waste management Veľká Lúka – cesspool 18,51 K €.

In the period under review, several construction actions were completed (the indicated value is the total value from the start of construction to its completion) – Forest road Predpoloma – reconstruction (BF Trenčín) 252,51 K €, Social operational building MES Oravský Podzámok (BF Námestovo) 136,06 K €, Forest road Krivá – East, rehabilitation of a landslide (BF Liptovský Hrádok) 38,14 K € 20,00 thousand, ES Šášovské Podhradie (BF Žarnovica) € 20,00 thousand, ES Šášovské Podhradie (BF Žarnovica) €, LC Javorová – Mazurka, reconstruction (BF Rimavská Sobota) 1 469,14 K €, Area of the former DHS Rožňava – gas connection (BF Rožňava) in the total value of 12,52 K €, Administrative building of BF Košice – insulation and facade restoration (BF Košice) 1 131,58 K €, LC Turník-Klauzy, 2 culverts – reconstruction (BF Prešov) 34,77 K €, LC Palota, reconstruction (BF Vranov nad Topľou) 699,67 K € and RSLT BB Administration Building – construction modifications (OZLT Banská Bystrica) in the total value of 92,71 K €.

Construction investments – own resources

Type of investment	Yearly Target		Reality	Difference	Fulfillment
				K €	%
Construction work	50.00		0.00	-50.00	0.00
Design works	250.00		174.69	-75.31	69.88
Total	300.00		174.69	-125.31	58.23

In the period under review, the design preparation for the planned calls of the Rural Development Program for the transitional period 2021 – 2022 was carried out in the total value of 174.69 K €. €. Investor preparation is unlikely to be an eligible cost, but it is necessary for the actual implementation of investment construction from EU funds for individual calls (planned call RDP SR 2021 – 2022 measure 4.3 Forest roads, planned call RDP SR 2021-2022 measure 8.3 Improvement of water management in forests and fire protection, planned call RDP SR 2021, planned call RDP SR 2021-2022 measure 8.5 Sightseeing and tourism infrastructure).

In 2021, the approval procedure for the construction action Cycle route Krivobučková (BF Trenčín), which was implemented in 2020 within the framework of the cross-border cooperation program INTERREG V-A SK-CZ in the total amount of 331.73 K €. was successfully carried out.

Construction works in the amount of 50,00 K The amount of € 50.50 was planned for the Support for investments in fisheries for the investment action Parina fish farm – construction works (BF Smolenice). The investment action was successful, the construction was completed, but the actual implementation has so far been financed from the company's own resources.



2. Machinery investment

The division of funds used for the machine acquisition according to production activities:

Production activity	Realized purchases K €	Share of purchases %
1. Logging and skidding	1,454,155.50	28.81
2. Transport and wood conversion	2,658,433.30	52.66
3. Cultivation, hunting agricultural and nursery activities	278,451.79	5.52
4. Maintenance, service, and other activities	165,735.75	3.28
5. People and technology transport	491,390,75	9.73
Total	5,048,167.09	100.00

The most significant shares realized in 2021 by manufacturing activities are:

Logging and skidding

For OZLT Banská Bystrica were purchased 2 pcs of medium harvesters John Deere 1170 G 8WD and 1 pcs of export set John Deere 1210 G 8WD in the total value of 1 454,15 K €.

Transport and wood conversion

In 2021, 8 CAT 914 M wheel loaders were purchased in the amount of 842.0 K €. OZLT Banská Bystrica produced for BF Smolenice, BF Žarnovica, BF Prievidza, BF P. Bystrica, BF Žilina, BF Čadca, BF Beňuš, BF Košice and BF Prešov SILVA 2a grabs for wheel loaders CAT 914 M in the amount of 125,03 K € and 24 hydraulic motor covers for wheel loaders in the value of 8,02 K € and 24 hydraulic motor covers for wheel loaders in the value of 8,02 K €. OZLT produced 11 pcs of intermediate platforms with a total value of 167,40 K €. On the part of OZLT B. Bystrica were delivered boxes for storage of wood cuttings for BF Revúca, BF Rožňava, BF Námestovo for 42,16 K €.

For the production activity of timber removal, 10 pcs of Tatra T158 Phoenix were purchased at an acquisition price of 1 445,67 K €.

Silvicultural, agricultural and nursery activities

For BF Levice, BF Topoľčianky, BF Žilina, BF L. Hrádok, BF Beňuš, BF Sl. Ľupča, BF Žarnovica, BF Kriváň, BF R. Sobota were purchased cooling boxes for venison in the total acquisition value of 69,15 K €. For BF Semenoles Liptovský Hrádok were purchased cultivator-combinator, cultivator-cropper, roller conveyor, disc gates and lifting platform, rotavator and weeding active together in the acquisition price of 70,97 K €. 3 young horses were reassigned to the status of breeding horses at the acquisition price of 6,00 K €. For BF Košice was purchased mower ŽTR 185 and mulcher KUBOTA SE3185 in the total value of 9,86 K €. A manure spreader was purchased for BF Revúca at an acquisition price of 23,90 K €. For BF Rožňava a baler for hay and haylage bales was purchased at the value of 27,90 K €. For BF Sobrance, a semi-trailer for UKT was purchased at a cost of € 14,90 K €.

Maintenance, service, and other activities

In the monitored period, electronic security and camera systems were purchased for BF Prešov, BF Slovenská Ľupča, BF L. Hrádok, BF Rožňava, BF Kriváň and BF Levice at an acquisition price of 64.21 K €. OZLT Banská Bystrica produced 1 piece of high tipping shovel for BF Prešov in the acquisition value of 8,90 K € and for BF Rožňava, BF Žilina and BF Považská Bystrica produced buckets for bulk materials with an acquisition value of 12,29 K €. For OZLT B. Bystrica was purchased diagnostic equipment for Tatra Phoenix vehicles, brake lining lathe, brake lining riveter and riveting machine and hydraulic pressure simulator in the total acquisition value of 52.04 K €. For BF Námestovo a fuel dispenser was purchased at the acquisition value of 6,50 K €.

People and technology transport

In 2021, 14 Ford Ranger Pick-up 4x4 vehicles were delivered at an acquisition price of 409.39 K € and 2 Ford Transit Van Trend 350 commercial vehicles at the acquisition price of 82.00 K €.

Computers, office equipment (LTTA)

Computers, office equipment	Yearly Target		Reality		Difference		Fulfillment	
					K €		%	
	316.00	145.95	-170.05	46.19				

The execution of the plan was low at 46.19%, due to the pandemic situation and poor supply of components to suppliers.

Intangible and tangible fixed assets

Intangible fixed assets	Yearly Target		Reality		Difference		Fulfillme	
					K €		%	
1. Software	1,419.80	1,042.23	-377.57	73.41				
2. Extras in forest economy	80.00	101.29	21.29	126.61				
Total	1,499.80	1,143.52	-356.28	76.24				



Drawing of EU funds



Cross-border cooperation program Interreg V-A Poland-Slovakia

Two project applications for micro-projects have been approved under the Interreg V-A Poland-Slovakia Program.

A total of 3 projects are being implemented under this program.

In February 2019, the project "Together for the Conservation and Restoration of Biodiversity of Carpathian Mountain Ecosystems" began. The main goal of the project is to restore, preserve and protect the biodiversity of mountain ecosystems in the cross-border area of the Carpathians. The project is focused on the implementation of sustainable management of mountain ecosystems, supporting their biodiversity on an area of approximately 130 hectares in selected areas of the Žilina and Prešov regions. Due to the pandemic situation, the project concluded with an online conference on 21 October 2021 instead of a face-to-face one.

In January 2021, following the approval of the project applications, the implementation of two micro-projects started in the Prešov BF. Within the framework of the micro-project "Education for the preservation of beehives in the Polish-Slovak border area", 6 beehives with the necessary equipment were purchased as an educational tool, on which the participants are presented during the seminars the individual practical tasks of year-round care of beehives and the participants themselves could learn the individual tasks practically. In the framework of the micro-project "Together to discover the natural and cultural heritage of the Sigord and Tajch nature trails", the recreational infrastructure of both nature trails has been upgraded to ensure safe movement and stay of visitors, to increase the environmental awareness of the inhabitants of the border region, their interest in exploring the natural values and cultural heritage, and to create opportunities for a more active use of leisure time.

The two micro-projects were supposed to be completed in December 2021, but due to the bad pandemic situation we requested an extension of the micro-project "Together to discover the natural and cultural heritage of the Sigord and Tajch nature trails", which has been extended until June 2022.

No.	Implemented projects	Total budget of project	Total budget of Lesy SR	Budget of partner	Paid by LESY in 2021
1.	Together for conservation and restoration of biodiversity of Carpathian Mountain ecosystems (BF Lipt. Hradok and BF Prešov)	594,387.41 €	370,594.86 €	223,792.55 €	113,333.32 €
2.	Education for the preservation of bee colonies in the Polish-Slovak border area (BF Prešov)	25,089.54 €	25,089.54 €	0.00 €	0.00 €
3.	Together to discover the natural and cultural heritage of the Sigord and Tajch trails (BF Prešov)	27,379.80 €	27,379.80 €	0.00 €	0.00 €
TOTAL		646,856.75 €	423,064.20 €	223,792.55 €	113,333.32 €



Cross-border Cooperation Program INTERREG V-A Slovak Republic – Czech Republic

Within the framework of the Interreg V-A SK-CZ Program two projects are implemented. In May 2019, the implementation of the project

"Together for the beauties of Veľká Javorina by bicycle" began. LESY SR, s. e. as the main cross-border partner of the project dealt with the reconstruction of a temporary approach road to the "Krivobužková" cycle route in the total length of 3.87 km under the natural reservation of Veľká Javorina. Due to the pandemic situation, the project concluded after implementation with the online activity of opening the cycle lanes in February 2021.

In March 2020, the implementation of the project for the revitalization of forest communities in the border area "Together for the prevention of the deterioration of damaged forest ecosystems" started, where the Forests of the Slovak Republic act as the lead partner. However, as the tender for the contractor was cancelled by the Public Procurement Office after almost seven months, a retendering was necessary. LESY SR thus had only the growing season of 2021 available for the implementation of all planned cultivation measures.

In November 2021, a request was made to extend the project implementation period from the original 24 months to 30 months. The original timetable envisaged the completion of the project in February 2022, and due to the ongoing and worsening pandemic situation of COVID-19, it was not possible to carry out the final field trip and the working/expert team meeting according to the original project timetable. As the pandemic situation was not expected to improve by the end of the project, the lead project partner LESY SR, s. e. requested an extension of the implementation period of the sub-activities and the project until August 2022.

No.	Implemented projects	Total budget of project	Total budget of Lesy SR	Budget of Czech partner	Paid by LESY in 2021
1.	Together to the beauties of Veľká Javorina (BF Trenčín)	1,129,920.86 €	440,200.86 €	689,720.00 €	205,063.19
2.	Together for preventing the deterioration of damaged forest ecosystems (BF Žilina)	775,239.66 €	347,520.14 €	311,219.70 €	0.00 €
TOTAL		1,829,957.00 €	787,721.00 €	1,042,236.00 €	205,063.19

Cooperation Program Interreg V-A Slovak Republic – Hungary



Within the Interreg V-A Slovak Republic – Hungary program, 3 projects were implemented with two Hungarian partners (Ipoly Erdő Zrt. and Vértesserdő Zrt.) for more than € 3.31 million. Project implementation was ongoing after successful project extensions until the end of September 2020, but administrative completion and reimbursement of project funds was still catching up in 2021.

No.	Implemented projects	Total budget of project	Total budget of Lesy SR	Total budget of Hungarian partner	Paid by LESY in 2021
1.	Hungarian and Slovak foresters for bees (BF Topoľčianky)	1,093,136.37 €	500,950.72 €	592,185.65 €	64,286.00 €
2.	Foresters for increasing the environmental awareness of the public (BF Levice)	1,438,788.96 €	723,011.04 €	715,777.92 €	137,683.68 €
3.	Foresters to increase environmental public awareness (BF Levice)	778,106.52 €	366,782.32 €	411,324.20 €	83,736.01 €
TOTAL		3,310,031.85 €	1,590,744.08 €	1,719,287.77 €	285,705.69 €

All the planned public service activities for children under the name "Exchange stays for children" or for the public "Beekeeping Day" could not be organized in 2021 due to the ongoing pandemic situation of COVID-19. However, the partners undertook to organize these stays at their own expense during the sustainability period of the project.



Operational Program Environmental Quality

In autumn 2021, after a long preparation and in cooperation with the SOP SR, measures within the framework of three projects aimed at "Improving the status of species and habitats of European importance in forest ecosystems of selected protected areas" started to be implemented in several PAs in the form of state aid within the framework of the Operational Program Quality of the Environment 2014 – 2020. In total, this is a considerable amount of money, which finances the increased costs of cultivation and protection activities, but also compensates for the loss of dead wood, as well as trees that are left to live. At the same time, the measures must be based on the approved nature conservation documentation for the areas in question, i.e., they must be consistent with already approved care or conservation programs.

No.	Implemented projects	Project acronym	Total budget of Lesy SR,	Advance paid in the year 2021
1.	Improving the status of species and biotopes of European importance in forest ecosystems of selected protected areas (contract ŠOP SR – Z/160/2020) at BF Námestovo	PBOL 1	93,166.20 €	51,759.00 €
2.	Improving the status of species and biotopes of European importance in forest ecosystems of selected protected areas 2 (contract ŠOP SR-Z/252/2020) in the BF Trenčín, Prievidza, Beňuš, Revúca, Prešov, Košice, Vranov	PBOL 2	677,857.96 €	202,454.98 €
3.	Implementation of the care program for the Horná Orava Protected Bird Area (SPO SR-Z/253/2020) at OZ Námestovo – has not yet started- has not yet started	PBOL 3	137,768.95 €	0 €
TOTAL			908,793.11 €	254,213.98 €

Program LIFE19



In September 2019, the project "Climate-smart Forest management for Central and Eastern Europe" (CLIMAFORCEELIFE) was submitted to the LIFE19 program by the lead project partner WWF Slovakia, where LESY SR acts as a project partner.

The project aims to support the transition to "climate smart" forest management by demonstrating, evaluating, and replicating forestry practices that increase the resilience of forests to climate change. Total budget of the project is 5,587,063 € out of which the total budget of Lesy SR is 1,507,452 €. The project has been approved by the European Commission and implementation started in September 2020.

No.	Implemented projects	Total budget of project	Total budget of Lesy SR	Prepaid in 2020
1.	CLIMAFORCEELIFE	5,587,063 €	1,507,452 €	320,450.00 €
TOTAL		5,587,063 €	1,507,452 €	320,450.00 €

Rural Development Program of the Slovak Republic 2014 – 2020



LESY Slovenskej republiky, s. e. in this period carries out investor preparation for future calls planned in the transition period from RDP SR 2014-2020 for the period 2021-2025.

National support

In 2021, the state enterprise LESY SR also applied for national financial resources, for which the Ministry of Forests and Forestry of the Slovak Republic (MoFPRV SR) announces calls for proposals from the Decree of the MoFPRV SR No. 536/2011-100, which addresses the support of services in the public economic interest. In this way, a total of € 643 520,00 was obtained for the financing of selected loss-making activities – protected breeding of horse breeds as well as protection and improvement of the living conditions of wildlife.

LESY SR, s. e. in 2021 also received minimal state aid (de minimis scheme) for the measure for forestry support for the fulfilment of non-productive functions of forests in forest plantations, where forest upbringing was carried out according to the PSL by means of forest clearing or forest upbringing by means of thinning up to fifty years of age of the forest stand in the total amount of € 81 391,78.

No.	Approved National Support	Total budget of the project
1.	Breeding of cold-blooded horses of the Norik muránsky type (according to § 2(3)(a) protected breeding of horse breeds)	592,000.00 €
2.	Project for the conservation and improvement of bison breeding conditions (pursuant to Article 2(6) of the Ordinance for the protection and improvement of the living conditions of wildlife)	51,520.00 €
3.	Forestry support for non-productive functions of forests (de minimis)	81,391.78 €
TOTAL		724,911.78 €

Direct Aids

In the period under review, a single application for direct support was made for a total of 1 335.14 hectares of unencumbered land at an average payment (from 2020) of approximately €212.00/ha. We expect payment at the beginning of 2022 in the amount of 284 K €.

Overview of applications submitted by program and payments received in 2021

Projects within the program	Amount "ŽoNFP"	Amount paid in 2021
INTERREG V-A PL-SK (part for Forests of the Slovak Republic)	423,064.20 €	113,333.32 €
INTERREG V-A SK-HU (part for Forests SR, s. e.)	1,590,744.08 €	285,705.69 €
INTERREG V-A SK-CZ (part for Forests SR, s. e.)	1,251,740.96 €	205,063.19
LIFE19 (part for LESY SR, s. e.)	1,507,452.00 €	0.00 €
Direct Aids	284,251.31 €	0.00 €
National support	724,911.78 €	724,911.78 €
Projects with SOP SR through OPKŽP (PBOL1, PBOL2)	908,793.11 €	254,213.98 €
TOTAL	6,690,957.44 €	1,583,227.96 €

The pandemic situation also affected EU projects, when several projects could not be completed as planned. Public events such as events for children and final conferences remained unrealized somewhere, which could no longer be done in time. At the same time, the number of implemented and submitted projects is lower regarding the ending programming period 2014-2020 and those prepared for the years 2021-2027. We can only believe that the state-owned enterprise LESY SR will be able to apply for other significant external resources necessary for development soon managed property.

Public Relations

Public relations are an integral part of the LESY SR state enterprise activities. State foresters teach children as well as the public about the forest and present their activities and care for forest stands.

Communication projects

Due to the pandemic, it was not possible to organize the 5th year of the LESY SKI CUP project in 2021. We have, however, successfully organized another year of the "Harvest Rose Hips with the LESY SR state enterprise" project attended by 1,826 children, who harvested 7,240 kg of rose hips. Despite the unfavorable period for working with the public, on April 24, 2021, the Million Trees for Slovakia project was launched in the premises of the Antonstál Special Purpose Facility in cooperation with BF Moje Slovensko and PEFC Slovensko. The aim of this communication project is to enable the public to plant seedlings on land in the administration of LESY SR in a coordinated manner in the coming years. Together we have managed to plant 51,415 seedlings of forest trees. Planting also continued with schools as part of the I Planted a Tree project, which involved one group of children who planted 400 seedlings in 2021.

Forest Pedagogy

The implementation of forest pedagogy activities and various other forms of experiential learning was also affected by the COVID 19 pandemic in 2021. The staff carried out public activities only in the months in which the measures were relaxed, since they were suspended during the anti-pandemic measures. Despite this, a total of 196 activities were carried out, involving approximately 8,120 children, more than double the number in 2020. The number of forest pedagogues remained unchanged at the end of the year (256) and at the end of the year, forest pedagogy was managed by the Forest Pedagogy Officer from the Directorate General and subsequently through 23 forest pedagogue coordinators from the individual branch forestry plants and from the Semenoles branch plant.

Forest Hiking

In 2021, LESY SR successfully continued its projects of building, restoring, and improving the forest tourist infrastructure. The Forestry Nature Trail (FNT) Zámutovská kolejka, FNT Kysucky Children's Forest, FNT J. D. Matejovie, International FNT Udava – Solinka, etc. have undergone full or partial reconstruction.

Thanks to EU funds, the Tajch and Sigord FNT in the Slanské vrchy Mountains have been revitalized. The Small Bat Trail (Chodník malých netopierov) above the village of Rákoš, which was inaugurated in September 2021, has been added to the FNT database.

Several new resting places and shelters for tourists were built in the forests managed by LESY SR in 2021. New additions are, for example, the "benches of memories" in the Burda Mountains, a shelter with a fireplace under the Makyta Mountain in the Javorníky Mountains or tourist gazebos in the Horehronie Mountains in the localities of Orlová, Lenivá and Zadná dolina.

The enterprise was also devoted to the revitalization and care of forest wells. At BF Sobrance, 16 wells were renewed throughout the entire plant area.

A project involving the production and installation of "The Forest is not a Dump" signs was not implemented in 2021.

LESY SR continued to cooperate with the Military Cartographic Institute Harmanec and in the updated tourist maps presented more of their forestry nature trails and Important Forestry Places. The updating of the Forest Information Office (FIO) maps continued to be suspended due to the planned reorganization of the company.

The 7th year of the traditional forestry-tourist event called The Forestry Trail of Jozef Dekret Matejovie, which was supposed to take place in October 2021 at FNT Duchonka – Kulháň (BF Prievidza), had to be postponed to 2022 due to the pandemic situation in connection with COVID-19.

Significant Forestry Sites

The creation of the network of Significant Forestry Sites (SFS) has been one of the main activities of LESY SR in the public relations field since 2007. Its guarantor is the Museum of Forestry and Wood Technology. The central idea of the project is to present Slovak forestry as a meaningful, efficient, and necessary part of our economy, the development of which is based on very strong and positive historical roots. Significant forestry sites are objects of natural, cultural, or technical character with special forest significance, which document the history of the forest, forestry, and the work of foresters in Slovakia. They represent a set of remarkable objects and sites with a uniform marking system, which includes vegetation, parks, reservoirs and tajchy, settlements, cemeteries, monuments, and memorials, works of art, buildings, structures, zoos and arboretums, places of extraordinary afforestation, technical equipment, institutions, and organizations. This diverse mixture is an important forestry heritage of forestry and its contribution to the development of nature and culture in Slovakia.

In 2021, two significant forestry sites were solemnly declared and marked. In June, in cooperation with the State Forests of TANAP, the Tatranská Javorina Conservation Area was declared a significant forestry site. The SLS also includes historic buildings – the headquarters of the conservation district, which once served as the headquarters of all the Hungarian estates of Prince Christian Kraft Hohenlohe, and the Hohenlohe Hunting Lodge, currently administered by the Office of the President of the Slovak Republic.

The second, which was added to the register in 2021 and became the 55th designated important forestry site, was the Forestry Arboretum in Kysihýbel, which was declared at the opening of the Forestry Days at the end of August at the arboretum itself. The arboretum was founded in 1900 by the Central Forestry Research Station in Banská Štiavnica with the purpose of researching the possible introduction and cultivation of alien forest tree species in the climatic conditions of Slovakia. It is unique for its area planting of trees in 15x15 m plots, based on the János Tuzson's project.

As the SLS project has been going on for several years, in 2021 we also renewed information boards, which were among the first to be installed. In cooperation with the respective branch plants, we restored two boards dedicated to the Halužická tiesňava gorge, three boards in the park in Topoľčianky, and boards about the breeding of the Norik of Muran in Veľká Lúka and about the Zlatá baňa – Solivar navigation channel.

Museum of Forestry and Wood Processing

The Museum of Forestry and Wood Processing in Zvolen has been a part of LESY SR since 2008. It is the only memory and fund institution in Slovakia that deals with the documentation of forestry, lumbering, and the development and culture of the Zvolen region.

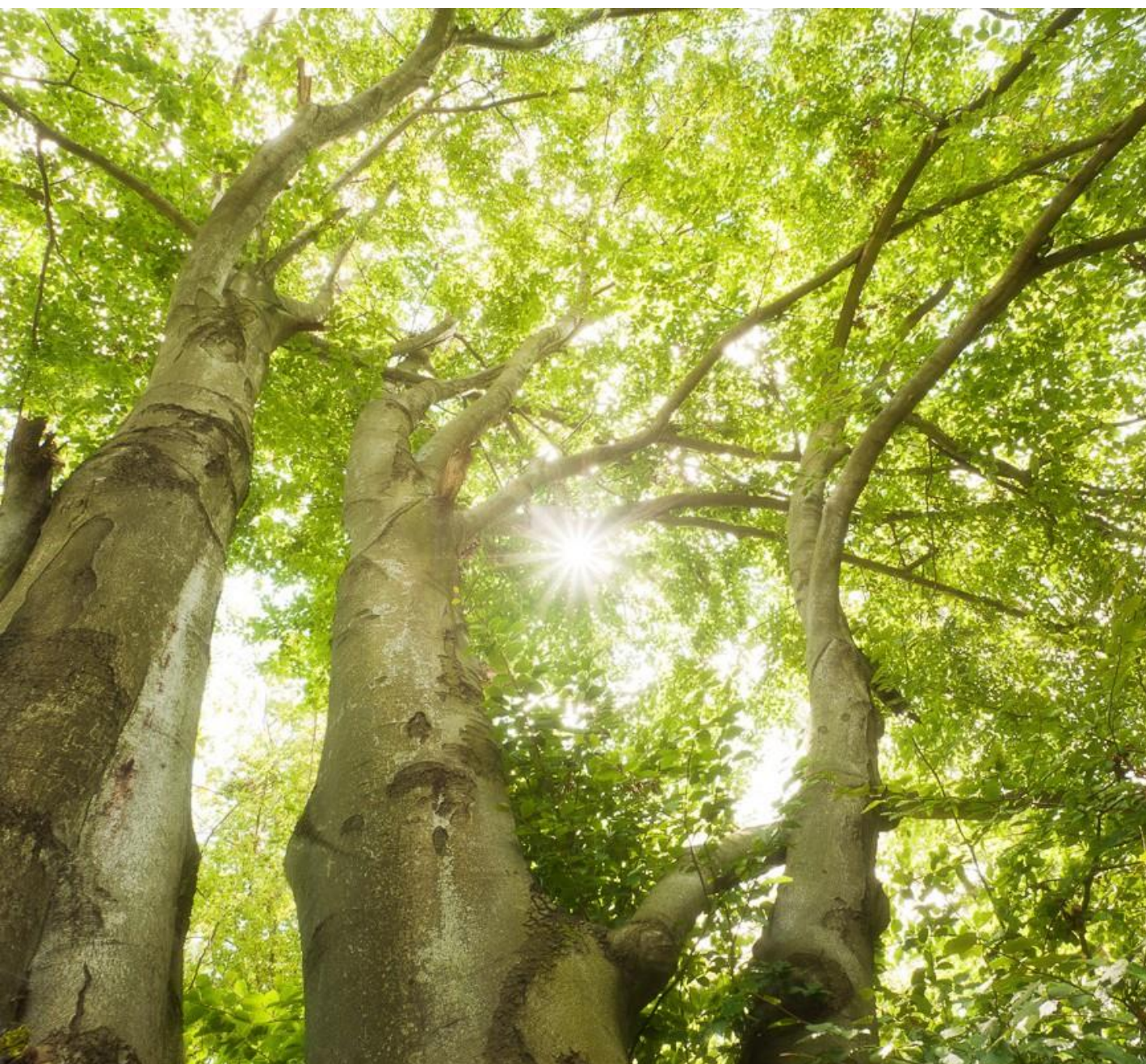
Throughout the year, the museum and foresters commemorated the significant anniversary of Slovak forestry – 150 years of the independence of forest administration from Chamber of Mines – with various activities and events. The anniversary was commemorated by placing a logo on the facade of the museum building and the headquarters, as well as on the branch plants and forest administrations, for the whole year. On this occasion, the presentation of Josef Opletal, the first director of the Czechoslovak State Forests and Estates, was renewed in the form of a commemorative panel installed in the entrance to the General Directorate building. The anniversary is also commemorated by a special commemorative postage stamp issued in cooperation with the Ministry of Transport and Construction of the Slovak Republic and the Slovak Post. The culmination of the activities dedicated to the anniversary was the exhibition “With an Oak Branch on the Collar” (S dubovou ratolesou na golieri), which was open in August and lasted until the end of the year. It dealt in detail with the historical events and contexts that led to the inevitable independence of forestry from the Chamber of Mines.

The year 2021 was still affected by the coronavirus pandemic. Due to the course of the epidemic, the museum was forced to close at the turn of 2020-2021 and exhibitions only resumed at the end of April. Operations were restricted again at the end of the year. From April until mid-December, the museum prepared seven short-term exhibitions for its visitors, five of them original and two on loan from other institutions. A seasonal interactive exhibition in the museum's garden, “Be Like a Valibuk” (Buď ako valibuk), was a newly added and met with a very positive response from visitors. Bringing this natural space in the town center up to an appropriate standard increases the potential for future growth in visitor numbers. Similarly, last year, since the access to cultural institutions was limited in the winter half of the year, we have seen a great interest from visitors mostly in the summer. However, pandemic restrictions had a significant impact on attendance, with a year-on-year decline of over 25%.

To get closer to visitors online, we continued to document and make available short-term exhibitions in the form of virtual tours. On Earth Day and the Night of Museums, virtual tours of all exhibitions were made available. At the end of the year, we also prepared several videos focusing on creative Christmas activities and Christmas customs to try to compensate visitors for the museum being closed at Christmas time.

At the end of the year, we published a catalogue dedicated to the second decade of the competition for high school and university students interested in working with wood or design as well as for professional manufacturers associated with the exhibition ETUDY Z DREVA 2009 – 2019.

Similarly, work with the collection fund was limited for several months by the need for several staff to work from home. Despite this, a large part of the collection continued to be moved from the technically inadequate depository on Smrekova Street in Zvolen to a new building in Žiar nad Hronom, where the roof was reconstructed and equipped with a security and fire protection system. However, it is still necessary to replace the windows and radiators upstairs so that the collections can be adequately arranged, and the building can begin to be fully used for its intended purpose.



Balance Sheet as of 31.12.2021 (EUR)

Assets	No	Gross	Correction	Net	Previous period
Total assets I.2+33+74	1	1,255,127,348	368,336,556	886,790,792	878,620,903
Non-current assets (I. 3+11+21)	2	1,166,905,151	363,174,894	803,730,257	813,980,271
Non-current assets (I. 4-10)	3	26,986,897	20,904,427	6,082,470	7,616,060
Intangible fixed assets total (I.4 to 10)	4	11,693	11,693	0	0
Software (013) – /073, 091A/	5	19,777,189	18,689,212	1,087,977	3,431,149
Valuable rights (014) – /074, 091A/	6	226,420	214,505	11,915	287,995
Goodwill (015) – /075, 091A/	7	0	0	0	0
Other non-current intangible assets (019,01X) – /079, 07X, 091/	8	3,052,476	1,989,017	1,063,459	1,315,194
Intangible fixed assets acquired (041) – /093/	9	3,919,119	0	3,919,119	2,852,728
Advances for non-current intangible assets (051) – /095A/	10	0	0	0	0
Total tangible fixed assets (I. 12 to 20)	11	1,139,903,561	342,255,774	797,647,787	806,364,211
Land (031) – /092A/	12	524,811,354	0	524,811,354	524,755,790
Buildings (021) – /081, 092A/	13	455,117,173	231,208,531	223,908,642	226,432,227
Individual tangible assets and sets of tangible assets (022) – /082, 092A/	14	146,538,703	110,627,479	35,911,224	40,844,014
Perennial crops (025) – /085, 092A/	15	97,727	55,973	41,754	35,714
Livestock and draft animals (026) – /086, 092A/	16	142,682	90,587	52,095	59,007
Other non-current tangible assets (029, 02X, 032) – /089, 08x, 092A/	17	421,552	0	421,552	411,852
Acquisition of non-current tangible assets (042) – /094/	18	12,774,370	273,204	12,501,166	13,825,607
Advances for non-current tangible assets (052) – /095A/	19	0	0	0	0
Adjustments to acquired assets (+/- 097) +/- 098	20	0	0	0	0
Total non-current financial assets (I. 22 to 32)	21	14,693	14,693	0	0
Shares in related accounting units (061A, 062A, 063A) – /096A/	22	0	0	0	0
Investment shares and shares excluding the ones in related accounting units (062A) – /096A/	23	0	0	0	0
Other securities and shares (063A) – /096A/	24	14,693	14,693	0	0
Loans to related accounting units (066A) – /096A/	25	0	0	0	0
Equity loans other than related to accounting units (066A) – /096A/	26	0	0	0	0
Other loans (067A) – /096A/	27	0	0	0	0
Loan securities and other loan financial assets (065A, 06XA, 06XA) – /096A/ 42	28	0	0	0	0
Loans and other non-current financial assets due within 1 year (066A, 067A, 069A, 06XA) – /096A/	29	0	0	0	0
Bank accounts due in more than 1 year (22XA)	30	0	0	0	0
Non-current financial assets acquired (043) – /096A/	31	0	0	0	0
Advances for non-current financial assets (053) – /095A/	31	0	0	0	0
Current assets (lines 34+41+53+66+71)	33	85,900,540	5,161,662	80,738,878	63,590,679
Inventory total (lines 35 to 40)	34	26,475,765	2,791,102	23,684,663	24,170,417
Material (112, 119, 11X) – /191, 19X/	35	2,727,049	61,306	2,665,743	1,881,783
Work in progress and semi-finished products (121,122,12X) – /192, 193, 19X/	36	10,127,054	1,500,180	8,626,874	9,742,743
Products (123) – /194/	37	13,150,284	1,158,365	11,991,919	12,184,496
Livestock (124) – /195/	38	439,017	71,251	367,766	326,832
Merchandise (132, 133, 13X, 139) – /196, 19X/	39	28,474	0	28,474	31,567
Advances for inventory (314A) – /391A/	40	3,887	0	3,887	2,996
Non-current receivables total (I. 42+46 to 52)	41	0	0	0	0
Trade receivables total (I. 43 to 45)	42	0	0	0	0

Trade receivables from related accounting units (311A, 312A, 313A, 314A, 315A, 31XA) – /391A/	43	0	0	0	0
Trade liabilities concerning investment shares excluding liabilities towards related accounting units (311A, 312A, 313A, 314A, 315A, 31XA) – /391A/	44	0	0	0	0
Other receivables (311A, 312A, 313A, 314A, 315A, 31XA) – /391A/	45	0	0	0	0
Net order value (316A)	46	0	0	0	0
Other receivables from related accounting units (351A) – /391A/	47	0	0	0	0
Other receivables within equity participation excluding liabilities towards related accounting units (351A) – /391A/	48	0	0	0	0
Receivables from partners, members, and association (354A, 355A, 358A, 35XA) – /391A/	49	0	0	0	0
Receivables from derivative transactions (373A, 376A)	50	0	0	0	0
Other receivables (335A, 336A, 33XA, 371A, 374A, 375A, 378A) – /391A/	51	0	0	0	0
Deferred tax receivable (481A)	52	0	0	0	0
Total current receivables (l. 54+58 to 65)	53	26,093,340	2,370,560	23,722,780	25,819,098
Trade receivables total (l. 55 to 57)	54	25,506,714	2,370,560	23,136,154	25,415,080
Trade receivables from related accounting units (311A, 312A, 313A, 314A, 315A, 31XA) – /391A/	55	3,559	0	3,559	3,512
Trade liabilities concerning investment shares excluding liabilities towards related accounting units (311A, 312A, 313A, 314A, 315A, 31XA) – /391A/	56	0	0	0	0
Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) – /391A/	57	25,503,155	2,370,560	23,132,595	25,411,568
Net order value (316A)	58	0	0	0	0
Other receivables from other accounting entities excluding related accounting units (351A) – /391A/	59	0	0	0	0
Other trade receivables within equity, except receivables from related entities (351A) – /391A/	60	0	0	0	0
Receivable from partners, members, and association (354A, 355A, 358A, 35XA, 398A) – /391A/	61	0	0	0	0
Social insurance (336A) – /391A/	62	0	0	0	0
Tax receivables and subsidies (341, 342, 343, 345, 346, 347) – /391A/	63	269,249	0	269,249	254,396
Receivables from derivative transactions (373A, 376A)	64	0	0	0	0
Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) – /391A/	65	317,377	0	317,377	149,622
Current financial assets (l. 67 to 70)	66	0	0	0	0
Current financial assets in related accounting units (251A, 253A, 256A, 257A, 25XA) – /291A, 29XA/	67	0	0	0	0
Current financial assets without current fin. ass. in related accounting units (251A, 253A, 256A, 257A, 25XA) – /291A, 29XA/	68	0	0	0	0
Own shares (252)	69	0	0	0	0
Acquired current financial assets (259, 314A) – /291A/	70	0	0	0	0
Financial accounts total (l. 72 and 73)	71	33,331,435	0	33,331,435	13,601,164
Cash (211, 213, 21X)	72	166,136	0	166,136	121,695
Bank accounts (221A, 22X, +/- 261)	73	33,165,299	0	33,165,299	13,479,469
Accruals/deferrals total (l. 75 to 78)	74	2,321,657	0	2,321,657	1,049,953
Non-current prepaid expenses (381A, 382A)	75	0	0	0	0
Current prepaid expenses (381A, 382A)	76	750,117	0	750,117	881,371
Non-current accrued income (385A)	77	0	0	0	0
Current accrued income (385A)	78	1,571,540	0	1,571,540	168,582

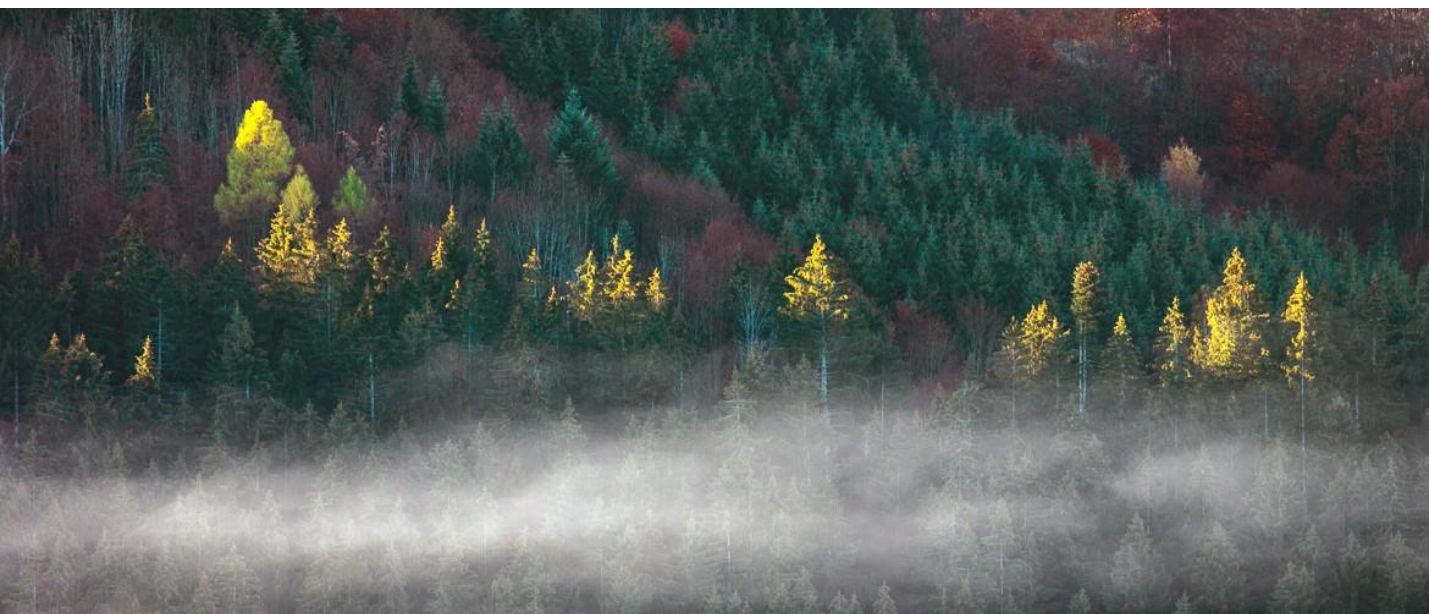
Liabilities	Line	Current acc. period			Previous period
Stockholder's equity and liabilities total (l.80+101+141)	79	886,790,792	0	0	878,620,903
Equity (l.81+85+86+87+90+93+97+100)	80	765,999,547	0	0	754,742,880
Capital total (l. 82 to 84)	81	744,300,736	0	0	744,239,843
Capital (411 or +/- 491)	82	744,239,843	0	0	743,232,854
Change in capital +/- 419	83	60,893	0	0	1,006,989
Receivables from equity subscriptions (/ - / 353)	84	0	0	0	0
Share premium (412)	85	0	0	0	0
Other capital funds (413)	86	353,161	0	0	353,161
Statutory reserve funds l. 88+89	87	5,050,619	0	0	5,009,573
Statutory reserve fund and indivisible fund (417A, 418, 421A, 422)	88	5,050,619	0	0	5,009,573
Reserve fund on equity (417A, 421A)	89	0	0	0	0
Other funds from profit (lines 91 a 92)	90	3,116,754	0	0	3,385,109
Statutory funds (423, 42X)	91	565,040	0	0	635,522
Other funds (427, 42X)	92	2,551,714	0	0	2,749,587
Other revaluation adjustments, total (l. 94 to 96)	93	0	0	0	0
Other revaluation adjustments to assets and liabilities (+/- 414)	94	0	0	0	0
Other adjustments to capital stocks (+/- 415)	95	0	0	0	0
Other revaluation adjustments related to merging and splitting (+/- 416)	96	0	0	0	0
Economic results from previous years (l. 98+99)	97	934,618	0	0	934,618
Retained earnings from previous years (428)	98	934,618	0	0	934,618
Accumulated losses from previous years (/ - / 429)	99	0	0	0	0
Economic result for the accounting period after tax +/- line 01 – (81+85+86+87+90+93+97+101+141)	100	12,243,659	0	0	820,576
Liabilities (l. 102+118+121+122+136+139+140)	101	84,088,385	0	0	82,243,663
Non-current liabilities (l. 103+107 to 117)	102	18,233,198	0	0	16,023,263
Non-current trade liabilities total (l. 104 to 106)	103	12,543	0	0	12,543
Trade liabilities towards related accounting units (321A, 475A, 476A)	104	0	0	0	0
Trade liabilities concerning investment shares excluding liabilities towards related accounting units (321A, 475A, 476A)	105	0	0	0	0
Other trade liabilities (321A, 475A, 476A)	106	12,543	0	0	12,543
Net order value (316A)	107	0	0	0	0
Other liabilities towards related accounting units (471A, 47XA)	108	0	0	0	0
Other liabilities concerning investment shares excluding liabilities towards related accounting units (471A, 47XA)	109	0	0	0	0
Other non-current liabilities (479A, 47XA)	110	0	0	0	0
Non-current advances received (475A)	111	0	0	0	0
Non-current notes payable (478A)	112	0	0	0	0
Bonds issued (473A/-/255A)	113	0	0	0	0
Social fund payables (472)	114	468,732	0	0	354,892
Other non-current liabilities (336A, 372A, 474A, 47XA)	115	0	0	0	0
Non-current liabilities from derivative transactions (373A, 377A)	116	0	0	0	0
Deferred tax liability (481A)	117	17,751,923	0	0	15,655,828

Non-current reserves (l. 119 to 120)	118	20,168,761	0	0	22,270,571
Statutory reserves (451A)	119	8,769,939	0	0	9,882,545
Other reserves (459A, 45XA)	120	11,398,822	0	0	12,388,026
Long-term bank credits (461A, 46XA)	121	0	0	0	0
Current liabilities total (l. 123+127 to 135)	122	24,073,414	0	0	24,803,684
Trade liabilities total (l. 124 to 126)	123	9,625,231	0	0	13,866,073
Trade liabilities towards related accounting units (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124	21,749	0	0	38,528
Trade liabilities concerning investment shares, except liabilities towards related accounting units (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	125	0	0	0	0
Other trade liabilities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	126	9,603,482	0	0	13,827,545
Net order value (316A)	127	0	0	0	0
Other liabilities towards related accounting units (361A, 36XA, 471A, 47XA)	128	0	0	0	0
Other equity liabilities, excluding liabilities to related entities (361A, 36XA, 471A, 47XA)	129	0	0	0	0
Liabilities towards partners and associations (364, 365, 366, 367, 368, 398A, 478A, 479A)	130	0	0	0	0
Liabilities towards employees (331, 333, 33X, 479A)	131	3,584,125	0	0	3,283,174
Social fund payables (336A)	132	4,203,207	0	0	3,026,975
Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	3,739,120	0	0	2,009,027
Liabilities from derivative transaction (373A, 377A)	134	0	0	0	0
Other liabilities (372A, 379A, 474A, 475A, 479A, 47XA)	135	2,921,731	0	0	2,618,435
Current reserves (l.137+138)	136	21,613,012	0	0	19,146,145
Statutory reserves (323A, 451A)	137	12,855,453	0	0	6,857,949
Other reserves (323A, 32X, 459A, 45XA)	138	8,757,559	0	0	12,288,196
Current bank credits (221A, 231, 232, 23X 461A, 46XA)	139	0	0	0	0
Current financial assistance (241, 249, 24X, 473A, /-/255A)	140	0	0	0	0
Accruals and deferrals total (l. 142 to 145)	141	36,702,860	0	0	41,634,360
Non-current accrued expenses (383A)	142	0	0	0	0
Current accrued expenses (383A)	143	43,250	0	0	10,724
Non-current deferred income (384A)	144	33,586,840	0	0	34,101,384
Current deferred income (384A)	145	3,072,770	0	0	7,522,252

Profit and Loss Statement 31.12. 2021

Text	Line	Current Acc. Period	Prev. period in €
Net sales (part of acc. class 6 according to law)	1	231,342,809	189,916,002
Total revenues from economic activities (l. 03 to 09)	2	243,531,390	203,692,271
Revenues from sales of goods (604, 607)	3	61,887	51,114
Revenues from sales of own goods (601)	4	216,746,486	176,324,539
Revenues from sales of services (602, 606)	5	14,534,436	13,540,349
Change in in-house stocks +/- (accounting class 61)	6	-1,295,412	-4,140,981
Capitalization (acc. class 62)	7	2,642,867	4,656,889
Revenues from sales of long-term intangible assets, long-term tangible assets and material (641, 642)	8	203,693	4,761,244
Other revenues from economic activities (644, 645, 646, 648, 655, 657)	9	10,637,433	8,499,117
Total costs of economic activities (l. 11+12+13+14+15+20+21+24+25+26)	10	227,856,103	202,477,631
Costs of procurement of sold goods (504, 507)	11	35,541	32,700
Consumption of material, energy, and other non-storage supplies (501, 502, 503)	12	18,109,244	16,326,435
Adjustments to inventory +/- (505)	13	61,306	0
Services (acc. class 51)	14	92,039,831	89,729,347
Total personal costs (l. 16 to 19)	15	83,896,950	71,580,110
Labor costs (521, 522)	16	55,867,794	48,210,065
Rewards of members of company and cooperative bodies (523)	17	23,600	14,812
Social insurance costs (524, 525, 526)	18	21,308,806	18,879,340
Social costs (527, 528)	19	6,696,750	4,475,893
Taxes and fees (acc. class 53)	20	7,622,110	7,573,690
Depreciation and adjustments to long-term intangible and tangible assets (l. 22+23)	21	20,451,052	20,014,264
Depreciation of long-term intangible and tangible assets (551)	22	20,803,289	20,612,031
Adjustments to long-term intangible and tangible assets (+/-) (553)	23	-352,237	-597,767
Net book value of long-term assets and material sold (541, 542)	24	115,414	932,739
Adjustments to receivables (+/-) (547)	25	128,660	-2,144,622
Other costs of economic activities (543, 544, 545, 546, 548, 549, 555, 557)	26	5,395,995	-1,567,032
Result of economic activities (+/-) (l. 2-10)	27	15,675,287	1,214,640
Added value (l. 3+4+5+6+7) – (l. 11+12+13+14)	28	122,444,342	84,343,428
Total revenues from financial activities (l. 30+31+35+39+42+43+44)	29	67	364
Sales of securities and shares (661)	30	0	0
Revenues from long-term financial assets (l. 32 to 34)	31	0	0
Revenues from securities and shares from related accounting unites (665A)	32	0	0
Revenues from securities and investment shares excluding revenues from related accounting units (665A)	33	0	0
Other revenues from securities and shares (665A)	34	0	0
Revenues from current financial assets (l. 36 to 38)	35	0	0
Revenues from current financial assets excluding revenues from related accounting units (666A)	37	0	0
Other revenues from current financial assets (666A)	38	0	0
Interest on revenues (l. 40+41)	39	0	0

Interest on revenues from related accounting units (662A)	40	0	0
Other interest on revenues (662A)	41	0	0
Exchange rate gain (663)	42	67	10
Revenues from reevaluation of securities and revenues from derivative transactions (664, 667)	43	0	0
Other revenues from financial activities (668)	44	0	354
Total costs of financial activities (l.46+47+48+49+52+53+54)	45	68,077	41062
Securities and shares sold (561)	46	0	0
Costs of current financial assets (566)	47	0	0
Adjustments to financial assets (+/-) (565)	48	0	0
Interest paid (l. 50+51)	49	1	0
Interest paid for related accounting units (562A)	50	0	0
Other interest paid (562A)	51	1	0
Exchange rate losses (563)	52	430	412
Costs of reevaluation of securities and costs derivative transactions (564, 567)	53	0	0
Other costs of financial activities (568, 569)	54	67,646	40,650
Result of financial activities (+/-) (l. 29-45)	55	-68,010	-40,698
Economic result for the accounting period, before tax +/-) (l. 27+55)	56	15,607,277	1,173,942
Income tax (l. 58+59)	57	3,363,618	353,366
Income tax due (591, 595)	58	1,267,523	343
Income tax deferred (+/-) (592)	59	2,096,095	353,023
Transfer of shares on economic result to company partners (+/- 596)	60	0	0
Economic result for the accounting period, after tax (+/-) (l. 56-57-60)	61	12,243,659	820,576



Notes to the financial statements as of 31. December 2021

Annex to Measure No. MF/23377/2014-74 (The notes are prepared in accordance with Annex 1 to Measure No. MF/23377/2014-74. Those parts of the notes that are not related to the state enterprise are not included in the notes.)

A. BASIC INFORMATION

a. Business name and registered office: LESY SR, state enterprise Námestie SNP č.8, 975 66 Banská Bystrica State enterprise LESY SR (hereinafter referred to as “the Company”) was founded on 1. July 1999 and entered in the business register on 29. October 1999 (Business Register of the District Court Banská Bystrica, Section PŠ, Insert No. 155/S).

b. Core business activities as entered in the Business Register:

- Administration of forest property and other property owned by the Slovak Republic
- Establishment, regeneration, cultivation, tending and protection of forest growth in compliance with the Forest Management Plan pursuing the public and community functions
- Timber harvesting in forest growth in compliance with measures of state administration, skidding, handling, and transportation
- Sale of crude wood and other commodities of forest production and associated operations

c. Information to part A letter c) of Annex 3 on the number of employees

Item	Current accounting period	Previous accounting period
Average calculated number of employees	3,316	3,427
Number of employees on the balance sheet up to date, out of which:	3,306	3,343
number of managers	5	5

d. Unlimited liability

The Company is not a company member with unlimited liability in no other accounting entities.

e. Legal Ground for Preparation of the Financial Statements

The Financial Statement of the Company as of 31. December 2021 is drawn up as a proper financial statement according to § 17 section 6 of Act No. 431/2002 Coll. of the National Council of the Slovak Republic on Accounting (hereinafter referred to as “Accounting Act”) for the 1. January 2021 – 31. December 2021 accounting period.

f. Date of approval of the Financial Statements for the Previous Accounting Period

The Ministry of Agricultural and Rural Development of the Slovak Republic approved the Company’s Financial Statements for the previous accounting period on 31. May 2021.

B. COMPANY BODIES

a. Company bodies

General Director	Ing. Tibor Kőszeghy MPH – general director Ing. Dušan Lašák – First Deputy of General Director
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Supervisory board on 31. December 2021

Member	Ing. Peter Zima
Member	Ing. Igor Vizslai
Member	Jozef Minárik
Member	Ing. František Fodor

Supervisory board throughout 2021:

Chairman	Ing. Dr. Ing. Viliam Pichler until 30. September 2021
Member	Ing. Peter Zima
Member	Ing. Igor Vizslai
Member	Jozef Minárik
Member	Ing. František Fodor
Member	Ing. Miroslav Tököly until 30. September 2021
Member	Ing. Ing. Erik Sibal until 30. September 2021
Member	Ing. Adrián Macko until 31. May 2021
Member	Ing. Judr. Jozef Tekeli until 30. September 2021
Member	Ing. Martin Kovalčík until 30. June 2021

b. Information about the founder of the Company

The accounting entity is a state enterprise founded based on the Ministry of Agriculture and Rural Development of the Slovak Republic.

C. CONSOLIDATING ENTITY

The Company has been included in the Summary consolidated financial statements of public administration since 2011.

a) Trade name and registered office of the consolidating entity

Ministry of Finance SR
Štefaničova 5
Bratislava

b) Name and seat of consolidated entity for a group of entities

Ministry of Finance SR
Štefaničova 5
Bratislava

c) Summary consolidated financial statements of public administration will be available at the Ministry of Finance of the Slovak Republic.

D. ACCOUNTING METHODS AND GENERAL ACCOUNTING POLICIES

a. Legal Ground for Preparation of the Financial Statements

The financial statements were prepared in assumption of the continuous operations of the Company. The accounting methods and general accounting policies were consistently applied by the entity. No changes were made to the applied accounting policies and methods, in the year.

b. Intangible and tangible non-current assets

Non-current assets purchased by the Company are valued at the acquisition price, which includes the acquisition price and costs related to the acquisition (customs duties, transport, installation, insurance premiums, etc.).

Non-current assets created by its own activities are valued by the Company at its own production costs. The actual costs of production are all direct costs incurred in the production of non-current assets and production overheads related to the production of assets.

Non-current assets acquired without payment are valued according to the real acquisition cost.

Depreciation of intangible non-current assets is based on the depreciation plan compiled based on the estimated duration of use of the assets. Depreciation starts on the first day of the month following the date the asset was put into use. Low-value non-current intangible assets – software with an acquisition cost (or conversion cost) of € 2,400 or less is written one-off in the services account.

Estimated duration of use, depreciation method, and depreciation rate are described in the table below:

	Estimated period in years	Depreciation method	Yearly depreciation rate in %
Capitalized development costs	5	Straight line	20
Software	5 and 7	Straight line	20 and 14.3
Valuable rights Other intangible fixed assets	5 5 and 10	Straight line Straight line	20 20 and 10

Software is depreciated in straight line during 5 years except the SAP accounting software, the specified duration of use of which is 7 years. Other intangible fixed assets are mainly “Forest Management Plans, i.e., forest care programs”, the duration of use of which is 10 years, and orthophoto maps, the use time of which is 5 years.

Depreciation of intangible fixed assets is based on the depreciation plan compiled based on the estimated duration of use of the assets. Depreciation starts on the first day of the month following the date the asset was put into use. Small tangible fixed assets with an acquisition cost (or production cost) of € 1,700 or less are written off at inventory, there is one-of depreciation on putting into use on the account 501. Its cost records are given in technical accounts in SAP module – Fixed Assets. Estimated duration of use, depreciation method, and depreciation rate are described in the table below:

	Estimated period in years	Depreciation method	Yearly depreciation rate in %
Construction	6 – 77	Straight line	1.3 – 16.7
Machinery and equipment	4 – 12	Straight line	8.3 – 25
Vehicles	4 – 12	Straight line	8.3 – 25
Draught animals and livestock	8	Straight line	12.5

In the event of temporary reduction of the utility value of fixed assets as ascertained at the inventory check, which appears substantially lower than the asset valuation reported in the accounting records after deduction of accumulated depreciation, a value adjustment is created at the level of ascertained utility value. The Company creates value adjustments also for the assets the estimated selling price of which is lower than net book value. When the value of an asset is permanently reduced due its wear and tear, which does not correspond to its book value, an exceptional – unplanned depreciation to adjust its residual book value according to reality is created.

c. Securities and shares

Securities and shares are valued at their acquisition cost, i.e., including costs related to the acquisition.

As of Financial Statements’ date, securities and ownership interests are valued at their acquisition cost less any value adjustments created due to temporary impairment of the securities and ownership interests.

d. Inventory

Purchased inventory is valued at its acquisition cost which consists of the price at which an asset has been acquired plus costs related to the acquisition (customs duty, transport, insurance, provisions, etc.). Interest from external sources is not part of the acquisition price. The Company uses method A for inventory invoicing, while the method of weighted arithmetic mean from the acquisition costs is used for the inventory arrival to the warehouse. The valuation of stock-out inventory is made at the cost used for the valuation of in-stock inventories.

Ancillary acquisition costs are expensed as follows:

Valuation difference = actual consumption x % of the valuation difference, while % of the valuation difference is determined as a ratio of the ancillary costs related to the acquisition of the material inventories to the total volume of the inventories.

The inventories created from own activities are valued at working costs. Working costs are direct costs (direct material, direct wages, and other direct costs) and a part of the indirect costs immediately related to the inventories created from own activities (manufacturing overheads of forest management authorities). The finished products – wood – are valued according to “phase calculation”, which is used for valuating wood in different production phases: stumpage, at transport site and in dispatch store.

In case of temporary reduction in the inventory utility value, a value adjustment is created for such inventories, in the amount of the difference between the accounting valuation and the net realizable value.

e. Valuation of work in progress – young forest plants

The forest plant inventories are valued at own costs, on an individual basis, according to the specific wood species and age. Optimal age of plants good for planting is 4 years. There is a greater risk of mortality when planting plants over 4 years old, which is considered in value adjustment created for plants older than 4 years.

Working costs are direct costs (direct material, direct wages, and other direct costs) and a part of the indirect costs immediately related to the inventories created from own activities (manufacturing overheads of forest management authorities). The costs of collecting seedlings are included in the finished products costs, which are intended for branch plants for artificial reforestation and for sale to external customers.

f. Receivables

Receivables are valued at their origination at nominal value; assigned receivables and receivables acquired through a contribution to the share capital are valued at their acquisition cost, including costs related to the acquisition. Value adjustments are created for any receivables expected to be irrecoverable based on the methodological and organizational directive Creation and application of provisions and value adjustment /Mop E 019/ valid since 1. January 2021.

Where a receivable is more than one year overdue, a value adjustment is created for 100 % of the nominal value of such receivable. The adjustment values are put on analytical accounts to provide a basis for drawing up the tax return and calculating the deferred tax.

g. Prepaid expenses and accrued income

Prepaid expenses and accrued income are reported at the values required to observe the policy of subject matter and time relevance to the accounting period.

h. Own resources

Provisions are liabilities representing an existing obligation which originated from previous events and is likely to reduce future economic benefits; the exact amount of such a liability is not known. Provisions are created to cover known risks or losses from business activities. They are valued at the estimated amount necessary to meet the existing obligation for the date of the Financial Statements.

Silviculture provision is formed based on an annual silviculture project confirmed by a professional forest manager pursuant to Act no. 326/2005 Coll. on forest management and state administration of forestry. When creating the provision, the actual amount of timber harvest compared to the annual balance, which is based on the forest management program (FMP), is decisive. The provision is created in the case of exceeding the annual balance of felling timber, i.e., as multiplication of:

- the actual amount of timber harvest that exceeds the annual balance, calculated as the equivalent of the exposed area that will need to be afforested and treated
- the actual mean costs of the current period for afforestation and treatment of one hectare of the exposed area.

According to the updated Mop E 019 with effect from 01. December 2021, the reserve can be created for the period from the establishment of the stand until the end of the clearing of young forest stands. In 2021, creation was recorded for the planned costs of cultivation activities according to plants where the balance harvesting was exceeded for a period of 1 year (short-term), for a period of 5 years as a long-term reserve and increased reserve for cultivation activities for all branch factories – reforestation, cleaning of areas after mining and purging according to the planned tasks in 2022. At the same time, a provision for forest protection in the amount of € 1,600,000 was created. Reserves for growing activities are created in the total amount of € 20,734,939, compared to 2020 it is € 4,819,595 more.

Provision for retirement pay and employee’s anniversaries is created pursuant to the Act No. 311/2001 as amended and under the obligation assumed under the Collective Agreement, as from 2001 onwards, stipulating that all the current

employees shall be paid retirement benefits and increased retirement benefits which are granted upon the first termination of employment after they have become eligible to receive old-age pension early old-age pension or disability pension, or a remuneration of merit for work done upon the expiry of 25 years of work from the commencement of their first employment, at the 50th birthday and at the first termination of employment after becoming eligible for the old-age pension, early old-age pension or disability pension. The remuneration was considered for the staff employed, as of 31. December 2021.

The wage-earning pensioners were under consideration for the retirement benefits at the time of their retirement only if they attained the age of retirement after the date of their employment. Under the Collective Agreement they are entitled to retirement benefits amounting to the average monthly earnings at the termination of employment on considering the average earnings received at the time of termination of employment. The remunerations granted at the old-age retirement and at the life or work anniversaries did not apply to the employees who satisfied the requirements for the entitlement to a specific benefit by the end of 2021. When creating this reserve, it applied the procedure that the reserve is created only for employees who have worked for the Company for more than 10 years.

The provision for severance pays and anniversaries is calculated by an insurance mathematician. The provision, as of 31. December 2021 includes future contributions pursuant to the legislative amendment valid from 1. January 2011. According to the collective agreement in force in 2022, the calculation of the jubilee reserve was subject to a fixed amount of € 1,300, of which Remuneration is derived according to the type of remuneration and the duration of employment in the Company. In the calculation of the severance pay, which is increased by 4 months' average earnings in 2017 compared to 2016 and the duration of the employment relationship changed for the benefit of the employees, the change in the severance pay was applied. Severance pays of 5 monthly average earnings will not be funded from the costs from 2017 onwards, but from a reward fund that is made up of earnings after tax.

i. Liabilities

Liabilities are valued at their nominal value. Liabilities are valued at their acquisition cost at the time of their assumption. If inventory procedures reveal that the actual amount of liabilities differs from the amount recorded in the accounting books, the actual amount shall be used to value these liabilities in the accounting books and financial statements.

j. Deferred income tax

Deferred income tax relates to the following:

- a) temporary differences between the carrying value of assets and the carrying value of liabilities presented in the balance sheet and their tax base;
- b) tax losses which are possible to carry forward to future periods, being understood as the possibility of deducting these tax losses from the tax base in the future;
- c) unused tax deductions and other tax claims, which are possible to carry forward to future periods.

Before 31. December 2002 deferred tax only referred to temporary differences between the book and tax write-offs.

Deferred tax receivable and deferred tax payables were, as of 1. January 2003 recalculated using new procedures of accounting. The part of the deferred tax resulting from the use of the new procedures was reported under Account 428 Retained earnings from previous years or 429 Accumulated losses from previous years. In 2021, there were no extraordinary effects on deferred tax calculation

k. Prepaid expenses and accrued income

Accrued expenses and deferred income are presented at the amounts required to observe the policy of subject-matter and time relevance to the accounting period.

l. Foreign currency

Assets and liabilities denominated in foreign currency are converted to Euro by the exchange rate declared by the European Central Bank valid as of the date of the accounting transaction and in financial statements valid as of the financial statement date. The incurred exchange differences are recorded with an impact on profit or loss as realized and unrealized exchange differences.

m. Revenue

Revenues from own work and merchandise do not include value added tax. They are also reduced by discounts and reductions (quick payment discounts, bonuses, rebates, and credit notes etc.). Revenues are entered as of the date of deliverables (goods or services).

Revenues are divided according to individual services (commodities). Revenues from timber sold by the Company as products make up the bulk of the revenues. The timber is sold based on quality classes of hardwood and coniferous mass. Revenues from timber logging on the land of unknown owners are reported under the accruals and deferrals as deferred income. Unless the unknown owner asserts their rights in three years, these items are reported under revenues because the rights become statute barred. Where the unknown owner asserts their rights and proves their title to the forest land, the Company must return the land concerned and make compensation for the "deferred profit from management" for 3 previous years. The Company concludes land rental agreements with the owners, who are associated in a land community and are not interested to manage land on individual.

n. Subsidies

Revenues from state budget subsidies intended for the acquisition of fixed assets and technical appreciation are reported during the write-off period for the acquired fixed assets observing the subject-matter and time relevance to the write-offs reported under the operating costs.

Revenues from state budget subsidies intended for economic activity are reported to observe the subject-matter and time relevance to the reported costs spent for the specific purpose, for which the subsidy was granted.

E. DATA ON THE ASSET SIDE OF THE BALANCE SHEET

a. Intangible and tangible fixed assets

Information on the movement of intangible and tangible fixed assets from 1. January 2021 until 31. December 2021 is shown in the table below.

No lien on tangible assets was filed.

From 15th February 2013 until 31st December 2021, the Company has insured all property except soil, forest stands, intangible property, and passenger cars with license numbers (passenger cars have mandatory and collision insurance). In 2021, the value of the insured property at acquisition prices was € 527,871,722. The amount of the annual premium, in the case of damages caused by theft, natural disaster and damage resulting from liability for damage caused by other entities, amounts to € 626,167 in 2021, and total premiums, including motor insurance, amount to € 882,200.

The company also records and uses intangible assets in which the proprietary right from the land registry or other document has not been registered in the real estate registry or is registered for the benefit of the SR in the registry of the E registry of the real estate registry. The total amount of such assets – land is € 49,295,864 and construction in the amount of net book value € 360,617. The Company keeps no accounting records of forest stands. According to the Act on Forests, the reconstruction of forest economic plans is performed annually on 10% of the forest land managed by the Company, and the area of the land, its value and the value of the forest stands in the "Land" system are specified during this reconstruction.

"Land" As part of this PSL, the value of forest stands is determined by the expert institute of NLC Zvolen, established by the Government Order of the Czechoslovak Republic No. 2 of 22. February 1956 according to the methodology according to Decree no. 492/2004 Coll. on the determination of the general value of the assets in electronic form. As of 31. December 2021, the total value of the forest stands of the Company amounted to € 3,930,915,755. The book value of forest stands was entered in the of-balance sheet accounts for the first time in 2010.



1. Information to part E letter a) on non-current intangible assets

Table 1

Non-current intangible assets	Current Acc. Period							Total
	Capitalized development costs	Software	Valuable rights	Goodwill	Other NCIA	Acquired NCIA	Advance payments received for NCIA	
a	b	c	d	e	f	g	h	i
Primary valuation								
Balance at beginning of acc. period	11,693	19,717,967	226,420		4,531,880	2,852,728		27,340,688
Increase		79,109			4,821	1,150,321		1,234,251
Decrease		19,887			1,484,225	83,930		1,588,042
Transfers								
Balance at end of acc. period	11,693	19,777,189	226,420		3,052,476	3,919,119		26,986,897
Balance at beginning of acc. period	11,693	16,286,818	209,431		3,216,686			19,724,628
Increase		2,422,281	5,074		256,556			2,683,911
Decrease		19,887			1,484,225			1,504,112
Balance at end of acc. period	11,693	18,689,212	214,505		1,989,017			20,904,427
Balance at beginning of acc. period								
Increase								
Decrease								
Balance at end of acc. period								
Balance at beginning of acc. period	0	3,431,149	287,995		1,315,194	2,852,728		7,616,060
Balance at end of acc. period		1,087,977	11,915		1,063,459	3,919,119		6,082,470

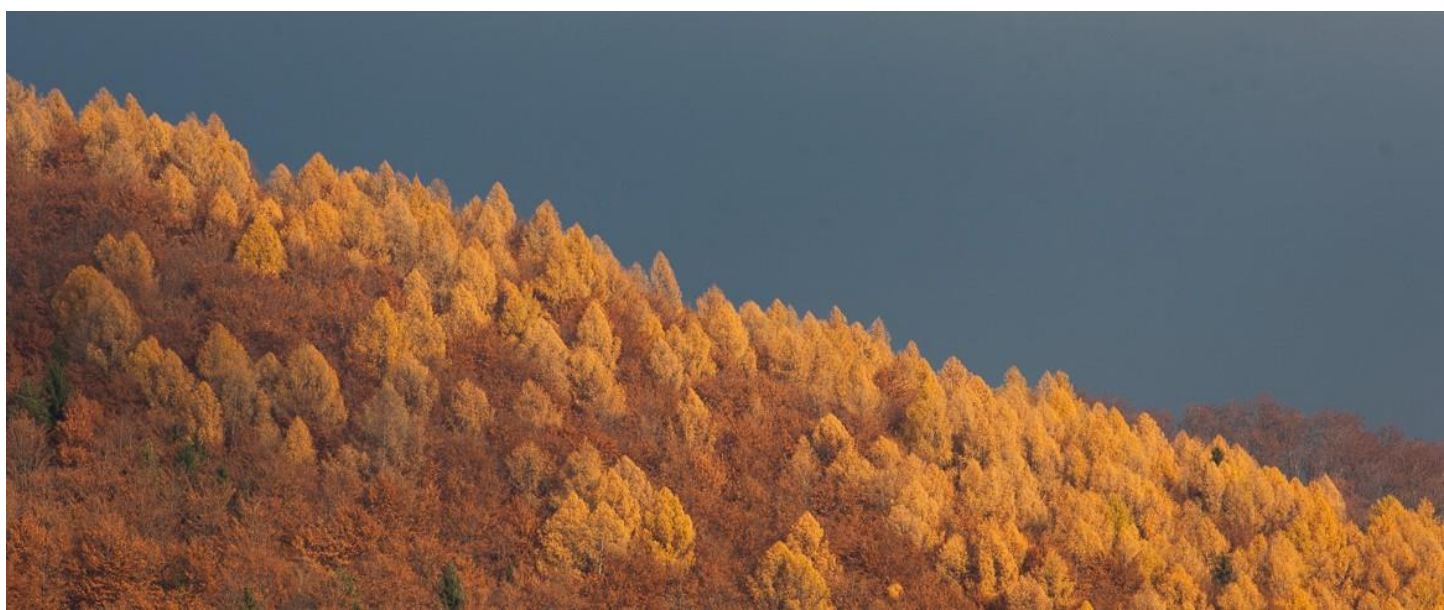


Table 2

Non-current intangible assets	Previous accounting period						Advance payments received for NCIA	Total
	Capitalized development costs	Software	Valuable rights	Goodwill	Other NCIA	Acquired NCIA		
a	b	c	d	e	f	g	h	i
Balance at beginning of acc. period	11,693	19,416,344	221,420		4,686,465	559,898		24,895,820
Increase	0	310,421	5,000		189,187	2,792,438		3,297,046
Decrease	0	8,798	0		343,772	499,608		852,178
Transfers	0	0	0		0	0		0
Balance at end of acc. period	11,693	19,717,967	226,420		4,531,880	2,852,728		27,340,688
Balance at beginning of acc. period	11,693	13,673,042	204,690		3,272,463			17,161,888
Increase	0	2,622,574	4,741		287,995			2,915,310
Decrease	0	8,798			343,772			352,570
Balance at end of acc. period	11,693	16,286,818	209,431		3,216,686			19,724,628
Balance at beginning of acc. period								
Increase								
Decrease								
Balance at end of acc. period								
Balance at beginning of acc.	0	5,743,302	16,730		1,414,002	559,898		7,733,932

Information under Art. III (1), para. C) non-current intangible assets

Intangible fixed assets	Current accounting period
Non-current intangible assets with lien	0
Non-current intangible assets with limited usage rights	0



2. Information to part E letter a) on non-current tangible assets

Table 1

Non-current tangible assets	Current Acc. Period								Total
	Land	Construction	Individual movables and sets of movables	Planting units of permanent crops	Livestock and draft animals	Other NCTA	Acquired NCTA	Advance payments received for NCTA	
a	b	c	d	e	f	g	h	i	j
Primary valuation									
Balance at beginning of acc. Period	524,755,790	449,988,294	146,797,347	88,753	150,130	411,852	14,125,700		1,136,317,866
Increase	1,648,382	5,344,874	4,989,894	8,974	6,000	9,700	9,082,980		21,090,804
Decrease	1,592,818	215,995	5,248,538		13,448		10,434,310		17,505,109
Transfers									
Balance at end of acc. period	524,811,354	455,117,173	146,538,703	97,727	142,682	421,552	12,774,370		1,139,906,561
Value adjustments									
Balance at beginning of acc. Period		219,423,498	105,703,545	53,039	91,123				325,271,205
Increase		8,046,832	10,059,356	2,934	12,912				18,122,034
Decrease		210,593	5,243,637		13,448				5,467,678
Balance at end of acc. period		227,259,737	110,519,264	55,973	90,587				337,925,561
Value adjustment									
Balance at beginning of acc. period	0	4,132,569	249,788				300,093		4,682,450
Increase		172,489					28,050		200,539
Decrease		356,264	141,573				54,939		552,776
Balance at end of acc. period		3,948,794	108,215				273,204		4,330,213
Residual Value									
Balance at beginning of acc. period	524,755,790	226,432,227	40,844,014	35,714	59,007	411,852	13,825,607		806,364,211
Balance at end of acc. period	524,811,354	223,908,642	35,911,224	41,754	52,095	421,552	12,501,166		797,647,787

Table 2

Non-current tangible assets	Previous accounting period								Total
	Land	Construction	Individual movables and sets of movables	Planting units of permanent crops	Livestock and draft animals	Other NCTA	Acquired NCTA	Advance payments received for NCTA	
A	B	c	d	e	f	g	h	i	j
Primary valuation									
Balance at beginning of acc. period	524,041 151	442,809 813	142,474 631	88,753	144,603	411,852	17,399 387		1,127,370 190
Increase	3,328,011	8,684,673	7,634,715	0	14,000	0	12,918 045		32,579 444
Decrease	2,613,372	1,506,192	3,311,999	0	8,473	0	16,191 732		23,631 768
Transfers									
Balance at end of acc. period	524,755 790	449,988 294	146,797 347	88,753	150,130	411,852	14,125 700		1,136,317 866
Value adjustments									
Balance at beginning of acc. period		212,534 808	98,908 442	50,025	88,176				311,581 451
Increase		8,385,368	10,004 460	3,014	11,420				18,404 262
Decrease		1,496,678	3,209,357	0	8,473				4,714,508
Balance at end of acc. period		219,423 498	105,703 545	53,039	91,123				325,271 205
Value adjustment									
Balance at beginning of acc. period	37,204	4,698,184	304,849				239,981		5,280,218
Increase	0	4,978	100,000				153,039		258,017
Decrease	37,204	570,593	155,061				92,927		855,785
Balance at end of acc. period	0	4,132,569	249,788				300,093		4,682,450
Residual Value									
Balance at beginning of acc. period	524,003 947	225,576 821	43,261 340	38,728	56,427	411,852	17,159 406		810,508 521
Balance at end of acc. period	524,755 790	226,432 227	40,844 014	35,714	59,007	411,852	13,825 607		806,364 211

3. Information under Art. III (1), para. C) non-current tangible assets

Non-current tangible assets	Current accounting period
Non-current tangible assets with lien	0
Non-current tangible assets with limited usage rights	0

b. Non-Current Financial Assets

Information on the movement of intangible and tangible fixed assets from 1st January 2021 until 31st December 2021 is shown in the table below. The balance and movements of financial assets are given at acquisition cost.

4. Information under Art. III (1) on non-current financial assets

Table 1

Non-Current Financial Assets	Current Acc. Period								
	Securities and shares in subsidiary	Securities and shares in company with influence	Securities and shares in subsidiary	Loans of accounting unit in total	Other NCFA	Loans due within 1 year	Acquired NCFA	Advances granted for NCFA	Total
A	b	c	d	e	f	g	h	i	j
Primary valuation									
Balance at beg. of acc. period			14,693						14,693
Increase									
Decrease									
Transfers									
Balance at end of acc. period			14,693						14,693
Value adjustment									
Balance at beg. of acc. period			14,693						14,693
Increase									
Decrease									
Balance at end of acc. period			14,693						14,693
Book value									
Balance at beginning of acc. period			0						0
Balance at end of acc. period			0						0



Table 2

Previous accounting period									
Non-Current Financial Assets	Securities and shares in subsidiary	Securities and shares in company with influence	Other realizable securities and shares	Loans of accounting unit in total	Other NCFA	Loans due within 1 year	Acquired NCFA	Advances granted for NCFA	Total
a	b	c	d	e	f	g	h	i	j
Primary valuation									
Balance at beg. of acc. period			14,693						14,693
Increase									
Decrease									
Transfers									
Balance at end of acc. period			14,693						14,693
Value adjustment									
Balance at beg. of acc. period			14,693						14,693
Increase									
Decrease									
Balance at end of acc. period			14,693						14,693
Book value									
Balance at beg. of acc. period									
Balance at end of acc. period			0						0

5. Information under Art. III (1), para. F) on the structure of non-current financial assets

Current Acc. Period					
Business name and registered office of company where accounting unit holds NCFA	Equity shares in %	Rights in %	Value equity of company where accounting unit holds NCFA	Economic result of company where accounting unit holds NCFA	Book value of NCFA
a	b	c	d	e	f
Subsidiaries					
Accounting units with essential influence					
Other realizable securities and shares					
Bažantnica Mladý Háj	5.17	5.17	14,693		0
Červeňova 30					0
811 03 Bratislava					0
Acquired NCFA to exercise essential influence in another accounting unit					
Total non-current financial assets	x	x	x	x	0

c. Inventory

A value adjustment of inventories was considered by creating a provision. The value of inventory decreased mainly for timber products, due to the unfavorable mix of timber inventories at dispatch warehouses and collection points because of the processing of calamity timber compared to its book value at the valuation of the timber phase prices at the level of the actual production costs. In the case of work in progress, a provision is created for planting material – seedlings in forest nurseries due to the expected surplus of seedlings and in animals for horse breeding, for which the realization price is lower than the valuation in accounting.

The company granted no lien on inventory to third persons.

6. Information under Art. III para. M) about provisions in inventory

Table 1

Inventory	Current Acc. Period				
	Provision status at the beginning of the accounting period	Provision creation	Provision settlement due to expiry of the validity	Provision settlement due to decommissioning of assets	Provision status at the end of the accounting period
a	b	c	d	e	f
Material		61,306			61,306
Merchandise					
Work in progress and semi-finished products	192,107	1,500,180	192,107		1,500,180
Products	1,650,823	1,158,365	1,650,823		1,158,365
Livestock	148,347	71,251	148,347		71,251
Inventory total	1,991,277	2,791,102	1,991,277		2,791,102

d. Receivables

7. Information under Art. III (1), para. P) about the development of provisions in receivables

The development in the provisions during the accounting period are presented in the table below:

Receivables	Current Acc. Period				
	Receivables status at the beginning of the accounting period	Provision creation	Provision settlement due to expiry of the validity	Provision settlement due to decommissioning of assets	Provision status at the end of the accounting period
a	b	c	d	e	F
Trade receivables	2,241,900	1,336,908	1,106,196	102,052	2,370,560
Other receivables					
Total receivables	2,241,900	1,336,908	1,106,196	102,052	2,370,560

8. Information under Art. III, par. (1), q) about age structure of receivables

Table 1

Item	Due	Overdue	Total receivables
a	b	c	d
Non-current receivables			
Trade receivables			
Other receivables			
Total non-current receivables			
Current receivables			
Trade receivables	22,891,861	2,614,854	25,506,714
Receivables from partners			
Tax receivables and subsidies	269,249		269,249
Other receivables	239,040	78,337	317,377
Total current receivables	23,400,150	2,693,191	26,093,340

Table 2

Receivables by residual maturity	Current Acc. Period	Previous accounting period
a	b	c
Receivables overdue	2,693,191	2,621,982
Receivables with residual maturity of up to one year	23,400,150	25,439,016
Total current receivables	26,093,340	28,060,998
Receivables with residual maturity of one to five years		
Receivables with residual maturity of more than five years		
Total non-current receivables		

Note: Receivables within the consolidated entity amount to € 258,845. That includes trade receivables of € 3,559 and receivables on account 346 – Subsidies from the State Budget are € 255,286 for implemented investment projects, the financing of which is established in contracts with Agricultural Paying Agency under the Ministry of Agriculture and Rural Development of SR and the payment of which is expected in 2022. The amount also includes the expected income from subsidies for agricultural activity in the amount of € 255,784.

e. Financial accounts

Cash on hand, bank accounts and securities are presented in financial accounts. The bank accounts are at the Company's full disposal in the bank VÚB a.s.

9. Information under Art. III par. (1), t) about current financial assets

Table 1

Item	Current Acc. Period	Previous accounting period
Cash desk, valuables	166,136	121,695
Current bank accounts	20,165,937	13,481,064
Term bank accounts	13,000,000	
Cash in transit	-638	-1,595
Total	33,331,435	13,601,164

f. Accruals

The individual accrual items are listed in the following table:

10. Information under Art. III, par. (1), y) significant accruals on the assets side

Description of the accrual item	Current Acc. Period	Previous accounting period
Deferred costs long-term, of which:		
Deferred expenses short-term, of which:	750,117	881,371
Insurance	369,822	425,612
Software licenses	241,128	295,345
Telephones, energies	23,536	24,755
Software – services	68,135	79,822
Magazine subscriptions	8,606	10,211
Comprehensive prepaid expenses – menageries		6,388
Other	38,890	39,238
Deferred income, non-current, of which:		
Deferred income, current, of which:	1,571,540	168,582
Rent	15,000	15,301
Compensation for operating restrictions	1,391,494	
Other	165,046	153,281

F. DATA ON THE ASSET SIDE OF THE BALANCE SHEET

a. Equity

Information under Art. III, par. (2), a) on the distribution of accounting profit or on the settlement of accounting loss. The distribution of the 2021 profit of €12,243,659 is shown in the table below.

Table 1

Item	Current Acc. Period
Accounting profit	12,243,659
Distribution of accounting profit	
Allocation to the legal reserve fund	612,183
Allocation to statutory and other funds	3,906,476
Allocation to social fund	2,725,000
Allocation to fixed assets increase	5,000,000
Compensation of loss from previous periods	
Transfer to undivided profit of previous years	
Division of share in profit to partners, members	
Other – income tax to promoter	
Total	12,243,659

Table 2

Item	Previous accounting period
Accounting profit	820,576
Distribution of accounting profit	
Allocation to the legal reserve fund	41,046
Allocation to statutory and other funds	579,530
Allocation to social fund	200,000
Allocation to fixed assets increase	
Compensation of loss from previous periods	
Transfer to undivided profit of previous years	
Division of share in profit to partners, members	
Other – income tax to promoter	
Total	820,576

b. Provisions

The provision for silvicultural activities is formed based on the annual project of silvicultural activities confirmed by the expert forester according to Act No. 326/2005 Coll. on forest management and state administration of forestry. The actual amount of timber harvested compared to the annual balance, which is based on the reforestation program (RF), is decisive for the creation of the provision. The provision is formed in case of exceeding the annual balance of timber harvesting as a product of:

- the volume of timber harvested more than the annual balance, converted into the equivalent of the exposed area that will need to be reforested and treated; and
- the actual mean costs of the current period for afforestation and treatment of one hectare of the exposed area.

The provision can only be formed for a maximum period until the clearing of young forest stands has been carried out. In 2021, the creation of a provision for the planned costs of cultivation activities was recorded according to plants where the balance production was exceeded for a period of 1 year (short-term) and for a period of 5 years as a long-term reserve with the balance of € 8,769,939. The total balance of the created and not yet used short-term and long-term reserve as of 31. December 2021 amounts to € 19,134,939, which represents a year-on-year increase of € 3,219,595. At the same time, a provision for forest protection in the amount of € 1,600,000 was created, which will be drawn in 2022 to BF. A total of €20,734,939 is made up of all types of provisions for cultivation activities, an increase of €4,819,595 compared to 2020.

Retirement pays: The Company has obligations towards the employees due to their retirement based on the Collective Agreement and Labor Code. The retirement pay is calculated using the principles of insurance mathematics applying a discount rate of 0.90 % and earnings growth annual index of 18 %.

The employees are entitled to:

- severance pay – upon the first termination of employment after they have become eligible to receive old-age pension or disability pension in the amount of average monthly earnings;
- increased severance pays – if after becoming eligible to the old-age pension they terminate the contract by the end of the month in which they were entitled to the pension, according to the duration of the employment relationship with the employer:
 - more than 5 years up to 10 years – six times their average earnings;
 - more than 10 years up to 20 years – seven times their average earnings;
 - more than 20 years – eight times their average earnings.

Severance pay is paid out of expenses, but starting in 2017, the increased severance pay of five times the employee's average earnings is paid out of the remuneration fund, which is made up of distributions of after-tax profits. In making this provision, the practice has been followed of making provision only for employees who have more than 10 years of service with the Company.

The provisions are expected to be used as follows:

Short-term provisions will be used during the following year. Long-term provisions will be used by weighted average until 2066.

Information under Art. III par. (2), b) about provisions

The overview of provisions is presented in the table below.

Table 1

Item	Current Acc. Period				Balance at end of acc. period
	Balance at beginning of acc. period	Creation	Usage	Reversal	
a	b	c	d	e	f
Long-term provisions, out of which:	22,270,571	3,375,409	2,138,506	3,338,713	20,168,761
Silviculture provision	9,882,545	1,547,877	2,078,391	582,092	8,769,939
Provision for severance pay	6,440,920	544,622		200,000	6,785,542
Passive trials	3,346,379	122,383	51,045	2,132,714	1,285,003
Provision for fines and penalties	0	30,000			30,000
Provision for environmental loads	0	1,059,668	3,254		1,056,414
Rent	2,600,727	70,859	5,816	423,907	2,241,863
Short-term provisions, out of which:	19,146,145	18,910,198	16,698,091	1,345,240	21,613,012
Silviculture provision	5,009,799	10,365,000	4,949,987	59,812	10,365,000
Provision for forest protection	1,023,000	1,600,000	826,397	196,603	1,600,000
Unbilled supplies	72,144	29,750	50,442	12,567	38,885
Severance	8,382	960,050	8,382		960,050
Leave	1,359,902	1,845,508	1,359,902		1,845,508
Employee bonuses	3,188,114	2,115,923	3,188,144		2,115,923
Insurance – leave	488,249	644,944	488,249		644,944
Insurance – bonuses	1,739,855	972,140	1,739,855		972,140
Provisions – extra wage	1,500,000		1,500,000		0
Annual financial statement	26,850	47,050	26,850		47,050
Other provisions	46,464	118,237	2,021	11,198	151,482
Provision for production losses and risks	2,832,541	245,051	1,736,904	681,972	658,716
Fines and penalties	35,000		33,000	2,000	0
Credit notes	561	1,309	561		1,309
Provision for severance pay and jubilees	429,062	692,220	429,062		692,220
Provision for building demolition	739,231	646,652	274,306	185,254	926,323
Rent	108,495	126,276	69,051	32,919	132,801
Passive trials	538,496	100,088	15,008	162,915	460,661

Table 2

Item	Previous accounting period				Balance at end of acc. period
	Balance at beginning of acc. period	Creation	Usage	Reversal	
a	b	c	d	e	f
Long-term provisions, out of which:	23,872,115	2,428,991	1,973,370	2,057,165	22,270,571
Silviculture provision	11,572,508	1,227,116	1,906,016	1,011,063	9,882,545
Provision for severance pay	6,323,432	117,488			6,440,920
Passive trials	4,246,831	204,350	58,700	1,046,102	3,346,379
Provision for fines and penalties	0				0
Provision for environmental loads	0				0
Rent	1,729,344	880,037	8,654		2,600,727
Short-term provisions, out of which:	17,275,114	18,390,860	14,372,211	2,147,618	19,146,145
Silviculture provision	5,906,778	5,009,799	5,205,593	701,185	5,009,799
Provision for forest protection	3,220,000	1,023,000	2,391,637	828,363	1,023,000
Unbilled supplies	32,851	72,144	19,243	13,608	72,144
Severance	0	8,382			8,382
Leave	1,524,159	1,359,902	1,524,159		1,359,902
Employee bonuses	2,362,659	3,179,954	2,354,499		3,188,114
Insurance – leave	541,566	475,515	528,832		488,249
Insurance – bonuses	990,239	1,736,983	987,367		1,739,855
Fines and penalties	0	1,500,000			1,500,000
Annual financial statement	18,050	26,850	18,050		26,850
Other provisions	40,600	57,714	4,960	46,890	46,464
Provision for production losses and risks	325,494	2,820,589	132,082	181,460	2,832,541
Fines and penalties	127,658	33,000	109,638	16,020	35,000
Credit notes	0	561			561
Provision for severance pay and jubilees	610,293	429,062	610,293		429,062
Provision for building demolition	264,191	502,540	20,513	6,987	739,231
Rent	740,100	108,495	428,304	311,796	108,495
Passive trials	570,476	46,370	37,041	41,309	538,496

c. Liabilities

The structure of liabilities (excluding bank loans) by residual maturity is presented in the following table:

Information under Art. III (2), para. C) about liabilities

Item	Current Acc. Period	Previous accounting period
Overdue liabilities	97,477	241,434
Liabilities with a residual maturity of up to 1 year (including)	23,975,937	24,562,250
Total current liabilities	24,073,414	24,803,684
Liabilities with remaining maturity of one to five years	481,275	367,435
Liabilities with remaining maturity over five years	17,751,923	15,655,828
Total non-current liabilities	18,233,198	16,023,263

Note: Liabilities within consolidated entity are € 21,749, of which € 21,749 from trade.

d. Deferred tax liability

The calculation of the deferred tax liability is shown in the following table:

Information under Art. III par. (2), f) about deferred tax receivable and deferred tax liability

Item	Current Acc. Period	Previous accounting period
Temporary differences between the carrying amount of assets and the tax base, of which:	105,115,425	100,024,062
Deductible	8,162,159	7,532,711
Taxable	113,277,584	107,556,773
Temporary differences between book value of assets and tax base, out of which:	20,448,248	25,271,188
Deductible	20,448,248	25,271,188
Taxable		
Possible redemption of tax loss in future	134,208	201,312
Possible transfer of unused tax allowances		
Income tax rate (in %)	21	21
Deferred tax receivable	6,036,369	6,931,094
Claimed tax receivable	6,036,369	6,931,094
Accounted for as a reduction in costs	- 894,725	277,013
Accounted to equity		
Deferred tax liability	23,788,292	22,586,922
Change in deferred tax liability	1,201,370	76,010
Accounted for as an expense	1,201,370	76,010
Accounted to equity		

e. Social fund

The formation and drawing of the social fund during the financial year are shown in the table below:

Information under Art. III, par. (2), (g) on social fund commitments

Item	Current Acc. Period	Previous accounting period
Opening balance of social fund	354,892	377,556
Creation of social fund at the expense of costs	910,730	741,818
Creation of a social fund from profit	200,000	200,000
Other creation of social fund		
Total creation of social fund	1,110,730	941,818
Drawing of social fund	996,890	964,482
Closing balance of social fund	468,732	354,892

f. Bank loans

In 2021, the Company did not draw a bank loan.

g. Accruals on the liabilities side

The structure of the accruals is shown in the following table:

Information under Art. III, par. (2), (j) significant accruals on the liabilities side

Item	Current Acc. Period	Previous accounting period
Non-current accrued expenses, out of which:		
Current accrued expenses, out of which:	43,250	10,724
Rent	43,250	10,724
Non-current deferred income, out of which:	33,586,840	34,101,384
Investment subsidies from the state budget	8,622,681	8,478,375
Income from logging in non-state non-transferred forests	2,560,971	1,767,636
Investment subsidies – Euro funds	19,712,311	21,237,758
Other – newly identified property, easement	2,690,877	2,617,616
Current deferred income, out of which:	3,072,770	7,522,252
Investment subsidies	2,069,421	5,970,412
Rent and others	1,003,349	1,551,840

G. REVENUE

a. Revenue from own work and merchandise

Revenue from own work and merchandise according to the individual segments, i.e., types of products and services, is presented in the table below:

Information under Art. IV, par. (1) a) about own revenues

Sales area	Current Acc. Period	Previous accounting period
a	b	c
Timber	211,811,706	171,828,214
Other revenue from felling	2,209,409	2,465,789
Seed production and nurseries	1,654,785	1,251,626
Game management	4,178,883	3,755,549
Low-value Forest production	89,778	74,850
Sale of building materials	1,555	2,554
Wood related production	533	300
Engineering production	23,444	6,189
Other related production and carpentry production	420,114	303,670
Plant production	225,164	117,970
Animal production	161,534	135,808
Services and work for foreigners and property rentals	9,293,269	8,749,576
Other revenues from business activities	201,345	161,736
Housing management	621,558	626,101
Recreational facilities	166,368	177,673
Accommodation services for hunters	230,143	201,492
Other revenues from non-production activities	53,221	56,905
Total	231,342,809	189,916,002

b. Changes in inventory

When accounting for changes in inventory in the case of accounting for shortages and damages on stock of own production, the Company proceeds in such a way that the change in stock levels accounted for in revenue is the same as the loss of stock in the balance sheet. The company uses 2-way billing (account 549 against 123* and 61* against 621 *). This accounting is adapted to the calculation needs due to the large number of production activities. In 2021, the amount of €42,959 was booked to the account of shortages and damage to stocks of own production. When a value is adjusted to net realization value – when creating and using value adjustments, the procedure is in accordance with accounting procedures. That means this creates differences between the change in inventory status on inventory accounts and income on accounts 611-614.

The change in inventory of own production based on the balance sheet items is shown in the following table:

Information under Art. IV, par. (1) b) about changes in internal inventory

Item	Current Acc. Period		Previous accounting period		Change in internal organizational stocks	
	Final balance	Final balance	Initial balance	Current Acc. Period	Previous accounting period	
a	b	c	d	e	f	
Incomplete production and semi-finished products of own production	10,127,054	9,934,850	10,198,411	192,204	-263,561	
Products	13,150,284	13,835,318	18,986,849	-685,034	-5,151,531	
Livestock	439,017	475,179	537,149	-36,162	-61,970	
Total	23,716,355	24,245,347	29,722,409	-528,992	- 5,477,062	
Representative gifts	x	x	x			
Value adjustment to NRV	x	x	x	-738,520	1,336,531	
Other	x	x	x	-27,900	450	
Change in the status of intra-organizational stocks in the profit and loss statement	x	x	x	-1,295,412	-4,140,981	

The amount "other" considers the effect of accounting for the purchase of beehives on account 124 – Livestock, which was not accounted for against the change in status of Livestock, but against the account of procurement of supplies.

c. Activation and other income from economic activity

Information under Art. IV, par. (1), c) and d) in the activation of costs and on income from economic activity and financial activity

Item	Current Acc. Period	Previous accounting period
Significant items of capitalized costs, out of which:	2,642,867	4,656,889
Non-current tangible assets created by own activity	2,238,734	4,411,585
Capitalization of material and merchandise	367,154	187,065
Other capitalization – services	11,085	26,474
Capitalization of own transport for inventory procurement	25,894	31,765
Other significant items of operating income, out of which:	10,637,433	8,499,117
Revenue from operational subsidies	658,333	1,626,284
Revenue from operating and investment contributions from Euro funds	5,302,861	5,155,000
Dissolution of investment subsidies into revenues in the amount of depreciation	563,222	563,183
Compensation for defects and damages	390,924	208,887
Received fines and penalties	184,233	134,376

Reimbursements for exhalates and restriction of management	1,586,867	40,744
Revenues from the exchange of forest stands, including the profit from the exchange	0	63,372
Revenues from horses, bison, projects of the Company	890,130	
Revenue from written-off receivables	12,335	5,669
Other operating revenue (various cost reimbursements)	964,554	568,434
Newly discovered property – depreciation	45,865	37,677
Compensation for damages from natural disasters	38,109	95,491
Complex costs of the future period		
Financial revenue, out of which:	67	364
Exchange rate gains, of which:	67	9
exchange rate gains as of the date on which the financial statements are drawn up		
Other significant items of financial income, of which:		354
Received bank interest		0

Information under Art. IV, par. (4) about net turnover

Item	Current Acc. Period	Previous accounting period
Revenues from own products	216,746,486	176,324,539
Revenues from the sale of services	14,534,436	13,540,349
Revenues from merchandise	61,887	51,114
Revenues from contracts		
Revenues from sales of real estate		
Other revenues related to ordinary activities		
Total net turnover	231,342,809	189,916,002

The breakdown of net turnover according to the types of products, merchandise and main sales areas is shown in the table on pages 20 and 21 of "Information under Art. IV, par. (1), a) on revenues from own services".

H. COSTS

Information under Art. IV, par. (1), e, g, h, i) on costs

Item	Current Acc. Period	Previous accounting period
Costs of provided services, out of which:	92,039,831	89,729,347
Costs towards the auditor/auditing company, out of which:	65,550	69,850
verification of individual financial statements	65,550	69,850
other non-auditing services		
Other significant items of costs for provided services, of which:	91,974,281	89,659,497
Transport	4,322,869	4,299,152
including the transport of wood to the dispatch warehouse	3,415,705	3,591,480
Cost of bringing the timber closer	115,841	134,428
Other services (account 518006,19,20,22,23,24) total	75,145,228	69,592,330
of which for cultivation	13,601,907	12,332,595
of which for logging – complex timber production at the transport site	53,388,729	48,616,318

of which for other logging activities	1,905,569	1,532,263
of which for seed production, nursery, small forest production	621,037	995,950
of which for other production activities	2,999,921	3,225,964
of which for overheads	2,628,064	2,889,240
Services covered by the Euro funds	261,139	115,906
Rent	3,906,108	4,144,977
Telecommunications and postal services	790,758	795,703
Cost of software updates and maintenance	1,209,526	1,211,534
Repair and maintenance costs	3,948,942	6,702,344
Property settlement costs /real estate and land/	52,571	51,648
OA operative rent	588,256	589,295
Legal services	310,016	437,833
Travel reimbursements	216,254	210,608
Recreational stays	36,974	39,340
Provision for rent	-334,564	246,870
Toll costs	143,949	129,142
Other services – miscellaneous	1,259,414	958,327
Personal costs	83,896,950	71,580,110
of which salary costs	55,867,794	48,210,065
of which remuneration to members of the Supervisory Board	23,600	14,812
of which social insurance costs	14,646,124	12,106,555
of which health insurance costs	5,924,640	4,957,583
of which social security costs	6,696,750	4,475,893
of which statutory social costs	738,042	1,815,202
Other significant items of expenses from economic activity, of which:	5,395,995	-1,567,032
Creation of provision for cultivation, forest protection and cleaning	13,512,877	7,259,915
Cancellation of the provision for cultivation and forest protection	-8,693,283	-12,043,857
Creation of other provisions from operations	316,576	282,899
Cancellation of other provisions from operations	-2,361,863	-1,308,034
Compensation for purchase of forest stands in substitution contracts	185	52,662
Property insurance	882,200	987,025
Fines and penalties	239,283	134,987
Shortages and damages	44,218	62,328
Comprehensive deferred costs – menageries, preserves	6,388	53,565
Purchase of timber	134,237	176,665
Compensation for game management	92,922	87,743
Contributions to legal entities	115,516	113,850
Write-off of receivables	109,832	2,174,183
Other	996,907	399,037
Financial costs, of which:	68,077	41062
Foreign exchange losses, of which:	430	412
exchange losses at the date of the financial statements		0
Other significant finance cost items, of which:	67,647	40,650
Bank costs	67,647	40,650
Other		

I. INCOME TAXES

The tax payable booked to account 591 amounts to € 1,267,523. In the 2021 tax return, a tax loss of € 67,104 was amortized, which represents 1 of the €268,416 tax loss recognized in 2019. In 2020, a tax loss of the same amount of €67,104 was amortized. Deferred tax was expensed in the amount of € 2,096,095.

Information under Art. III, par. (5), (a) to (e) on deferred income taxes

Item	Current Acc. Period	Previous accounting period
Amount of deferred tax asset recognized as an expense or income resulting from a change in the income tax rate		
Amount of deferred tax liability recognized as an expense or income because of a change in the income tax rate		
The amount of deferred tax assets relating to the amortization of tax losses, unused tax credits and other entitlements and temporary differences of previous accounting periods for which no deferred tax asset was recognized in previous accounting periods		
The amount of the deferred tax liability that arises from not recognizing in the current accounting period the portion of the deferred tax asset that was accounted for in previous accounting periods		
Amount of unused tax loss amortization, unused tax credits and other entitlements and deductible temporary differences for which no deferred tax asset has been recognized		
Amount of deferred income tax relating to items charged directly to the equity accounts without being charged to the expense and income accounts		

Information pursuant to Art. III, par. (5) (f) on income taxes

Item	Current Acc. Period			Previous accounting period		
	Tax base	Tax	Tax in %	Tax base	Tax	Tax in %
a	b	c	d	e	f	g
Profit or loss before tax, out of which:	15,607,277	x	x	1,173,941	x	x
theoretical tax	x	3,277,528	21	x	246,528	21
Non-tax-deductible costs	13,491,301	2,833,173	18.15	20,010,309	4,202,165	357.95
Non-taxable revenue	22,995,652	4,829,087	30.94	21,115,514	4,434,258	377.72
Amortization of tax loss	67,104	14,092	0.09	67,104	14,092	1.20
Total	6,035,822	1,267,523	8.12	1,632	343	0.03
Income tax payable		1,267,523	8.12		343	0.03
Withholding tax on bank interest and tax for previous period						
Deferred income tax		2,096,095	13.43		353,023	30.07
Total income tax		3,363,618	21.55		353,366	30.10

J. INFORMATION ON OFF-BALANCE SHEET ACCOUNTS

Other liabilities

The Company has no other liabilities that are not tracked in the current accounts and are not shown on the balance sheet.

Given that many areas of Slovak tax law have not yet been sufficiently tested in practice, there is uncertainty as to how the tax authorities will apply them. The extent of this uncertainty cannot be quantified and will only disappear once legal precedents or official interpretations by the competent authorities are available. The management of the Company is not aware of any circumstances that would result in it incurring a material expense in the future.

Land and buildings with a total book value of € 15,486,237, of which € 9,299,624 are registered in the Land Registry and are still owned by the Slovak Republic, are legally unsettled and may be subject to return to the original owners.

As of 1. January 2010, the enterprise carried out a uniform valuation of forest land at the acquisition replacement cost as of 1 January 2010. By unified valuation of forest land, the impacts of incorrect procedures from previous periods which manifested themselves in overvaluation were eliminated. The legislative base for the unified valuation was the Decision of the Ministry of Finance of the Slovak Republic No. MF/020728/2009-74 from 24. August 2009. Based on this decision, the basis for precise identification of forest land for its unified valuation at reproduction acquisition cost according to the status as of 01 January 2010 was prepared. The valuation was carried out in accordance with the Decree of the Ministry of Industry and Trade of the Slovak Republic No. 492/2004 on the determination of the general value of the Company. Due to the applied revaluation of forest land pursuant the above-mentioned decree, the book value of forest land of the Company was decreased by a total amount of € 1,883,485. Due to this fact, assets and equity reported in Company's balance sheet are decreased by the same amount.

The value of forest stands has been reported in off-balance accounts since 1. January 2010. Each year, the value of forest stands is updated based on valuation made by an NLC Zvolen expert together with update – making more accurate the value of forest land owned by state. In 2021, the value of forest stands was increased by € 86,213,047 compared to 2020. The main reason and basis for the reduction of the value of the stands is the renewal of PSL after the processing of the wind disaster at some branch plants.

Information under Art. V, par. (3) on off-balance sheet items

Item	Current Acc. Period	Previous accounting period
Strictly accountable forms	80,730	86,172
Material in stocks of civil protection	18,684	18,759
Loans from FKSP	0	0
Other off-balance sheet accounts	589,292	751,935
Written-off receivables	0	48,201
Other – FOREST STANDS from 1. January 2010	3,930,915,756	4,017,128,829

K. DATA ON INCOME AND BENEFITS OF MEMBERS OF STATUTORY, SUPERVISORY AND OTHER BODIES OF THE COMPANY

Information under Art. VII, par. (2), a) on the income and benefits of members of statutory bodies, supervisory bodies, and other bodies

Type of income, benefits a	Value of income, benefits of current members of the authorities b			Value of income, benefits of former members of the authorities c		
	statutory	supervisory	other	statutory	supervisory	other
	Part 1 – Current accounting period			Part 1 – Current accounting period		
	Part 2 – Previous accounting period			Part 2 – Previous accounting period		
Monetary income	58,060	11,617		69,946	12,723	
	10,539	10,667		115,721	4,147	
Non-monetary income				0	1,148	
		1,148		574		
Monetary advances						
Non-monetary advances						
Loans granted						
Guarantees granted						
Other						

L. ECONOMIC RELATIONS OF THE COMPANY AND RELATED PERSONS

Economic relations between the accounting unit and related persons were in accordance with the valuation of work performed and were at standard rates (according to the valid price lists of the Company).

Information under Art. VII para. (1), (a) the economic relations between the entity and the related parties

Table 1

Related party	Trade type code	Value of transaction	
		Current Acc. Period	Previous accounting period
a	b	c	d
Member of supervisory board	Sale of merchandise	0	3,988
Member of supervisory board	Purchase of material	0	5,713
Managers	Services provided	4,845	951
Managers	Received services	573,750	555,208
Managers	Sale of merchandise	10,293	
Managers	Acquisition of property		71,660
Managers	Purchase of material	3,773	1,073

Based on section 22 paragraph 1 of Act No 431/2002 Coll. on Accounting, as amended, a change in the consolidated total of the selected chapters of the State budget entered into force on 1. January 2016.

Based on this change, all state enterprises are subject to consolidation from 2017 at the first level, i.e., at the level of the relevant chapter, which acts on behalf of the Slovak Republic as the founder of the state enterprise – the Ministry of Agriculture and Rural Development.

Therefore, for the year 2021, the Company reports the following relationships within the organizations under the jurisdiction of the founder of the Company.

Related party	Trade type	Value of transaction	
		2021	2020
Transactions with related party			
Name of person			
Central Inspection and Testing Institute	Received services	394	369
Institute of Education	Received services	4,020	850
National Stud Farm "Topoľčianky"	Received services	1,644	84
National Stud Farm "Topoľčianky"	Acquisition of material	918	0
Hydromelioration, state enterprise	Received services	228	224
Hydromelioration, state enterprise	Sale of services	3,048	0
Regional Veterinary and Food Administration	Received services	2,349	1,769
MUSEUM IN SVÄTÝ ANTON	Received services	0	0
Agrocomplex – Exhibition center Nitra	Received services	0	6,551
Breeding services of Lesy SR, state enterprise	Received services	37	37
Agroinstitute Nitra, state enterprise	Received services	75	110
National Forestry Centre	Received services	123,149	55,671
National Agricultural and Food Center	Received services	10,075	4,229
National Agricultural and Food Center	Acquisition of material	1,110	1,148
State Veterinary and Food Institute	Received services	12,323	10,206
Ministry of Agriculture and Rural Affairs	Sale of services	6,510	2,004

Ministry of Agriculture and Rural Affairs	Sale of material	6,437	0
Forest and agricultural property	Sale of products and merchandise	0	318
Forest and agricultural property	Sale of services	1,677	1,583
Institute of Education	Sale of products	0	0
Institute of Education	Sale of services	0	0
National Stud Farm "Topolčianky"	Sale of products	0	65
TANAP State Forests	Sale of products and merchandise	6,063	0
TANAP State Forests	Sale of services	240	3,839
Hydromelioration, state enterprise	Sale of services		3,049
Regional Veterinary and Food Administration	Sale of services		283
Agrocomplex – Exhibition center Nitra	Sale of products		0
Agrocomplex – Exhibition center Nitra	Sale of services	994	0
Agroinstitute Nitra, state enterprise	Sale of services	0	0
Breeding services	Sale of services	0	12,196
National Forestry Centre	Sale of products	0	297
National Forestry Centre	Sale of services	15,029	12,613
National Forestry Centre	Sale of property	0	188
MUSEUM IN SVÄTÝ ANTON	Acquisition of property	0	0
National Forestry Centre	Drawing of fund	14,400	14,400
National Forestry Centre	Acquisition of property	6,748	113,196
National Agricultural and Food Center	Acquisition of property	0	400
TANAP State Forests	Received services	0	1,636
TANAP State Forests	Drawing of fund	0	0
TANAP State Forests	Acquisition of material	0	0
Regional Veterinary and Food Administration	Acquisition of material	0	0
National Forestry Centre	Acquisition of material	13,554	6,229
Ministry of Agriculture and Rural Affairs	Received services	0	2,065
National Agricultural and Food Center	Acquisition of property	0	0

Selected assets and liabilities arising from transactions with related parties are presented in the following statement:

	Current Acc. Period	Previous accounting period
Trade receivables	3,559	3,512
Other receivables within consolidated entity (Receivables due from Agricultural Paying Agency as a prescription of subsidy entitlement for investment projects funded by Euro funds)	255,286	254,396
Total assets	258,845	257,908
Trade payables	21,749	38,528
Total liabilities	21,749	38,528

M. EVENTS OCCURRING AFTER THE DATE AT WHICH THE FINANCIAL STATEMENTS ARE PREPARED AND UP TO THE DATE OF THE FINANCIAL STATEMENTS

After 31 December 2021, there have been no subsequent events that have a material impact on the fair presentation of the underlying accounting policies that would not have been accounted for in the financial statements, except for the following subsequent events:

1. Change in the position of the management of the Company from 19. February 2022

On 18. February 2022, the Minister of Agriculture and Rural Development of the Slovak Republic, JUDr. Samuel Vlčan, dismissed the Director General of the State Enterprise LESY SR, Ing. Tibor Kőszeghy, MPH. With effect from 19 February 2022, Matej Vigoda has been appointed Director General of the LESY SR state enterprise.

2. Delimitation of fixed and tangible assets to the administration of national park administrations as of 1. April 2022

On 15. January 2022, Act No. 6/2022 Coll., which amends Act No. 543/2002 Coll. on the Protection of Nature and Landscape, as amended, entered into force, based on which there will also be a "transfer of land and other immovable property owned by the state in national parks and related property to the management of national park administrations". State-owned land and state-owned shares in land and other state-owned immovable property in the Slovak Paradise National Park, which is administered by the state-owned forest property manager, is transferred on 1 April 2022 to the administration of the contributory organization of the Administration of the Slovak Paradise National Park. On this date, the rights, and obligations of the administrator of forest property owned by the state related to the management of this property, including the rights and obligations arising from employment and other legal relationships of employees who perform activities in relation to the territory of the Slovak Paradise National Park, are transferred to the Slovak Paradise National Park Administration.

On 1. April 2022, state-owned land and state-owned interests in land and other state-owned immovable property in NP in areas with the fourth and fifth level of protection, which is under the administration of the state-owned forest property manager, shall be transferred to the administration of the NP administrations within the territorial jurisdiction of which the respective NP is located. State-owned land and co-ownership shares in state-owned land, which are partly located in the NP in areas with the fourth and fifth degree of protection, are also transferred to the administration of the NP administrations on this date. On that date, the rights and obligations of the state-owned forest property manager related to the management of the property transferred to the NP administrations are also transferred to the NP administrations.

The preparation of the delimitation protocols for the management of the NP is currently in progress, the book values of the land and other delimited assets are not yet quantified as at the date of preparation of the financial statements. The delimitation of 49 employees of forest administrations to NP administrations is also foreseen.

3. Organizational changes in the Company as of 1. January 2022

In accordance with the intention of the founder of the company – the Ministry of Agriculture of SR to reduce the number of organizational units, the reorganization of the company was carried out as of 1. January 2022 by merging the branch plants, which resulted in the creation of 12 new organizational units out of the original 23 branch factories, i.e.: BF Karpaty, BF Podunajsko, BF Trábeč, BF Považie, BF Sever, BF Tatry, BF Horehronie, BF Poľana, BF Gemer, BF Šariš, BF Východ and BF Vihorlat This organizational change should result in overhead savings of approximately € 4 million per year by reducing the number of THZs and reducing the number of operational buildings. At the reporting date, the accounting delimitation of assets and liabilities in the company's information systems had already been carried out.

Based on the decision of the Ministry of the Environment of the Slovak Republic no. 67937/2019 of 23 December 2019, the administration of small watercourses to the state-owned company Slovenský vodohospodársky podnik Banská Štiavnica was delimited. By this decision, small watercourses were entrusted to the management of the Company in the total length of approximately 5,742 km out of the originally managed approximately 18,250 km. The said decision transferred the management of small watercourses but did not settle the long-term tangible assets on small watercourses. The total net book value of torrent regulation is € 7,582,564, out of which a part will be delimited by the state enterprise of Povodie, as decided by the Ministry of Agriculture of the Slovak Republic in 2022.

N. OVERVIEW OF CHANGES IN EQUITY

Information under Art. IX about equity

Table 1

Equity item	Balance at beg. of acc. period	Current Acc. Period			Balance at end of acc.
		Increase	Decrease	Transfers	
a	b	c	d	e	f
Equity	743,232,854			1,006,989	744,239,843
Own shares and own ownership interests					
Change in equity	1,006,989	337,982	277,089	-1,006,989	60,893
Receivables from equity subscriptions					
Emission premium					
Other capital funds	353,161				353,161
Statutory reserve fund (indivisible fund) from capital contributions	5,009,573			41,046	5,050,619
Valuation differences on revaluation of assets and liabilities					
Valuation differences on equity participations					
Valuation differences on revaluation of mergers and divisions					
Statutory reserve fund					
Indivisible fund					
Statutory funds and other funds	3,385,109		847,885	579,530	3,116,754
Undistributed earnings of previous years	934,618				934,618
Unpaid loss of previous years					
Economic result for the current accounting period	820,576	12,243,659		-820,576	12,243,659
Dividend paid – Ministry of Agriculture and Rural Development of SR					
Other equity items					
Allocation to social fund				200,000	

Table 2

Equity item	Balance at beg. of acc. period	Previous accounting period			Balance at end of acc. period
		Increase	Decrease	Transfers	
a	b	c	d	e	f
Equity	742,885,041			347,813	743,232,854
Own shares and own ownership interests					
Change in equity	347,813	2,592,078	1,585,089	-347,813	1,006,989
Receivables from equity subscriptions					
Emission premium					
Other capital funds	353,161				353,161

Statutory reserve fund (indivisible fund) from capital contributions	4,857,538			152,035	5,009,573
Valuation differences on revaluation of assets and liabilities					
Valuation differences on equity participations					
Valuation differences on revaluation of mergers and divisions					
Statutory reserve fund					
Indivisible fund					
Statutory funds and other funds	3,164,328	78	2,457,297	2,678,000	3,385,109
Undistributed earnings of previous years	934,618				934,618
Unpaid loss of previous years					
Economic result for the current accounting period	3,030,034	820,576		-3,030,034	820,576
Dividend paid – Ministry of Agriculture and Rural Development of SR					
Other equity items					
Allocation to social fund				200,000	

Changes in equity on Account No. 419 in 2021 were as follows:

Increase	337,982 €
Stocktaking of land – newly found.....	108,669
Specification of area.....	84,217
Delamination of land.....	119,749
Delamination of LC	
Sale of property.....	25,347
Decrease	277,089 €
Returned forest roads.....	2,653
Specification of area.....	77,522
Property restitution.....	196,515
Inventory of Inventory of land – specification of area	
Delimitation of land.....	399
Sale of apartments	

The Company has accounted for the distribution of the 2020 profit in 2021 as follows: creation of funds – statutory reserve of € 41,046 and company funds: remuneration fund of € 579,530 and social fund of € 200,000.

Information under Art. X. about cash flow statement using the direct method

Item designation	Current Acc. Period	Current Acc. period	Previous Acc. period
	Cash flow from operating activities		
A. 1.	Income from sale of goods (+)	61,887	51,114
A. 2.	Expenses for purchase of goods	-35,541	-32,700
A. 3.	Income from sale of own goods (+)	217,477,837	181,849,333
A. 4.	Income from sale of services (+)	14,148,558	12,770,932
A. 5.	Expenses for acquisition of material, energy, and other non-storable supplies (-)	-24,092,497	-19,167,019
A. 6.	Service expenses (-)	-91,201,136	-92,368,652
A. 7.	Expenses for personal costs (-)	-81,572,371	-70,698,557
A. 8.	Tax expenses excluding income tax expenses of accounting entity (-)	-7,695,735	-7,524,188
A. 9.	Income from sale of securities intended for sale or trading (+)		
A. 10.	Expenses for purchase of securities intended for sale or trading (-)		
A. 11.	Income from concluded contracts, subject of which is a right intended for sale or trading (+)		
A. 12.	Expenses for concluded contracts, subject of which is a right intended for sale or trading (-)		
A. 13.	Income from loans provided to accounting entity by bank or foreign bank branch if the loans were provided for core business activities (+)		
A. 14.	Expenses for payment of loans provided to accounting entity by bank or foreign bank branch if the loans were provided for core business activities (-)		
A. 15.	Other income from operating activities except those stated separately in other parts of cash flow statement (+)	2,690,790	2,173,005
A. 16.	Other income from operating activities except those stated separately in other parts of cash flow statement (-)	-2,339,228	-2,687,158
*	Cash flow from operating activities except income and expenses stated Separately in other parts of cash flow statement (+/-), (sum of A. 1 to A. 16.)	27,442,564	4,366,110
A. 17.	Interests received except those included in investment activities (+)		
A. 18.	Expenses related to derivatives, except those intended for sale or trading, or if they are regarded as cash flow from investing activities (-)		
A. 19.	Income related to derivatives, except those intended for sale or trading, or if they are regarded as cash flow from financing activities (+)		
A. 20.	Expenses related to derivatives, except those intended for sale or trading, or if they are regarded as cash flow from investing activities (-)		
	Cash flow from operating activities (+/-) (sum from A. 1. to A. 20.)	27,442,564	4,366,110
A. 21.	Expenses for income tax of accounting entity, if these can be included in investing or financing activities (-/+)		
A. 22.	Extraordinary income related to operating activities (+)	2,151,263	3,096,116
A. 23.	Extraordinary expenses related to operating activities (-)		

A.	Net cash flows from operating activities (sum of A. 1. to A. 23.) Cash flow from investing activities	29,593,827	7,462,226
B. 1.	Expenses for acquisition of non-current intangible assets (-)	-1,150,321	-2,792,438
B. 2.	Expenses for acquisition of non-current intangible assets (-)	-8,080,815	-15,223,969
B. 3.	Expenses for acquisition of non-current securities and shares in other accounting entities, except those regarded as cash equivalent and securities intended for sale or trading (-)		
B. 4.	Income from sale of non-current intangible assets (+)		
B. 5.	Income from sale of non-current tangible assets (+)	382,849	5,443,712
B. 6.	Income from sale of non-current securities and shares in other accounting entities, except those regarded as cash equivalent and securities intended for sale or trading (+)		
B. 7.	Expenses for non-current loans provided by accounting entity to another accounting entity which is included in consolidated entity (-)		
B. 8.	Income for non-current loans provided by accounting entity to another accounting entity, which is included in consolidated entity (+)		
B. 9.	Expenses for non-current loans provided by accounting entity to another, except for long term loans provided to an accounting entity, which is included in consolidated entity (-)		
B. 10.	Incomes for non-current loans provided by accounting entity to another accounting entity, which is included in consolidated entity (+)		
B. 11.	Interests received except those included in operating activities (+)		
B. 12.	Income related to derivatives, except those intended for sale or trading, or if they are regarded as cash flow from financing activities (+)		
B. 13.	Expenses related to derivatives, except those intended for sale or trading, or if they are regarded as cash flow from investing activities (-)		
B. 14.	Income related to derivatives, except those intended for sale or trading, or if they are regarded as cash flow from investing activities (+)		
B. 15.	Expenses for dividends paid and other shares in profit except those included in operating activities (-)		
B. 16.	Extraordinary income related to investing activities (+)		
B. 17.	Extraordinary expenses related to financing activities (-)		
B. 18.	Other income related to financing activities (+)		
B. 19.	Other expenses related to investing activities (-)		
B.	Net cash flow from operating activities, (sum of B. 1 to B. 19)	-8,848,287	-12,572,695
	Cash flow from financial activities		
C. 1.	Cash flow from equity (sum from C. 1. 1. to C. 1. 8.)	0	0
C. 1. 1.	Income from subscribed shares and ownership interests (+)		
C. 1. 2.	Income from other contributions to equity paid by partners or physical entity, which is an accounting entity (+)		
C. 1. 3.	Received monetary gifts (+)		
C. 1. 4.	Income from payment of loss by partners (+)		
C. 1. 5.	Expenses for acquisition or repurchase of own shares and own ownership interests (-)		
C. 1. 6.	Expenses related to decrease of funds created by accounting entity (-)		
C. 1. 7.	Expenses for payment of share in equity to partners or physical entity, which is an accounting entity (-)		
C. 1. 8.	Expenses for other reasons related to decrease in equity (-)		

C. 2.	Cash flow from non-current liabilities and current liabilities from financing (sum C. 2. 1. to C. 2. 9.)	0	0
C. 2. 1.	Income from issue of debt securities (+)		
C. 2. 2.	Expenses for payment of liabilities from debt securities (-)		
C. 2. 3.	Income from loans provided to accounting entity by bank or foreign bank branch if the loans were provided for core business activities (+)		
C. 2. 4.	Expenses for payment of loans provided to accounting entity by bank or foreign bank branch if the loans were provided for core business activities (-)		
C. 2. 5.	Income from loans received (+)		
C. 2. 6.	Expenses for loans paid (-)		
C. 2. 7.	Expenses for payment of liabilities from property use, which is subject of leasehold purchase contract (-)		
C. 2. 8.	Income from other non-current liabilities and current liabilities from financing activities except those stated separately in another part of cash flow statement (+)		
C. 2. 9.	Expenses from other non-current liabilities and current liabilities from financing activities except those stated separately in another part of cash flow statement (-)		
C. 3.	Expenses for interest paid except those included operating activities (-)		
C. 4.	Expenses related to derivatives, except those intended from investing activities (-)		
C. 5.	Expenses related to derivatives, except those intended for sale or trading, or if they are considered as cash flows from investment activities (-)		
C. 6.	Income related to derivatives, except those intended for sale or trading, or if they are considered as cash flows from investment activities (+)		
C. 7.	Expenses for dividends paid and other shares in profit except those included in operating activities (-)		
C. 8.	Extraordinary income related to financing activities (+)		
C. 9.	Extraordinary expenses related to financing activities (-)	-1,015,269	-2,635,292
C.	Net cash flow from own financing activities (sum from C. 1. to C. 9.)	-1,015,269	-2,635,292
D.	Net increase or net decrease in cash (+/-), (sum of A + B + C)	19,730,271	-7,745,761
E.	Balance of cash and cash equivalent at the beginning of accounting period (+/-)	13,601,164	21,346,963
F.	Balance of cash and cash equivalent at the beginning of accounting period before considering exchange rate differences as of balance sheet date (+/-)	33,331,435	13,601,202
G.	Exchange differences on cash and cash equivalents at the date of the financial statements (+/-)	0	-38
H.	Balance of cash and cash equivalents at the end of the reporting period adjusted for exchange differences calculated as of balance sheet date (+/-)	33,331,435	13,601,164

INDEPENDENT AUDITOR'S REPORT

For the founder of the state enterprise LESY SR, s. e. Banská Bystrica

Report from the Audit of the Financial Statement

Qualified Opinion

We have audited the financial statements of the state enterprise LESY SR, Námestie SNP 8, 975 66, Banská Bystrica, ID 36 038 351 (hereinafter referred to as "Company"), which contains the balance sheet as of 31 December 2021, the profit and loss statement for the year and notes containing a summary of accounting principles and methods.

In our opinion, in addition to the possible impact of the circumstances described in paragraph Basis for Qualified Opinion, the accompanying financial statement gives a true and fair view of the Company's financial situation up to 31 December 2021 and its economic results for the said year, under the Act No. 431/2002 Coll. on Accounting as amended (hereinafter the "Accounting Act").

Basis of Qualified opinion

During the audit, the following restrictions have occurred in the scope of audit work in the field of noncurrent fixed assets:

- According to the Act on Forests, the reconstruction of forest economic plans is performed annually on 10% of the forest land managed by the Company, and the area of the land, its value and the value of the forest stands in the "Pozemkár2". The total area of lands recorded in the land registration system of "Pozemkár2" is, in some cases, different from their area recorded in the Land Register, and it is currently impossible to decide which of them is correct. As of 31 December 2021, on account of such specification the Company decreased the value of its forest lands which was reflected in the amount of its equity capital by € 135,855. In the light of numerous pending proceedings which were initiated by the Slovak government aiming at final specification of the area of land lots within the Slovak Republic (e.g., Register of Renewed Registration of Land Lots – ROEP, land register adjustments, decision of administrative bodies on the correction of mistakes in the Land Registry, etc.). The company is currently unable to submit all the documents supporting the overall change of the area and the value of respective land lots. Overall, this concerns the land lots with a total area of 68,313 ha in a total value of € 49,295,864 which are not recorded in the Title Deed as of 31 December 2021, as land lots of "C" Register of the Cadastral Map. The value of such land lots cannot be currently specified exactly and for this reason the value as well as equity of the Company cannot be correctly reported.
- The Company did not enter buildings worth € 360,617 in the Title Deed, as of 31 December 2021.
- Buildings and land lots having the area of 19,480 ha and amounting to € 13,894,589 are recorded as disputable property, as of 31 December 2021. Out of which 12,013 ha are recorded as owned by Slovak republic, used by LESY SR, s. e. valued to € 8,724,397. Proceedings, cadastral proceedings, or administrative proceedings are ongoing in respect of the mentioned buildings and land lots. The Company is currently unable to calculate the value of the land lots which are intended to be returned to their original owners (via restitutions). The facts above may influence the amount of the assets and liabilities, and registered (ordinary) capital reported, which, however, cannot be quantified.

We conducted our audit in accordance with the International Standards on Auditing (ISA). Our responsibility

under these Standards is set out in the Auditor's Responsibility for Audit of Financial Statements. We are independent of the Company under the provisions of Act No. 423/2015 on Statutory Audit and on Amendments and Supplements to Act No. 431/2002 Coll. (hereinafter referred to as the Statutory Audit Act) regarding ethics, including the Auditor's Code of Ethics, relevant to our audit of the Financial Statement, and we have also complied with the other requirements of these ethical provisions. We are convinced that the audit evidence we have obtained provides a sufficient and appropriate basis for our opinion.

Statutory body's Responsibility for the Financial Statement

The statutory body of the accounting entity LESY SR, s.e., is responsible for compiling this financial statement to provide a true and fair view according to the Act on Accounting and the internal controls it deems necessary for the preparation of the financial statement that is free from significant misstatements, whether due to fraud or error.

In preparation of the financial statement, the statutory body is responsible for assessing the Company's ability to continually carry on its business, describing the facts about continuing operations, if necessary, and using the assumption of continually carrying on with accounting, unless the Company intends to dispose or terminate its activity or have no other realistic option than to do so.

Persons entrusted with administration are responsible for supervising the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statement

Our responsibility is to obtain reasonable assurance that the financial statement is free from significant misstatements, whether due to fraud or error, and issue the auditor's report, including the opinion. A reasonable assurance is a high degree of assurance but is not a guarantee that an audit performed in accordance with the International Standards on Auditing will always reveal significant misstatements if they exist. Misstatements may arise because of fraud or error and are considered significant if it could reasonably be expected that they may influence individually or in aggregate the economic decisions of users made based on these financial statements.

As part of the audit conducted in accordance with the International Standards on Auditing, we use sound judgment throughout the whole audit and preserve professional skepticism. Besides that:

- We identify and assess the risks of significant misstatement of the financial statement whether due to fraud or error, we design and perform audit procedures responding to those risks and we obtain audit evidence sufficient and appropriate to provide the basis for our opinion. The risk of not detecting a significant misstatement due to fraud is greater than the risk due to a mistake because fraud may involve a secret agreement, forgery, deliberate omission, false declaration, or circumvention of internal control.
- We become familiar with the internal controls relevant to the audit so that we can design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal controls.
- We evaluate the appropriateness of the accounting policies and methods used the reasonableness of the accounting estimates and the disclosure of related information made by the statutory body.
- We conclude whether the statutory body appropriately uses the assumption of continuous business activity in accounting, and based on the audit evidence obtained, we conclude whether there is significant uncertainty about events or circumstances that could significantly undermine the Company's ability to continually proceed to operate. If we conclude that there is a significant uncertainty, we are required to indicate in our auditor's report the related information contained in the financial statement or, if that information is insufficient, to modify our opinion. Our conclusions are based on audit evidence obtained to the date of our audit report. However, future events or circumstances may cause the Company to cease their continuous activity.
- We evaluate the overall presentation, structure, and content of the financial statement, including the information contained therein, as well as whether the financial statement captures the transactions and events in a manner that leads to their fair presentation.

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

Report on the Further Requirements of the Laws and Other Legislation

Report on the information included in the Annual Report

The statutory body is responsible for the information contained in the Annual Report, compiled according to the requirements of the Accounting Act. Our above-mentioned opinion on the financial statement does not apply to other information in the Annual Report.

In relation to the audit of the financial statement, it is our responsibility to be aware of the information contained in the Annual Report and to assess whether this information is not inconsistent with the audited financial statement or our knowledge we obtained during the audit of the financial statement or otherwise appear to be material wrong.

We did not have the Annual Report available to the date of issue of the auditor's report on the audit of the financial statement.

When we receive an Annual Report, we will assess whether the Company's Annual Report contains information required by the Accounting Act, and based on the work performed during the audit of the financial statement, we will express an opinion, whether:

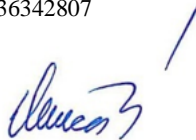
- the information provided in the Annual Report compiled for the year 2020 is consistent with the financial statement for the year,
- The Annual Report contains information under the Act on Accounting.

In addition, we will report whether we have identified any significant misstatements in the Annual Report based on our knowledge of the accounting entity and its situation that we have acquired during our audit of the financial statement.

In Banovce and Bebravou, 9 March 2022

PARTNER AUDIT, s r.o.
Licencia UDVA No. 283
5. April 191/9
957 01 Banovce and Bebravou
Trade register of the District Court in Trenčín
Section: Sro. Entry No. 43081/R ID No.: 36342807

Ing. Iveta Demčáková, CA
Key statutory auditor
SKAu license No. 892




Report on verification of Annual Report and the financial statement



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AMENDMENT TO THE INDEPENDENT AUDITOR'S REPORT

For the founder of the state enterprise LESY SR, s. e. Banská Bystrica

For part II – for the Annual Report

We have audited the financial statements of the state enterprise LESY SR, s. e. (hereinafter referred to as the “Company”) as of 31 December 2021, listed on pages 51-89 of the Company's annual report, for which we issued an independent auditor's report on 9 March 2022, which can be found on pages 90-92 of the Company's annual report. We have prepared this supplement in the sense of para. 27 paragraph 6 of Act no. 423/2015 Coll. on the statutory audit and on the amendment of Act no. 431/2002 Coll. On Accounting as amended (hereinafter referred to as the “Statutory Audit Act”).

Based on the work performed described in Part II of the Independent Auditor's Report – Report on the information provided in the annual report, in our opinion:

- Information provided in the annual report of the state enterprise LESY SR, s. e. prepared for the year 2020 are in accordance with its financial statements for that year,
- The annual report contains information in accordance with the Accounting Act

In addition, based on our knowledge of the accounting unit and the situations we have obtained during the audit of the financial statements, we are required to indicate whether we have identified material misstatements in the annual report. In this context, we state that we did not find any significant inaccuracies in the annual report.

Bánovce nad Bebravou, 2 June 2022

PARTNER AUDIT, s.r.o.
 5. April 191/9, 95701 Bánovce and Bebravou
 UDVA license No. 283
 Trade register of the District Court in Trenčín
 Section: Sro. Entry No. 43081/R ID No.: 36342807

Ing. Iveta Demčáková, CA
 Key statutory auditor
 SKAu license No. 892



A handwritten signature in blue ink, appearing to read "Iveta Demčáková".

Report on the Supervisory Board's activities

The Supervisory Board carries out its activities in accordance with Act No. 111/1990 Coll. on state enterprise, as amended (hereinafter referred to as the State Enterprise Act), generally binding legal regulations, the Statute, and the Rules of Procedure of the Supervisory Board.

According to the State Enterprise Act, the Supervisory Board is the controlling body of the state enterprise.

The Supervisory Board met in 2021 with the following composition: Prof. h. c. prof. Dr. Ing. Viliam Pichler – Chairman of the Supervisory Board, Ing. Igor Vizslai – Vice-Chairman of the Supervisory Board, members of the Supervisory Board – JUDr. Ing. Erik Sibal, Doc. JUDr. Jozef Tekeli, PhD., Ing. Miroslav Tököly, Ing. Adrián Macko, Ing. Peter Zima, Jozef Minarik, Ing. Martin Kovalčík, secretary of the Supervisory Board – JUDr. Ján Golian.

A total of 6 Supervisory Board meetings were held in 2021. The first meeting of the Supervisory Board in its new composition took place on 22 January 2021 in the presence of the Minister of Agriculture and Rural Development of the Slovak Republic Ing. Ján Mičovský, CSc. At this meeting, the Supervisory Board discussed the state enterprise's concept for 2021 and approved the proposal for the acquisition of tangible and intangible assets and the method of their financing. The Supervisory Board also approved the selection of the auditor to audit the annual accounts for 2021-2024.

Due to the COVID-19 pandemic, the 2. and the 3rd meeting of the Supervisory Board in 2021 were held online. At these meetings, the Supervisory Board, among other things, discussed and approved the conclusion of Amendment No. 1 to the Financing Agreement No. 17/ZF/2020 between the State Enterprise and Všeobecná úverová banka, a.s., and discussed and approved the proposal for the distribution of the profit of the State Enterprise for the year 2020 in the amount of € 820,575.71.

At the meeting of the Supervisory Board on 31 May 2021, the Chairman of the Supervisory Board informed the members of the receipt of a resignation notice from Ing. Adrián Macko. A draft amendment to the Statutes and Rules of Procedure of the Supervisory Board was discussed and approved at this meeting. Subsequently, the amended Statutes and Rules of Procedure of the Supervisory Board were approved by the Founder on 12 October 2021.

At the meeting on 29 July 2021 a new member of the Supervisory Board for the trade union started his activity: Ing. František Fodor replaced the previous member of the Supervisory Board Ing. Martin Kovalčík.

The last meeting of the Supervisory Board in 2021 was held on 28 September 2021, at which the Supervisory Board discussed the rebalancing of the state enterprise's concept for 2021.

As the Chairman of the Supervisory Board and the members of the Supervisory Board appointed by the founder were removed from their positions as of 30 September 2021, the Supervisory Board became unquorate and did not meet again until the end of 2021.



Comments of the management of LESY SR on the company financial situation and future expectations

The management of the LESY SR state enterprise was also significantly influenced by several external and internal factors in 2021. Normal market relations were still largely constrained by the ongoing COVID-19 pandemic. In addition, the state enterprise was preparing for a significant change in its organizational structure in 2021, the purpose of which is to achieve economic stabilization of the enterprise and to ensure long-term prosperity for the whole company. The state enterprise has also implemented a new business strategy that considers the Company's capabilities, including the pursuit of efficient and transparent recovery of harvested timber, and respects sustainability, forestry traditions and the principles of environmental protection.

The LESY SR state enterprise achieved a pre-tax result of € 15.607 million in 2021. This is the company's second highest result since its inception, with operating subsidies significantly lower than in the historically strongest years of 2011 and 2012. This result was achieved without divestments, which had the lowest positive impact on the result in the company's history.

This result was achieved without divestitures, which had the lowest positive impact on the result in the company's history. The latter increased by more than 50 % in 2021 compared to 2020. At the same time, however, it must be said that logging is declining from year to year, or at best stagnating. A short- to mid-term threat to the positive management of the state enterprise is also the amendment of the legislation in the field of nature and landscape protection, where in the case of full zoning of national parks, the national economy will lose about 400 K m³ of planned production of timber assortments per year only within the state enterprise, while there will also be significant gratuitous delimitations of the enterprise property. This must be respected as a fact that will come sooner or later.

In the light of the aforementioned facts, it is also necessary to consider the planned intentions for 2022, which indicate a planned profit of the state enterprise in this year in the amount of € 2.5 million. The year-on-year decrease in the management result is mainly related to lower timber harvesting (expected to decrease by up to 175 K m³) and a relatively sharp increase in input prices.

Compared to 2020, the pre-tax result increased by € 14.433 million. The year-on-year development is significantly influenced by the higher average timber harvest (by 26.2% compared to 2020) and the consequent increase in timber revenues by € 39.983 million. Meanwhile, total timber harvesting increased only marginally (by 4.7 thousand m³, which represents a negligible 0.12%).

The positive economic results of the state-owned enterprise were achieved despite rising costs – the direct costs of cultivation activities, excluding the impact of reserves, increased by 4.2% in 2021 compared to 2020, the direct costs of extraction activities by 6.4% and the overhead costs by 9.7%.

The balance of funds at 31.12.2021 was € 33.331 million, with a year-on-year increase of more than € 19.730 million. During the year, the company continuously fulfilled all its obligations towards suppliers, employees, and the state.

The management of the enterprise declares that the enterprise is in a good economic situation and, in connection with the strengthening of the external operation, expects the creation of conditions for a broader application of nature-friendly forest management as a basic strategy of the state in forest management, which also results from the changing order of society. In this context, it is the intention of the state enterprise to continue to make appropriate use of the economic, ecological, and social functions of forests for the benefit of society, with a focus on biodiversity and the health of forests, improving the quality of life, increasing employment and the incomes of rural citizens.

List of abbreviations

AFT – Anti-flood treatment of mountain streams

ANFC – application for a non-repayable financial contribution

BF – branch factory

C – crane

CFP – Caring for Forest Program

EC – economic result

FE – Forest Enterprise

FET – Forest educational trails

FNT – Forestry Nature Trail

FR – Forest Road

FM – Forest Management

FSC – Forest Steward Council – a world-recognized certification scheme for forest management assessment, and an effective tool for tracking the origin of timber from mining through its processing to the product

FT – Forest tractor

ICD – Intra-company deliveries

ICD – Intra-company deliveries

ICC – Intra-company consumption

IS – informational system

MFWP – Museum of Forestry and Wood Processing

NLC Zvolen – National Forest Centre Zvolen

NM – nature monuments

NNM – national nature monuments

NNR – national nature reserves

NR – nature reserves

PA – protected areas

PEFC – Program for the Endorsement of Forest Certification Schemes -is the leading and largest forest certification program in the world, respecting the conclusions of global international conferences and processes on sustainable forest management, creating a framework for mutual recognition of compatible certification systems tailored to the type of forests, specificities, and specifics of their management in the country

PFM – Professional Forest manager

PLA – protected landscape area

PP – public procurement

PS – protected sites

S – Silviculture

SB – State Budget

SF – State Forests

SFS – Special forestry sites

TU Zvolen – Technical University Zvolen

UWT – universal wheeled tractor EI- site of European importance

VLM – important forestry site

WWF – World Wildlife Fund

WSS – work of socio-cultural significance



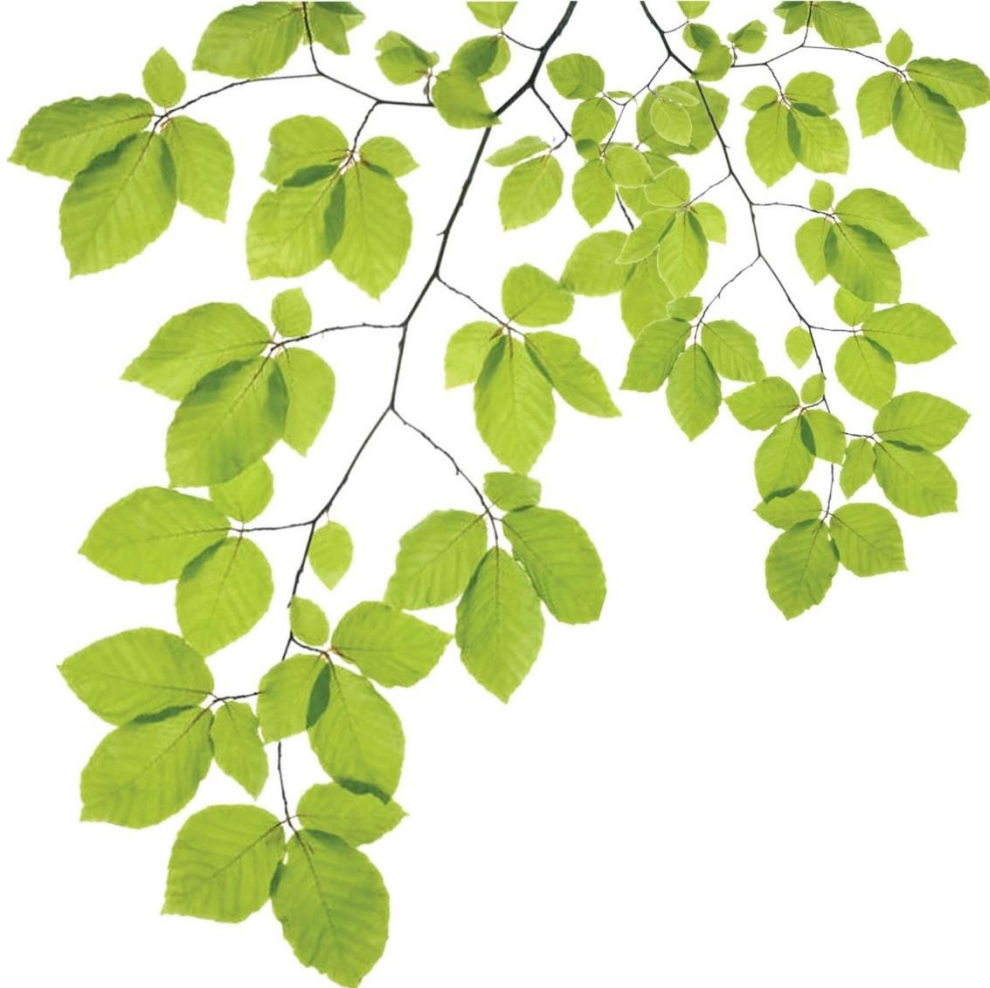
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