



Infrakos

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REPORT***

2024



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INFRASTRUKTURA E HEKURUDHAVE TË KOSOVËS - INFRAKOS SH.A
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Në mbështetje të nenit 31nenit, paragrafi 31.3 të Ligjit për Ndërmarrje Publike Nr. 03/L-087, i plotësuar dhe ndryshuar me ligje Nr.04/L-111, ligjin Nr. 05/L-009 dhe Ligjin Nr. 08/L-276; në përputhje me Kodin e Etikës për Qeverisje Korporative pika 28, nënpika 28.6 dhe 28.7, nenin 15, paragrafi 15.2.3 pikat (a) dhe (k) të Statutit të ndërmarrjes nr. 2/52 datë 09/07/2024, Bordi i Drejtorëve i NP Infrastruktura e Hekurudhave të Kosovës INFRAKOS Sh.A me datë 06/05/2025, merr këtë:

VENDIM

- I. Aprovohet Raporti Vjetor për vitin 2024 i NP. Infrastruktura e Hekurudhave të Kosovës – INFRAKOS SH.A.
- II. Obligohet Kryeshefi Ekzekutiv që raportin sipas pikës I, të këtij vendimi ta procedoi në NJPMNP-ME.
- III. Vendimi hyn në fuqi menjëherë pas nënshkrimit nga Kryesuesja e Bordit të Drejtorëve.


zgj. Edona NAHI
Kryesuese e Bordit të Drejtorëve
NP. Infrastruktura e Hekurudhave të Kosovës
INFRAKOS Sh.A

Vendimi i dërgohet:

- Bordit të Drejtorëve
- Kryeshefit Ekzekutiv
- NJPMNP - ME
- Arkivit të ndërmarrjes

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1 Introductory speech for the shareholder

1.1 Message from the Head of the Board of Directors



Mrs. Edona Nahi

*Head of the Interim Board of
Directors of Kosovo Railways
Infrastructure JSC - INFRAKOS*

Dear Sirs,

In 2024, INFRAKOS continued to make significant improvements in achieving its business objectives, with increased revenues and a reduction in accumulated debts from previous years. However, due to the lack of rail transport from the TRAINKOS and RAILTRANS operators, from which the company secures its main income for the use of railway tracks, the full achievement of its business objectives remains insufficient.

The year 2024 marks the beginning of the establishment of a long-awaited financial stability for INFRAKOS, following the signing of the five-year financial agreement with the

Government in December 2023. This agreement, foreseen by the Law on Kosovo Railways No. 04/L-063, is in line with European Union directives and an obligation required by the South-East Europe Transport Observatory (SEETO) and the Treaty Establishing the Transport Community for the Western Balkans, which Kosovo has signed. The signing of such contracts is a consolidated practice in EU countries and, in recent years, also in the region.

Despite these achievements, INFRAKOS still faces major challenges in fully modernizing the railway infrastructure and has a long way to go to fully modernize the railway

infrastructure and significantly improve business performance to reach a sustainable and healthy stage of development.

INFRAKOS has continued to address the findings of the 2023 audit report, by referring cases to the competent authorities and implementing the instructions given by the Board through management. The National Audit Office (NAO) report on the audited financial statements for 2023 shows a significant improvement compared to the last three years, where out of the 16 recommendations from last year, only 4 remain unaddressed, while there are no new findings this year. The audit opinion has also improved, moving from "Adverse" to "Qualified".

During 2024, at the request of INFRAKOS, the NAO conducted the first audit of the Line 10 rehabilitation project, identifying important issues that need to be improved; omissions that should not be allowed, as well as mistakes that should not be repeated during the design and implementation of future development projects. Furthermore, there has been significant progress in the implementation of this major project for the rehabilitation and modernization of Line 10, which is financed by EBRD and EIB loans, as well as EU grants.

The implementation of the project for securing railway-road level crossings on the Fushë Kosovë – Pejë line has also begun. This project includes the installation of 25 barriers (with the first already in place) and represents an important step towards modernizing and improving safety at railway level

crossings. The project is part of a short-term plan worth 6 million euros, partially financed by the Government of the Republic of Kosovo and the World Bank, with half of the funds provided as a grant and the other part as a soft loan. Meanwhile, INFRAKOS is working in parallel to secure new funds, which will enable the expansion of this project to all critical level crossings in Kosovo.

To increase workforce efficiency and modernize operations, INFRAKOS has taken several important steps to provide a better and more sustainable working environment for employees. For the first time, health insurance has been provided to all employees, while daily meals have been provided to all employees since January 1, 2024.

In the context of improving the organizational structure and facing financial challenges, INFRAKOS has started implementing a voluntary separation program for permanent employees who are not essential to INFRAKOS operations. This program includes a compensation package of 24 monthly salaries for those who apply and are approved for departure.

These measures aim to increase efficiency, improve human resource management, and modernize INFRAKOS' operations for more sustainable development.

During 2024, INFRAKOS has successfully continued the implementation of the Cooperation Agreement with the Consortium of Civil Society Organizations, consisting of the Group for Legal and Policy Studies (GLPS), the GAP Institute and the Institute for Development Policy

(INDEP). This cooperation aimed to increase transparency and accountability in the internal processes of corporate governance of INFRAKOS, including recruitment and procurement. All processes have been monitored in accordance with the signed agreement, ensuring visible improvements in these areas. This is evidenced by the publication showing that INFRAKOS has emerged as one of the most transparent public enterprises, according to the CorrWatch group, which researched the publications on the official websites of all public enterprises. INFRAKOS was assessed as a very transparent and accountable enterprise towards shareholders and the public.

The Board of Directors has had a continuous commitment to overseeing the implementation of the tasks set out in the company's Action Plan and the implementation of the policies set out in

the Business Plan for 2024. This commitment has included both the implementation of relevant legal acts and regulations, as well as the maintenance of infrastructure, the regulation of railway traffic, property management and the provision of other relevant services. The Board has also carefully monitored the implementation of the company's development projects.

Finally, I would like to emphasize that railways play an important role in economic growth and are an important part of the country's economic infrastructure, enabling the efficient movement of goods and people, creating jobs and connecting communities, therefore investing in railways is a critical step in improving our country's economic competitiveness at the regional and international levels.



Mr. Naser KRASNIQI

**Chief Executive Officer at PE
Railway Infrastructure
of Kosovo JSC - INFRAKOS**

Dear ladies and gentlemen,

Kosovo Railways Infrastructure – INFRAKOS JSC, in accordance with the applicable railway legislation, manages railway tracks with a clear vision to provide quality railway infrastructure services to all railway transport operators. The main objective of INFRAKOS is to have a competitive railway network in the region in the medium term, to ensure financial sustainability with the ultimate goal of meeting the needs of Kosovo society and economy.

INFRAKOS continues to operate with a railway network under rehabilitation and with investments aimed at achieving high standards of operation with railway network that responds to market demands, public interest and shareholder expectations. Supported by the Government of

Kosovo, EU Grants, the European Bank for Reconstruction and Development, and the European Investment Bank, the implementation of infrastructure development projects is continuing.

In this context, during 2024, it was achieved to continue the agreement for the rehabilitation of phase I (Fushë Kosovë – Hani i Elezit) of railway line 10 and works have resumed in this phase with extremely high intensity. The two tunnels that were completely collapsed have been opened and as a result, the main artery of rail transport for export and import has been reopened on the Fushe Kosovë Hani i Elezit line, thus enabling the traffic of goods at certain time intervals. Works have begun in phase II on the Fushë Kosovë – Mitrovica line, the old track has been moved and the new track has been laid,

and 8 km remain to be laid, to completely lay the tracks in this segment.

These are indicators that our dedication to developing and modernizing the railway infrastructure to meet the interoperability criteria and standards required by EU directives and project objectives is extraordinary and is yielding results in the context of inherited circumstances and challenges.

In addition to this development project, the company has developed ideas and a medium-term plan that foresees the rehabilitation of the Fushë Kosovë-Peja, Klina – Prizren lines; Prishtina - Airport and Prishtina - Merdare, as well as long-term plans for the new Ferizaj – Gjilan – Presheve line. A special focus, contribution and dedication will also be the commitment to the implementation of the Durrës – Prishtina line that is planned to be built and which will have an extraordinary national and regional development impact.

In the continuation of our commitments, we are pleased to emphasize that the year 2024, based on measurable indicators, presents a year with excellent results in all areas compared to the previous year, thus proving that the positive trend of the company's management continues from year to year with an even more positive trajectory. In this regard, we have very positive results in the increase in rental income by + 33% or €317,207.76; increase in Other Income by 443% or €759,665.04; increase in "Total Income" by 38% or €1,198,222.15, increase in operating result by + 101%

or €1,078,889.19; which positive indicators resulted in a net profit of €894,021.79 or an increase compared to the period 2023 of €1,578,820.75, an increase of 231%, which is the best result since the operation of Infrakos.

This result was also influenced by a series of activities, policies and managerial decisions aimed at maximizing the positive impacts of components that depend entirely on Infrakos, such as: increasing rental income, efficiency in legal procedures, keeping expenses as low as possible, not creating unfunded liabilities, and cooperation agreements with other public enterprises, which resulted in very positive results for the enterprise. In this regard, the establishment of other policies and procedures, such as reviewing the organizational chart, optimizing jobs, and increasing internal controls, resulted in increased productivity. It is worth noting that this result was achieved without fully fulfilling the financial aspects of the five-year agreement by the shareholder, which means that in addition to this positive result, another, even more positive aspect is the preservation of the state budget indirectly.

Despite these results, INFRAKOS has faced challenges even during 2024. The main challenge has been the implementation of the project in the rehabilitation of railway line 10 for which Infrakos has proposed adequate solutions and it is a very complex process that we are expected to face in the coming years. We hope and are convinced that a multidimensional coordination of all stakeholders involved in the railway sector is

necessary for a sustainable development of the railway sector and successful implementation of development projects.

With clear objectives, we aim for continuous improvement of work processes through the review of functions and maximum dedication to further improve operational and financial performance and establish the physiognomy of a modern railway enterprise through best management practices.

In the level of Chief Executive Officer, I reaffirm and pledge to the public and shareholders that fundamental principles such as accountability, legality, transparency, economization, welfare and a permanent proactive approach will guide us in our work, in order to fulfill the mission and vision of the enterprise. The railway network exists to provide added value to taxpayers and consumers. This requires the accurate identification of the company's financial opportunities and long-term

investments in the railway infrastructure and continuous improvement of services for which we commit to work hard. I believe that the railway represents an important segment for the economic development of the country, the preservation of the environment and adequate services for rail transport consumers, therefore investment in the railway implies sustainable development with a positive economic, environmental and social impact in the country and beyond.

We strongly believe that our plans for the coming year will be fully realized through adequate coordination of activities between staff, management, the Board of Directors, shareholders and stakeholders with the primary objective of continuous progress in all areas.

The year 2024 for Infrakos has been one of financial difficulties, which have accumulated over recent years due to the decrease in freight transport and the interruption of freight and passenger train traffic (for which TRAINKOS, as the public railway transport operator, and RAILTRANS, as the private operators, are responsible).

Infrakos JSC during 2024 had important activities out of 51 (fifty-one) publications of activities during 2024, we will present some of them in a summary.

Memorandum of Cooperation between Kosovo Railway Infrastructure and the Municipality of Obiliq

One of the most important activities during 2024 was the campaign to raise awareness and sensitization for all students who use the road at railway level crossings. This campaign was carried out by reaching out to municipal institutions where the railway gravitates, respectively to the education directorates.



Infrakos JSC on 15.05.2024 officially opened the awareness campaign for school students in all municipalities where the railway gravitates.

The campaign began in Obiliq through a memorandum of understanding made possible by the will of both institutions. The scale of this activity was extraordinary, as this ceremonial act was attended by representatives from the Ministry of Infrastructure, representatives from the Ministry of Interior, KFOR, representatives of educational institutions, the Regulatory Authority, railway transport operators and all other relevant stakeholders.

The purpose of this campaign is to implement an educational program for school students in all municipalities where the railway network extends, as Infrakos is developing railway line projects and is continuously expanding its activity as a preventive measure to increase safety for students and citizens of the country.

Infrakos will remain committed with all capacities so that the probability of risk remains zero!



Meeting with Representatives of Albanian Railways and Kosovo Railways

Another important activity during 2024 is the meeting between representatives of Albanian Railways and Kosovo Railways for the feasibility study of the Pristina - Durrës railway line.

Representatives of Kosovo Railways participate in the first meeting in Tirana where a presentation was made by the company nominated for the feasibility study of the Pristina - Durrës railway line.

Representatives of the Ministry of Infrastructure of Albania, the Ministry of Infrastructure of Kosovo, Infrakos and Albanian Railways participated in this important presentation.



Both countries highly appreciated the implementation of this railway line connecting the two countries as one of the most important means of transport for the development of the economy of both countries.

Infrakos hosts the EBRD Board of Directors meeting

Among the important activities was the meeting of the Head of the Board of Directors, Ms. Edona Nahi, and the Chief Executive Officer, Mr. Naser Krasniqi, in June 2024, together with

the Board of Directors of the European Bank for Reconstruction and Development (EBRD).

Participants in this meeting were the representatives of the EBRD board Miglë Tuskienë, representative for Denmark, Lithuania, Ireland and Kosovo, Katherine Allen, representative for the United States of America, Yasemin Girici, representative for Turkey, Romania, Azerbaijan, Moldova, Kyrgyz Republic, Algeria, Shigeto Hiki, representative for Japan, Rosmarie Schlup, representative for Switzerland, Ukraine, Liechtenstein, Turkmenistan, Serbia, Montenegro, Uzbekistan, Andrew Smith, representative for Canada, Morocco, Jordan and Tunisia, Karina Karaivanova, representative for Poland, Bulgaria and Albania, Jan Willem van den Wall Bake, representative for the Netherlands, China, Mongolia, North Macedonia and Armenia and Alon Messer, representative for Austria, Israel, Cyprus, Malta, Kazakhstan and Bosnia and Herzegovina.



Also present at this meeting were Matteo Colangeli, Director for the Western Balkans and Mr. Oleg Levitin, Deputy Director for Business Policy, as well as Sergiy Maslichenko, representative of the EBRD office for Kosovo and Arianit Blakaj, Senior Banker, Associate Director.

This fruitful meeting was also attended by representatives from the Ministry of Spatial Planning and Infrastructure.

The Chief Executive Officer Mr. Krasniqi welcomed this very important format for the first time to the Directorate of Infrastructure of Kosovo Railways, who made a presentation about the developments with the implementation of infrastructure projects in Kosovo Railways, respectively for the railway line 10 and other lines in the railway network, also Mr. Krasniqi, in addition to the developments, presented the challenges and plans for the future in infrastructure developments.

After the presentation, Mr. Krasniqi, together with the delegation, visited the workshops nearby at the railway junction in Fushë Kosovë.



EBRD representatives pledged to support all infrastructure projects in the railway network in their modernization in order to meet the conditions of interoperability so that integration into the Common European Railway Network can take place through international corridors.

Reporting before the Parliamentary Committee on Economy, Industry, Entrepreneurship and Trade

During 2024, the Head of the Board of Directors, Ms. Edona Nahi, together with the members of the Board of Directors and the Chief Executive Officer, Mr. Naser Krasniqi, within the framework of the request of the Parliamentary Committee for Economy, Industry, Entrepreneurship and Trade, reported on the achievements, results and challenges of Infrakos JSC

In addition to reporting, the purpose of this meeting was also to oversee the implementation of the Law on Public Enterprises, respectively the implementation of amendments to this legislation.

Within the framework of this meeting, representatives of Infrakos JSC in addition to reporting on the implementation of legality, reported on the achievements and challenges of the POE, as well as the current situation regarding disclosures regarding plans for future development projects.

Infrakos will be committed to providing safe and quality services with all its capacities in accordance with the implementation of primary and secondary legislation applicable in the Republic of Kosovo.



A tireless work has also been done in continuing and expanding the cooperation between INFRAKOS and various local, regional and international

institutions. The Board has always supported and encouraged the management to develop good relations with all institutions in the interest of the development of the railway network and the company as a whole.

Infrakos JSC, participant in the Forum Organized by UNIFE and the Transport Community in Berlin

One of the most important visits for 2024 was the representation of Infrakos at the forum organized by UNIFE and the Transport Community in Berlin, Germany.



At the forum organized by UNIFE and the Transport Community for the Western Balkans held in Berlin on the topic of the Western Balkans in Europe.

This meeting was also attended by the Chief Executive Officer of Kosovo Railways Infrastructure INFRAKOS JSC and also the Chairman of the Western Balkan Railway Managers Network, Mr. Naser Krasniqi.



The purpose of this forum is of particular importance in the efforts to integrate the transport markets of the Western Balkans into the European Union.

This regional connectivity effort would impact economic growth and sustainable development for the Western Balkans, including our Republic.

Present at this forum were the Western Balkan railway managers, Mr. Enno Wiebe- UNIFE Director General and Mr. Matej Zakonjsek, Director of the Transport Community for the Western Balkans.

In this joint meeting, Mr. Naser Krasniqi outlined Infrakos' perspective regarding the preparation of the Infrakos enterprise to harmonize its infrastructure projects with the revised TEN-T regulation.

He also presented the current key infrastructure and signaling projects being developed in Kosovo that will contribute to the TEN-T network, the technical and financial challenges foreseen by Infrakos in the integration process and explained how those challenges can be addressed.

Infrakos JSC with its dignified representation in this activity proved that Kosovo will be strongly committed

to integrating in parallel with the countries of the region in the railway network system in Europe.

As part of the activities during 2024, the Board's legal obligations towards the shareholder were fulfilled.

All shareholder requests were received with high priority and the requested information was provided in a timely manner in each of them.

This also includes regular reports, performance assessments, customer satisfaction testing, and other documents that the board has regularly sent to the shareholder.

Representatives of Infrakos JSC, together with representatives of Trainkos JSC, visit the works of the railway line 10

The Chief Executive Officer of Infrakos JSC Mr. Krasniqi and the Chief Executive Officer of Trainkos JSC Mr. Statovci, together with the Board of Directors of Kosovo Railways, Trainkos JSC, during 2024, in their usual activities, visited the works on the line 10 Fushë Kosovë - Hani i Elezit.



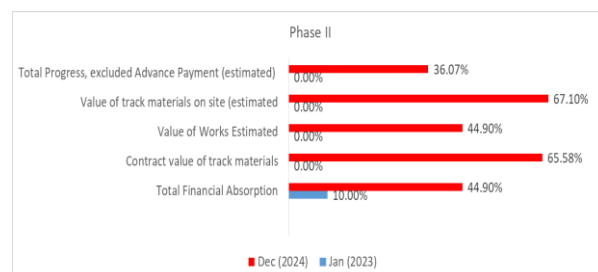
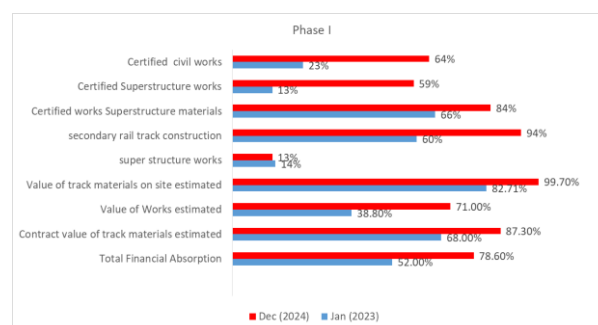
This project is important to complete as soon as possible for both PEs Infrakos JSC and Trainkos JSC, so that these companies can create financial stability and influence the economic development of the country.

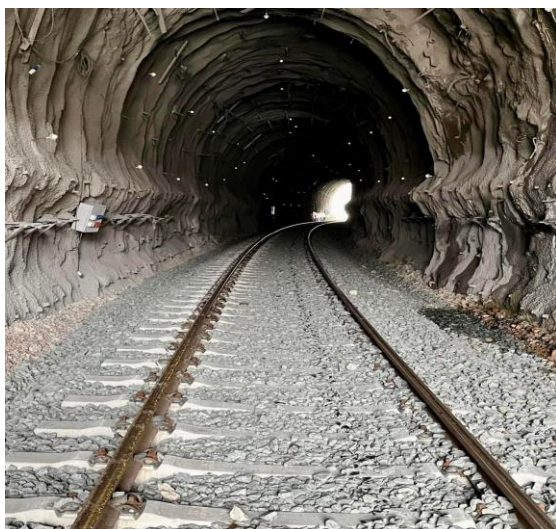


Infrakos JSC, throughout this period, has been committed to implementing projects in order to provide quality and safe services to all railway transport operators.

Progress dynamics of the rehabilitation project of the railway line 10 January 2023-December 2024

These two graphs present the comparative progress in the two phases, respectively January 2023 and December 2024.





Representatives of Infrakos JSC, visit the works together with the shareholder's representatives

Representatives of Kosovo Railway Infrastructure, Ms. Edona Nahi, Head of the Board of Directors, together with the Chief Executive Officer, Mr. Naser Krasniqi, received in a meeting Mr. Denion Galimuna, Political Advisor to the First Deputy Prime Minister of the Republic of Kosovo and Ms. Merita Ejupi, Political Advisor to the Minister of Economy.

This joint meeting aimed to report on the progress achieved in development projects with special emphasis on the railway line 10.

After the meeting, they closely visited the progress of works in phases I and II of railway line 10.

Safety is the priority of Infrakos JSC.

Infrakos JSC during 2024, for the first time since the war, rehabilitated the bridges with its own capacities and frames on the Fushë Kosovë - Pejë line,

which were at high risk and depreciated long ago.



Before the works



After completion

The rehabilitation of the bridges guarantees quality and safety for rail transport operators on this line.

Infrakos JSC continues to be at the service of operators for comfortable and safe transportation.



Infrakos JSC certifies 18 executive staff employees

Infrakos JSC certifies 18 new employees in railway traffic

The Chief Executive Officer, Mr. Naser Krasniqi, welcomes the traffic staff to the meeting, who congratulates them and distributes certificates for passing the professional exams for Train Drivers and Track Switchmen. Mr. Krasniqi also highly appreciated the commitment of this staff in this meeting, since the market in Kosovo does not offer many professionals in the railway profile.



Considering the specifics of the railway, staff training takes time, so out of 11 recruits, 7 internal employees have been certified for the first time in taking the professional exams for Train Drivers and Track Switchmen.

Infrakos JSC will continuously commit to preparing professional staff in order to provide safe and professional services.

Infrakos JSC cooperation agreement with Trepça JSC

Infrakos and Trepça as two public enterprises sign a Cooperation Agreement.



The CEO of Infrakos JSC Mr. Naser Krasniqi together with the CEO of NP Trepça JSC Mr. Faton Ahmeti signed a Cooperation Agreement in December 2024.

The purpose of this agreement is to provide mutual cooperation between the two institutions on the services provided by the parties, in order to assist each other in developing infrastructure and optimizing resources in accordance with their scope of activity.

Both parties are committed to fulfilling their obligations based on the terms of cooperation and the obligations that this agreement produces.

Considering that Infrakos JSC's mission is to provide services to all interested parties regarding the maintenance of the railway infrastructure, in this case Infrakos undertakes, as necessary, to supply them with railway track material and to carry out maintenance for the needs of the Trepça JSC PE at reasonable rates, as well as to provide free services for the preparation and certification of the Trepça JSC PE staff.

Economic development, welfare and financial stability in the PE will be guaranteed with the mutual cooperation of Public Enterprises.

Representatives of Infrakos JSC meet with the Deputy Minister of Defense, Mr. Shemsi Sylja, together with his team.

Infrakos' Chief Executive Officer Mr. Naser Krasniqi also in December 2024 hosted a meeting with the Deputy Minister of Defense Mr. Shemsi Sylja together with his team.



Kosovo Railways Infrastructure Infrakos JSC, as one of the important assets of the Republic of Kosovo, has the mission of rehabilitating and modernizing the railway network, which will enable the massive traffic of freight and citizens of the country through this network.

The meeting between representatives of the two institutions aimed to discuss critical infrastructure in the country, including in particular railway infrastructure.

Special attention at this meeting was paid to supporting and protecting critical railway infrastructure throughout the railway network, identifying potential risks, as well as taking

measures to prevent potential threats to the entire operational railway network. Mr. Sylja expressed the willingness for mutual cooperation regarding the nature of any negative or threatening phenomenon towards this vital state asset.

At the same time, Mr. Sylja highlighted the possibility of cooperation regarding the provision of training for Infrakos staff in emergency cases.

The Chief Executive, Mr. Krasniqi, thanked the Deputy Minister, Mr. Sylja, for his continued support for the railway infrastructure and announced Infrakos' commitments regarding the developments of the rehabilitation and modernization of current railway lines, as well as the possibility of railway infrastructure developments in future projects.

This inter-institutional cooperation guarantees security and provides motivation for Infrakos to continue towards strategic and sustainable successes for the country.

Memorandum of Understanding between Infrakos JSC and KEK JSC

An important event during 2024 was the signing of a memorandum between the two institutions Infrakos JSC and KEK JSC.

This agreement between two institutions with the same shareholder will support each other in specific areas, each within its own scope.



The primary purpose of this agreement is to provide mutual cooperation between the two public enterprises for the use of the services that the parties provide.

The use of mutual services will be implemented effectively with the aim of improving financial performance.

The Parties will also assist each other with the aim of providing services that will impact the development of infrastructure and the optimization of resources and services in accordance with their scope of activity.

Infrakos participates in the infrastructure forum in Madrid

The European Union in cooperation with the Transport Community in June 2024 organized a forum in Madrid, Spain, regarding investment opportunities in the railway network in the Western Balkans. In this act, the Chief Executive Officer of Infrakos JSC. disclosed the achievements regarding developments in the railway infrastructure in Kosovo. He also informed the attendees about investment opportunities in the medium and long term.



Donate blood, save a life.

Donate blood, save a life was the motto for blood donation for all Infrakos JSC employees who enjoy good health.



Infrakos JSC. continues the blood donation campaign in collaboration with medical teams from Blood Transfusion every year as well as in 2024.

We thank all Infrakos employees who voluntarily donated blood, joining the motto "Donate blood, save a life"

Some of the activities of the development of phase II of the railway line 10 Fushë Kosovë - Mitrovica

Works in segment 02, surface soil excavation, general excavation and soil improvement excavation, in progress.



CS.1650m CS.1655m

Some of the other survey works that followed throughout the construction in Lot 09 and 19, excavation and filling in land improvement which are shown in the following photos:



The survey works followed all construction at Lot 15, excavation and filling in land improvement.



Cleaning and collection in the Site

The contractor has carried out cleaning and collection work at the site in segments 32 and 1 (in progress).



Removal of existing ballast

The contractor has completed the ballast removal works in segments: 32, 2 and 1 (in progress). The old ballast has been deposited near the site, to be reused in the supporting sub-layer.

Removal of existing ballast seg. 32



Removal of existing ballast seg. 2



Removal of existing ballast seg. 32



Removal of existing ballast seg. 1



Surface excavation, general excavation and excavation for land improvement

The contractor has continued with surface excavation, general excavation, and excavation for land improvement in segments 2 and 32, which is in progress.

General Excavation seg. 2



Excavation in Land Improvement seg. 32



Utility Works – Sewage Canal

The contractor has begun excavation and installation of the OD=400mm SN4 pipe, the new Sewerage pipeline, as the old sewage channel must be removed from the main line in Segment 28 & 29.

The works are still in progress and 200m have been completed for this monthly period from CS:373 to 358.

Segment 28



Segment 28



It is worth noting that in phase II, works are still underway, with some segments completed and others in progress.

1.3 LOANS

In 2024, the implementation of the Railway Line 10 project continued, which, as is known, is financed by the EBRD and the EIB through loans contracted at the end of 2015 and EU grants. The general rehabilitation project of the Railway Line 10 is foreseen and will be implemented in three phases:

- Phase 1: Kosovo Polje – Hani i Elezit – Border with Macedonia;
- Phase 2; Kosovo Polje – Mitrovica; and

- Phase 3: Mitrovica – Leshak – Border with Serbia

It is important to note that the loans received from the EBRD and the EIB are long-term repayment loans (for which the Government of the Republic of Kosovo is the guarantor), while the repayment interest is very small. It is worth noting that half of the investment value for this major project is provided in the form of grants from EU funds through the WBIF mechanism.

1.4 Data on Non-Executive Directors

The composition of the Board of Directors is according to the following table, appointed by the Government of the Republic of Kosovo on 22.03.2023 with a three (3) year mandate.

1	Mrs. Edona Nahi	Head of BoD
2	Mr. Genc Hundozi	Member of BoD
3	Mrs. Besarta Zuka	Member of BoD
4	Mr. Fitim Raci	Member of BoD

1.5 Board Meetings

The Boards of Directors of Kosovo Railway Infrastructure INFRAKOS JSC during 2023 held regular meetings in order to monitor the work of the company and make the necessary decisions for its performance. During 2024, the Board of Directors held meetings in which all relevant issues related to the development and normal

functioning of the company were addressed.

In all meetings held during 2024, the Boards of Directors have carefully analyzed the management reports and in particular the security and financial situation and have always made the necessary decisions in order for INFRAKOS to operate successfully.

The main challenge has been the difficult financial situation in which the company was and for which the Boards in cooperation with the management have had continuous commitments to create financial stability.

It is understood that in the face of this situation, adequate decisions have been made to overcome it, but at the same time, requests have been made to government institutions to support the company with subsidies.

The boards have permanently analyzed the state of the railway infrastructure with special emphasis on safety, suggesting and requesting maximum

commitments for regular maintenance and necessary interventions to increase the safety of this infrastructure.

At board meetings, all of the company's strategic documents were analyzed, discussed, and approved, including: business plans, quarterly, semi-annual, and annual reports, customer satisfaction reports, financial statements, audit reports, and many, many other issues in the interest of the company.

1.6 Other information

The year 2024 has been a difficult year, but also a year in which much work has been done both in terms of railway infrastructure maintenance, as well as in the continuation of the implementation of the railway infrastructure modernization project.

During 2024, the Board of Directors of INFRAKOS has had permanent commitments to the preservation, development and maintenance of the railway infrastructure, so that we have a high level of safety, providing the services required by the users of this infrastructure. We can state with the greatest satisfaction that during the entire year 2024 we have not had a single railway accident due to the fault of INFRAKOS. For us, this is a great success that means that there has been great commitment.

A very important work has also been done in the management of the railway property from which we have the second most important income of the company. The Board of Directors has regularly discussed the issue of property, requesting maximum commitment from the management and supporting it in all steps taken to preserve the property and eliminate damage to the railway infrastructure.

The Board of Directors has consistently supported management in resolving various problems, analyzing and making meritorious decisions for each request addressed on behalf of the Board of Directors.

1.7 The future

Fortunately, in previous years, we as a company have reached two subsidy agreements and NP Infrakos is on the right track towards recovery thanks to effective management in both business and financial terms.

The developments expected to occur in 2025 will also have a great impact, especially the continuation of the general rehabilitation of the first segment as well as the continuation of the works on the rehabilitation of the second segment of Railway Line 10, in which case a major change and a positive movement will be observed which will have an impact on the citizens of Kosovo, but also on the country's institutions for the meritorious support of the railway.

We are aware that investing in the railway sector requires large funds and that the return on these investments is slow. But at the same time we know that a country that does not have a developed railway sector does not have the fundamental basis for economic development. For this reason, we have worked tirelessly to implement the five-year financial agreement in support of INFRAKOS, which has now become a reality.

In addition to our commitments to rehabilitating and modernizing the main railway lines, we will also work extremely hard to maintain existing lines in full function so that the safety of train traffic is never compromised.

We are convinced that without a modern railway network that meets the requirements of interoperability, there will be no integration into the regional railway network, let alone into the Integrated Railway Network of the EU. Therefore, the start of modernization and then the continuation of modernization of the entire Kosovo Railway Network is a necessary condition for us to be part of the Integrated Network of the EU. We are prepared to provide high safety at any time and at any moment and to meet all the requirements of railway transport operators, in a transparent and non-discriminatory manner. INFRAKOS is ready and welcomes the opening of the railway market for all railway transport operators, because only with an opening of the transport market and genuine competition can we move forward.

Despite the difficulties and challenges of 2024, 2025 will be aimed to be the year of great developments in the railway infrastructure, so with deep conviction we can conclude that INFRAKOS is waiting for a better future, which future is also connected to the better future of the country. However, for our vision to be successfully realized, we expect continued support from the Government of the Republic of Kosovo, respectively the line ministries.

2 Report of the Chief Executive Officer of INFRAKOS

The annual report for 2024 is based on the framework of the Ministry of Economy's Guidelines on the preparation of annual reports. We have attempted to describe the company's situation in detail by adhering to the following guidelines:

In accordance with the aforementioned guidelines, all the above-mentioned points have been addressed in separate chapters throughout this report. An attempt has been made to make this report as short, concise and as comprehensive as possible, while providing the reader with all the necessary information in order to form a fair opinion on INFRAKOS's performance for 2024.

The main events that occurred in the company during 2024 and which are of interest to the shareholder and the public are presented. An attempt has been made to provide complete information about the main events that occurred in 2024, analyzing the most important ones. However, the description of the main events of the year also presents the way and path that INFRAKOS has chosen to achieve the objectives set out in the business plan for 2024.

In the chapter on operational performance and the results of key performance indicators, the achievements of each department of the company are described, also presenting the results or eventual failures, always comparing them with

the action plans based on the Business Plan for 2024.

Greater importance has been given to executive departments responsible for the maintenance and exploitation of railway infrastructure, but other supporting departments have not been left out either.

In the chapter on financial performance statements and results, the company's realized revenues and expenses are presented, comparing them with the Business Plan for 2024 and the previous year 2023. In this chapter, all of the company's revenues and expenses are presented in detail, making the necessary clarifications for each budget item.

In the chapter on progress with the business plan, the achievements are presented, namely the realization of tasks according to the Business Plan for 2024. Considering that INFRAKOS had a good and comprehensive business plan, then in this chapter a comparison is made between the foreseen objectives and the realization of these objectives.

In the chapter on capital expenditures and projects, a detailed overview of capital projects financed from the state budget and other projects (supplies) implemented from the company's budget is provided.

In the chapter on the perspective for the coming year, ideas, objectives and action plans, or rather the vision for the

coming year, are presented, describing what the possibilities are, but also what

are the challenges that await INFRAKOS during 2025.

In the chapter on Future risks: The company's SWOT analysis is presented, analyzing the strengths, weaknesses, opportunities and threats that may accompany INFRAKOS also during 2025. In This chapter describes the SWOT analysis clarifying what the risks that await INFRAKOS in the future may be, what the opportunities, shortcomings and strengths of this company are.

2.1 Key issues addressed during 2024

The dynamics of the work for which INFRAKOS is responsible covers a large area and is related to various activities. Our frequent and regular analyses have not allowed for any eventual errors to be made that would have an unforeseen cost. The handling of all issues related to the normal functioning of INFRAKOS has been done with the utmost care. There are many issues that we have permanently handled throughout the year, but we will mention some of them:

- Implementing daily tasks and action plans;
- The company's financial condition;
- Drafting the 2025 Network Statement;
- Implementation of the Government – INFRAKOS financial agreement; and
- Drafting the Business Plan for 2025

Implementation of daily tasks and action plans - The implementation of daily tasks and action plans is a topic that was followed up in each sector and department during 2024, which was done through special reports, reports, quarters, discussing and addressing the most sensitive issues, problems and challenges that the executive had.

In this context, where possible, immediate action was taken, avoiding potential shortcomings in improving inadequate actions.

Due to a lack of financial resources, we have often found ourselves in a situation where we were unable to purchase spare parts and those necessary for the maintenance of the railway infrastructure.

However, owing to our commitments and the understanding of the executive, we have managed to successfully complete the avoidance of every obstacle in the work process.

The company's financial situation - A great deal of work has also been done in handling the financial statements so that the company can be liquid and operate without problems. Based on the financial situation, strategic decisions have been made about certain actions.

Drafting the 2024 Network Statement – A key issue related to the normal functioning of the company and related to the creation of main revenues is the Network Statement. This document of

particular importance will remain strategic in the future when the lines will function normally after the rehabilitation of the main artery of the railway line 10.

Drafting a business plan for 2025 –

As usual Even during 2024, INFRAKOS has carefully handled the drafting of the business plan for 2024, which is a realistic and comprehensive plan. It is worth noting that this business plan was drafted in accordance with the request of the Ministry of Economy, respectively based on the recommendations of the PMU, so as to present the company's one-year objectives.

In conclusion, we can say that our commitments in 2024 have been great, the issues addressed have been diverse and in different fields, always in the interest of the company's development. Where work and development depended on us, our commitment has never been lacking and the implementation of tasks has been at the right level. We hope and believe that 2025 will be the year of returning to railways and the developments of this vital sector for the country's economic development.

2.2 Technical and Infrastructure Department

2.2.1 Traffic sector

The Technical and Traffic Department has continuously been engaged in providing services to meet the needs of railway transport operators (TRAINKOS and RAILTRANS), especially with the monitoring and regulation of the safe movement of trains, whether passenger or freight.



The traffic sector has worked with a 24 (twenty-four) hour commitment to regulate and supervise the railway traffic of passengers and freight, ensuring that everything is at the proper level and that the train schedule is strictly implemented. Owing to the maximum commitment, during these three months we have not had any delays or cancellations of train traffic due to this department. Furthermore, every request from the railway transport operators TRAINKOS or RAILTRANS for the insertion into traffic of trains that were not foreseen in the train movement schedule and for which extraordinary paths were requested, has been implemented immediately.

In order to have a better overview of information and data about the activities of this sector, the following is presented in tabular form: data on train traffic, track access, data from the Freight Terminal and extraordinary events.

2.2.2 Number of trains

The number one priority of this sector this year has been the organization of the passenger and freight trains traffic on railway lines.

The following tables present data on the number of passenger and freight trains that operated in 2024, comparing them with 2023.

TABLE1. Passenger train trains

Train comparison	Passenger trains				
	Number of scheduled trains	Regular trains operated	trains ad hoc	Trains revoked	Number of trains operated
	1	2	3	4=1-2	5=2+3
Year 2024	2196	2187	19	9	2206
Year 2023	2190	2172	2	18	2174
Difference (2024-2023)	-6	15	17	-9	32

TABLE2. Freight train schedule

Train comparison	Freight trains				
	Number of scheduled trains	Regular trains operated	trains ad hoc	Trains revoked	Number of trains operated
	1	2	3	4=1-2	5=2+3
Year 2024	2032	8	22	2024	30
Year 2023	2212	315	238	1897	553
Difference (2024-2023)	-180	-307	-216	127	-523

The above tables show a comparison of the numbers of passenger trains that operated in 2023/2024, and in Table No. 2 we have also compared the traffic of freight trains for 2023 and 2024.

2.2.3 Rail access service

The network access service has successfully continuously monitored the traffic of all rolling stock across the INFRAKOS railway network, calculating and invoicing track access charges and all other additional services provided by INFRAKOS to the transport operator TRAINKOS and RAILTRANS.

The following tables provides a comparison of income for 2024 compared to 2023 for operator TRAINKOS and RAILTRANS.

Income generated by TRAINKOS and Railtrans operators in tabular form

TABLE3. Income from track access of the operator Trainkos

Year	Passenger trains	Regular freight trains	Irregular Ad-hoc freight trains	Especial schedule trains	Other passenger services	Other freight transport services	General income
Year 2024	156,854.34	47.46	586.60	0.00	11,279.76	4,059.12	172,827.28
Year 2023	155,517.36	14,092.32	11,863.64	0.00	10,939.94	19,319.60	211,732.86
Difference (2024-2023)	1,336.98	-14,044.86	-11,277.04	0.00	339.82	-15,260.48	-38,905.58

Table 4. Income from track access of the Railtrans operator

YEAR	Regular freight trains	Irregular Ad-hoc freight trains	Especial Schedule trains	Other services	General income
Year 2024	0	0	0	0	0.00
Year 2023	0	0	0	0	0.00
Difference (2024-2023)	0	0	0	0	0.00

from TABLE Above you can see the comparison of income from operators' access to the railway network, from the two railway transport operators Trainkos JSC and the other private operator Railtrans.

Unfortunately, it can be seen that the private railway operator has not taken any path into use for the last two years.

2.2.4 Freight terminal

The freight terminal at the Miradi Railway Station, as the only terminal in the Kosovo railway system where containers and other freight are loaded and unloaded, was available to meet market demands in 2024. Despite its capacity, income generation is not much different from 2023.

TABLE4. Income from the freight terminal

YEAR	Number of Containers	No. of Wagons	Crane income	Income from forklifting	Revenue from receipts	Total income
Year 2024	0	0	0.00	60.00	120.00	180.00
Year 2023	3	0	360.00	240.00	220.00	820.00
Difference (2024-2023)	-3	0	-360.00	-180.00	-100.00	-640.00

2.2.5 Railway accidents

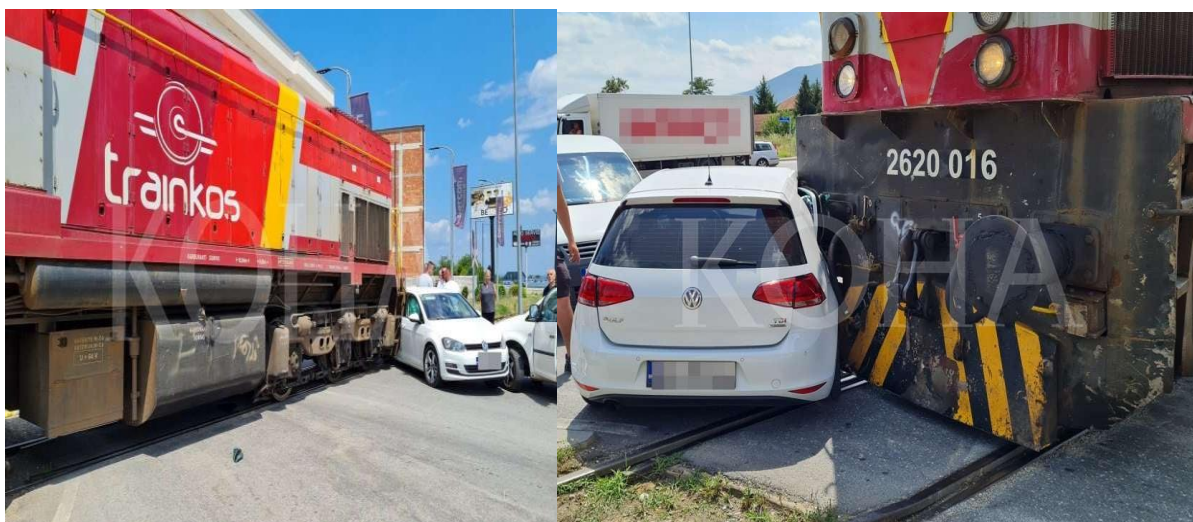
The following table presents the railway accidents that occurred during 2024, comparing them with 2023.

TABLE 5 Railway accidents

Extraordinary events	Number of accidents	Level crossing accidents	Accidents at stations and main lines	Value of railway material damages	Damaged cars	Number of deceased people	Number of injured people
Year 2024	7	4	3	€6,537.00	4	2	5
Year 2023	12	9	3	1700.20€	9	2	10
Difference (2024-2023)	-5	-5	0	€4,836.80	-5	0	-5

The table shows that in 2024 we had a total of 7 extraordinary cases, compared to 2023 we have 5 fewer extraordinary cases. In these accidents, 2 people lost their lives, the same number as in 2023, and 5 people were injured.

It is worth noting that all extraordinary cases were handled by the joint professional commission of INFRAKOS and TRAINKOS, and the Commission for the Investigation of Railway Accidents and Incidents within the Office of the Prime Minister, as well as the Kosovo Police, were also notified.



It is important to note that none of the exceptional cases mentioned above have resulted from INFRAKOS's fault.

2.3 Railway Line Maintenance Sector (MLH)

During 2024, the MHL sector was engaged in the maintenance activities of railway lines and other accompanying infrastructure so that the traffic of trains and other rolling stock operated safely without problems in the use of the railway track by the two railway transport operators.



The MHL sector, despite the company's financial difficulties, has managed to maintain a satisfactory level of maintenance of the existing railway infrastructure, including railway tracks with all their supporting infrastructure, bridges, tunnels, culverts, water

channels, loading/unloading platforms, level crossings, as well as all other facilities for the provision of railway services.

Track geometry adjustment—During 2024, regular inspections of the railway and associated facilities were carried out according to the monthly schedule based on existing regulations. The inspections were carried out as visual inspections of the railway and facilities along the railway lines while walking and avoiding the identified deficiencies in the shortest possible time. A great deal of work was also done in monitoring the condition of the tracks, so that after identifying any deficiencies, immediate intervention was made with machinery and maintenance personnel to avoid all breakdowns by adjusting the tracks according to the required standards.

All these works have been carried out on the Prishtina - Fushë Kosovë - Pejë and Bardh - Medvec railway lines and have been worked on. The track

switches have also been regularly checked and maintained.

2.3.1 Adjusting switches according to direction and leveling

This position of work involves the adjustment of direction and leveling deformations, damaged parts, and the adjustment of ballast in railway station switches and switches on open lines.

These works were carried out with a Plasser machine and with manpower. Such maintenance guarantees the safe traffic of passenger and freight trains. During 2024, work was carried out on the Prishtina – Fushë Kosovë – Pejë, Bardhë - Medvec Railway Line.



2.3.2 Replacement of outdated sleepers in switches and open lines

In order to guarantee the safety of train traffic, the track maintenance units have continuously inspected the railway lines and after field verifications, the replacement of obsolete sleepers was carried out. The replacement of sleepers was carried out at the switches of the Prishtina - Fushë Kosovë - Pejë railway line.

2.3.3 Cleaning and arranging level crossing areas

This job position includes the maintenance, leveling and cleaning of railway-road level crossings. A lot of work has been done here, especially in the arrangement of the vehicle carriage way in the crossing area. During this year, the arrangement and maintenance of these crossing areas has been carried out in order to improve the technical and safety conditions for train traffic.



A great deal of work has also been done in cleaning and adjusting the free profile and visibility angle.



During 2024, the construction of the level crossings on the Prishtina - Fushë Kosovë - Pejë and Bardhë - Medvec Railway Line was cleaned and repaired. Bridges are also continuously monitored and maintained.



2.4 Electrotechnical Activity Sector

The electrotechnical activity sector has successfully achieved the objectives set out in the Action Plan, which was prepared within the framework of the Business Plan for 2024.

This sector has maintained SS, TK, EN equipment throughout the year and has taken continuous action, quickly avoiding obstacles by intervening even outside working hours so that there are no problems during train traffic.

The objectives of the EA sector are:

- Increasing railway traffic safety;
- Regular and functional maintenance of level crossings on the Fushë Kosovë-Peja railway line;
- Follow-up of the Railway Rehabilitation Project;
- Supply of spare parts for level crossings;
- Budget expenditures in the sector (January - December 2024).

Since signaling (SS), telecommunications (TK) and energy (EN) equipment are spread across the railway network, these equipment continuously experience various problems due to third-party influences on these equipment.

Throughout the year, all services in this sector have successfully managed to accomplish the tasks set, including signaling-interlocking, energy telecommunications, and IT equipment.

Due to construction works in the rehabilitation of the railway line, the SS systems at the stations on the Fushë Kosovë – Hani i Elezit railway line and on the Fushë Kosovë - Mitrovica line have been disconnected. These outdated systems cannot be put back into use, the security of these stations, until the installation of new systems, will be done manually and based on the traffic regulations in cases when the signals do not work.



Before the intervention After the intervention

2.5 Sector for Planning, Development, Standardization and Security

The PDSS Sector, during 2024, has made important steps in advancing the planning and development of railway infrastructure in Kosovo, through collaborative efforts with various stakeholders, has successfully implemented and improved standards to ensure the safety and efficiency of the railway network.

2.6 Internal auditor

This internal auditor's report briefly includes activities for 2024 related to auditing all executive sectors during this year.

This has been done with the sole aim of ensuring that the quality of services provided and the safety of the railway infrastructure is at the highest possible level.

The following are the main works carried out during 2024:

Regular check-ups at stations;

Regular inspection of railway lines;

Regular review of executive staff.

The work of the internal auditor during this period has been very active and fruitful, thus conveying the necessary information regarding the existing situation in the field and the work of all executive staff, which has then resulted in the avoidance of potential shortcomings and increased efficiency in the work of the relevant sectors. Relevant reports have been drafted for the existing situation after each audit and the responsible persons of the specific sectors have been notified in writing.

2.7 Commission for granting consents

In compliance with decision No. 627 dated 09.06.2023, the professional commission for issuing opinions and preliminary consents has reviewed all requests submitted by clients regarding the issuance of opinions and consents.

This report on giving opinions and approvals covers the period from 01.01.2024-31.12.2024

During 2024, the commission received a total of 198 requests, of which 195 were reviewed and administered and processed.

Corporate Services Department

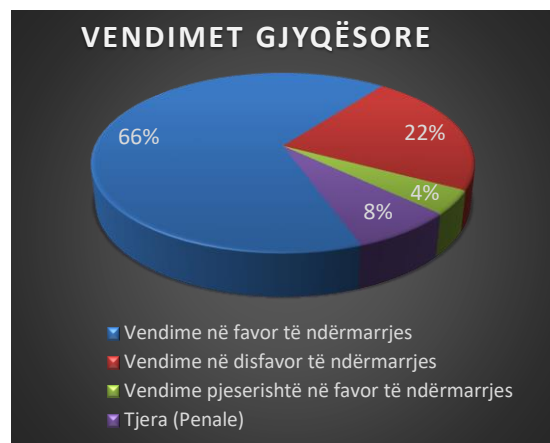
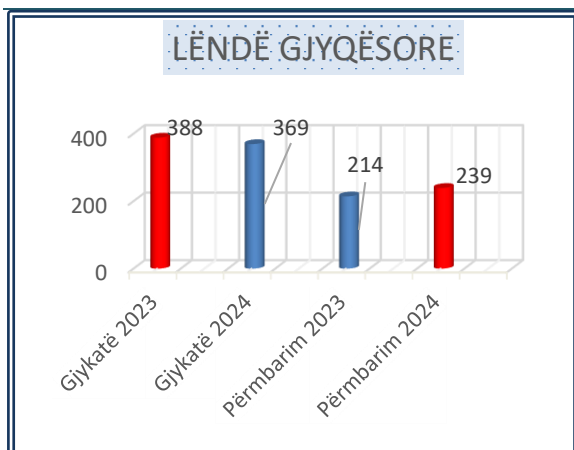
The Corporate Services Department (CSD) continued to fulfill the duties and responsibilities of the department during 2024. The department's scope of activity included legal, administrative, human resources and property issues, with duties and responsibilities specified in the internal acts of the enterprise.

Legal Office

During 2024, the legal office continued to represent the company in legal proceedings, provided legal advice and opinions, participated in the drafting of the company's legal acts, and assisted in the regular affairs of the company.

Activities and results

- At the end of 2024, there were: 369 active cases in legal proceedings (of which, in 294 we are plaintiffs and in 75 we are defendants); 24 new cases (of which, in 13 we are plaintiffs, mainly for property release and 11 defendants for property issues, damages during works on line 10, etc.) as well as 46 cases that have been concluded (of which, 24 in favor, 12 partially in favor, 4 in disfavor of the enterprise and 6 cases are criminal and merger of procedures).
- During the year, 148 court hearings were held and work was done on the preparation of various legal cases and submissions.
- The court has reached 94 judicial decisions, of which 62, or 66% are in favor of Infrakos, while 4, or 4.2% are partially in favor of the enterprise, 21, cases or 22% are in favor of Infrakos, and 7, or 7.4% are criminal and other.
- In the enforcement procedure at the end of the year there are: 239 active cases (of which in 220 cases we are creditors and in 19 cases we are debtors); 37 new cases (of which 32 were initiated by Infrakos as a creditor in the amount of €98,034.90, and 5, we are debtors in the amount of €182,761.52); 17 cases have been completed (of which 13 are in favor of the company (€98,433.78) and 4, in disfavor (€60,431.79), as well as 4 cases are suspended due to lack of data. It is worth noting that the Board for Review of Complaints has approved the appeal of INFRAKOS against the order for execution of the K. Prishtina in the amount of €116,790.97.
- During the year, contacts were also maintained with private executors engaged in Infrakos cases and greater commitment is continuously required in terms of executing cases. The delays are mainly due to the lack of data as we are dealing with old cases.
- Work is ongoing to update and develop the database so that the company's management can have a clear overview of risk assessment and trends from legal proceedings.
- During the year, the legal office staff was also engaged in other work and tasks as needed by the enterprise.



SUMMARY REPORT OF CASES IN COURT PROCEEDINGS		
Total number of subjects	Infrakos as CLAIMANT	Infrakos as DEFENDANT
369	294	75
Total financial value	Financial value	Financial value
€6,185,250.38	€1,839,516.87	€4,345,733.51
Type of Dispute		
civil	Criminal	Employment Relations
315	33	21
84.6%	8.9%	5.7%
procedures	Number of cases	Percentage %
First degree	299	81.03%
Second degree	67	18.16%
Third degree	3	0.81%
Summary of the overall risk assessment		
High Risk	Medium Risk	Low Risk
66	222	77
18%	60%	21%
Summary of the overall risk assessment in monetary value CLAIMANT		
High Risk	Medium Risk	Low Risk
30	200	64
8%	54%	17%
€1,217,318.85	€604,489.27	€17,708.75
Summary of the overall risk assessment in monetary value DEFENDANT		
High Risk	Medium Risk	Low Risk
36	22	13
10%	6%	4%
€4,103,123.46	€237,040.26	€5,569.79

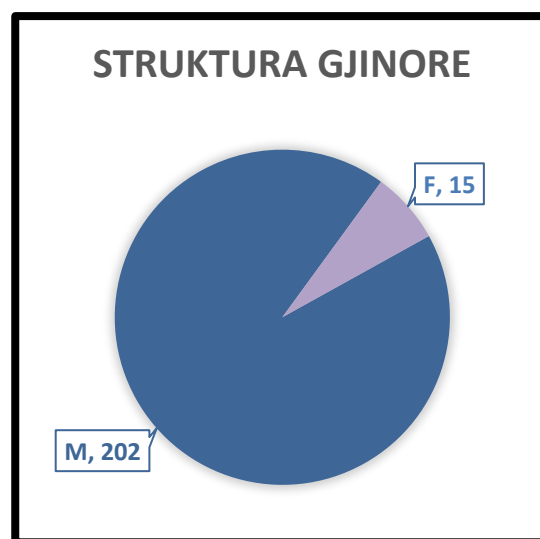
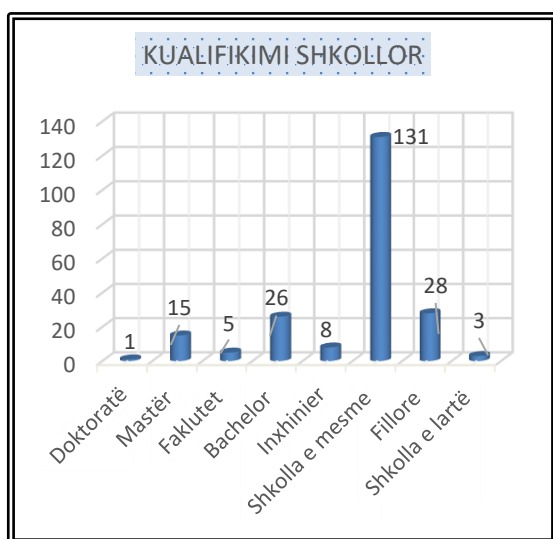
SUMMARY REPORT OF CASES IN ENFORCEMENT PROCEEDINGS		
Total number of subjects	Infrakos Creditor	Infrakos as a debtor
239	220	19
Total financial value	Financial value	Financial value
€1,368,056.88	€1,154,822.20	€213,234.68

Human resources

The HR sector during 2024 has developed a considerable activity in an effort to fulfill the objectives of this sector and the department as a whole. In each field of action, continuous work has been done to achieve the planned objectives and we have successfully achieved this. Below we present data regarding the company's employees, including the number and structure of employees;

Activities and results

- from The 234 employees we had at the beginning of the year, on 31/12/2024 we have 217 employees, of whom 197 have indefinite term employment contracts and 20 have fixed-term contracts;
- The gender and nationality structure is expressed as follows: out of 202 male employees (of whom 3 are Serb and 1 Ashkali), 15 female employees (of whom 1 is Serb);
- During 2024, the employment relationship of 26 employees was terminated (12 employees under the "voluntary severance package", 7, retirements, 4, death, 2, resignation and 1 termination of employment);
- During 2024, 16 employees were hired, mainly in the field of traffic and maintenance, and there were placements in accordance with the regulations approved by the Board of Directors;
- For alleged violations during 2024, 5 disciplinary measures were imposed and 4 cases were processed in the Disciplinary Committee;
- Several cases have been filed against the company at the Labor Inspectorate, mainly related to systematization and disciplinary measures. The IP has found violations with which the company has not complied and the IP's decisions have been appealed in the second instance and court.



Administration Sector

The administration sector during 2024 has continued to fulfill its duties and responsibilities. During this period, the administration sector staff has worked continuously to achieve the objectives of the enterprise.

Activities and results

- During this period, all work was completed as submitted to the office of the scripture/archive; and a total of 4,188 documents were registered, including: requests, court cases, incoming invoices, cases processed internally and distributed externally, cases processed internally and distributed internally, mail deliveries, etc.;
- The archive service during the period continued with the sorting of documents found in the archive office;
- Records of receipt, delivery, unloading and administration of materials in the warehouse have been kept;
- Vehicle administration, servicing, and maintenance have been carried out;
- Hygiene maintenance is carried out in all areas of the facilities;
- During the period, employees engaged in security have fulfilled their assigned duties and responsibilities and no problems have been encountered.
- The facilities maintenance unit has performed a considerable number of services in facility maintenance, central heating operation, and inventory maintenance according to staff requests and needs;

Property Sector

The Property Sector during 2024 has been dedicated with all capacities working on the realization of the works that our sector has. After successfully concluding 2023 by exceeding the plans, we started 2024 with very high objectives in order to maximize revenues from the field of leasing. The following are the main activities and results of the sector;

Activities and results

- Drafting of extension contracts for 2024. It is worth noting that no contract has been extended without a debt of €0.00 for 2023;
- All property tax invoices belonging to Infrakos for 14 municipalities have been defined, avoiding interest and penalties;
- Letters have been drafted, notifications for clients regarding debt settlement, letters for municipal bodies regarding requests for property interventions, as well as requests for property certificates;
- Three (3) public announcements have been made for the rental of vacant properties and buildings.
- In the property sector, we have received 213 requests (for renting property, interruption of billing,

change of name/contract holder, for consent regarding construction, etc.) for each of which we have provided a response.

- In accordance with the established procedures, 60 new contracts have been signed.
- The distribution of invoices to customers is carried out on a regular basis each month;
- Notifications for property releases, some of which have resulted in positive results because they have entered into a contract following the opinion of the professional commission, while for those that

have not responded, we have proceeded to the legal office.

- We have 8 contracts that have been temporarily suspended due to works at the train station in Fushë Kosovë and in Prishtina until the works are completed, and we have 6 contracts that have been suspended because they are no longer able to use the spaces they have rented;
- Rental income for 2024 has been a success, as income of €1,276,135.34 has been realized, exceeding the planned income for 2024 by about 27% and the previous year (2023) by about 33%.



Activities in the field of property and leasing also include a considerable number of actions, some of which we will present in the following table:

The total number of business and residential contracts for 2024 is 370

Business and residential leases	310
New business and housing contracts	60
Business and residential contracts in process	1
Requirements for renting property	213
Letters, requests, municipalities	10
Letter to the Prime Minister's Legal Office	1
Property vacate notices	42
Notifications for debt collection	328
Proposals for the law office	46
Complaint	5
Opinions on contracts	60
Opinions on public announcements	22
Consent	20
Refusal	22

CSD's activities and challenges in the coming year

In the coming year, the Corporate Services Department (CSD) is expected to face similar activities and challenges. The CSD's objective is to improve in all areas of responsibility, including more efficient human resource management, development of occupational health and safety policies, including workplace risk assessment and employee training in this area, review of the functions of organizational units in order to maximize the use of human resources, maintain the level of rental income and increase efficiency in this area, as well as continuous commitment to adequate maintenance of facilities and working spaces despite the challenges we face due to the old infrastructure. In the legal field, the enterprise is expected to face similar legal disputes related to the payment of debts to the company, property, compensation for damages from accidents, labor relations, lawsuits for compensation for expropriations, etc. Challenges and cases with very high risk are several disputes related to employment, railway accidents, right-of-way, contractual, which in total can reach a value of around €490,000.00, as well as several cases for compensation from expropriations in the 1960s in the Municipality of Prizren, which in total reach a value of around €3.5 million.

3 Financial performance statements

3.1 INFRAKOS's financial performance

Similar to the previous year, the financial situation of INFRAKOS in 2024 has been extremely difficult and our commitment throughout the year has been focused on overseeing revenues and expenses, so that the company can function in conditions that we can call extraordinary. The decline in revenues from network access fees due to the decline in freight transport (for which TRAINKOS and RAILTRANS are responsible), as well as the interruption of train traffic on the Fushë-Kosovo – Hani i Elezit line due to rehabilitation works on this railway segment, as well as the lack of subsidy requested by the government, has brought us into an extremely difficult financial situation, which has jeopardized the functioning of the company throughout the year. It is known that INFRAKOS's main revenues (track access charges and subsidies) do not depend on us,

therefore this has featured a very big challenge. We have continuously expressed our concern to the responsible institutions for the failure to fulfill legal obligations towards INFRAKOS, but fortunately our requests to these institutions during 2023 have resulted in the signing of a five-year agreement, however this agreement has not been fully implemented even during 2024.

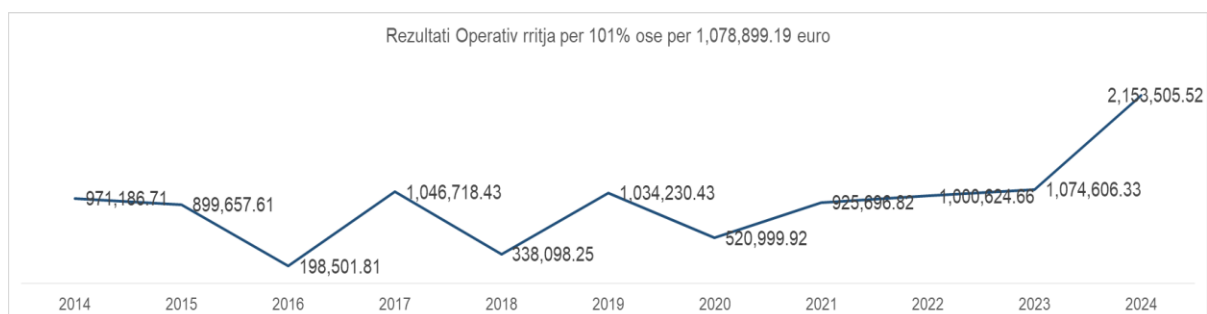
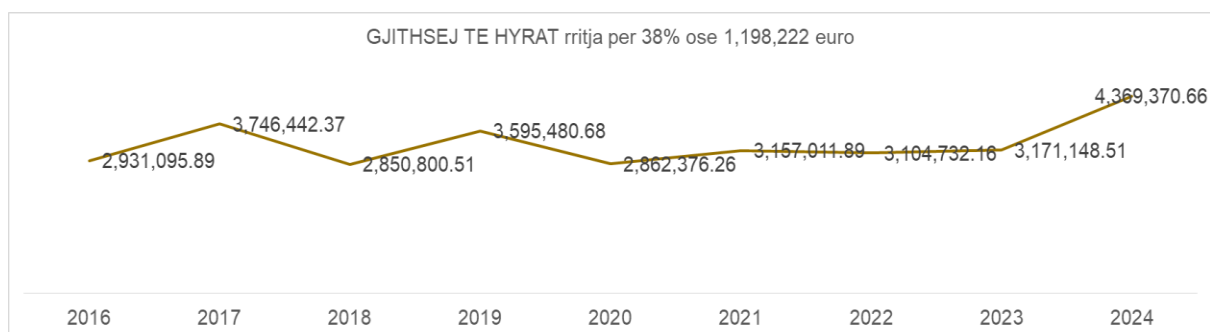
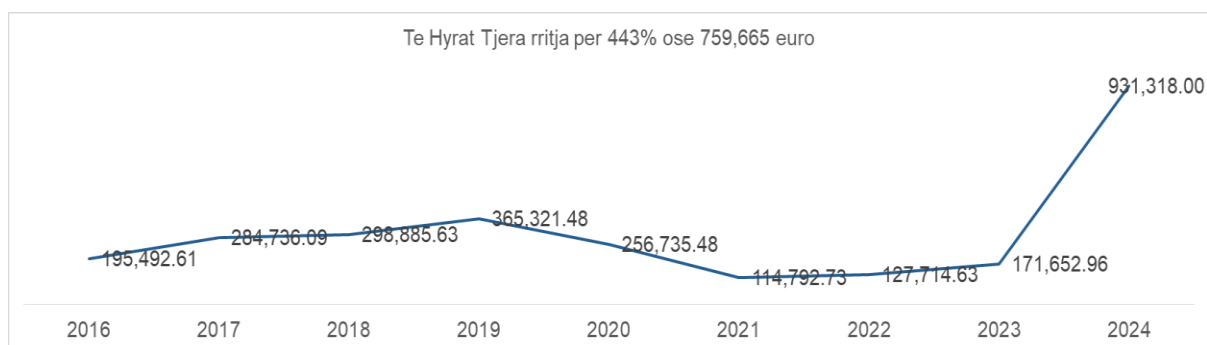
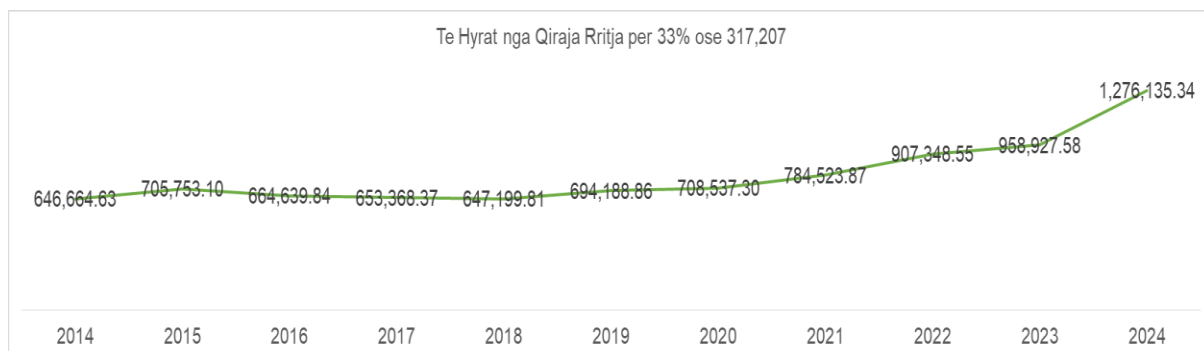
We hope that during 2025, the responsible institutions will finally fulfill their legal obligations towards INFRAKOS.

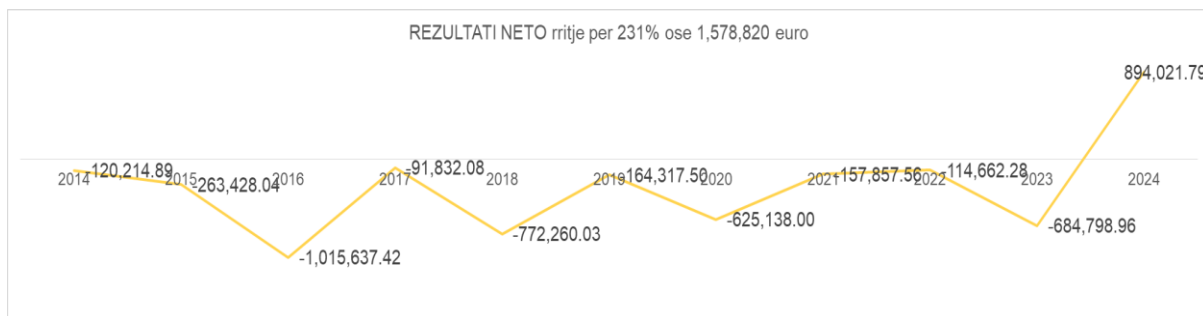
The following table presents in detail all types of INFRAKOS revenues and expenditures during 2024, comparing them with the planned budget for 2024, as well as with the revenues and expenditures realized during 2023.

Table 1. Total presentation of all revenues and expenses

comparison of income and expenses		Realization	Realization	Budget	Difference	Difference
		2023	2024	2024		
		or	B	C	B - A	B - C
ENTRY	Revenues from TM	25,052.00	1,631.00	3,056.00	-23,421.00	-1,425.00
	Revenues from TU	184,915.00	172,714.00	188,220.00	-12,201.00	-15,506.00
	Rental Income	958,928.00	1,276,135.00	1,003,644.00	317,207.00	272,491.00
	Other Income	171,653.00	931,318.00	2,172,838.00	759,665.00	-1,241,520.00
	Deferred income from grant-BK	984,927.00	869,060.00	865,535.00	-115,867.00	3,525.00
	Sub. for obligations from agreements with the Government	845,674.00	1,118,512.00	1,097,891.00	272,838.00	20,621.00
	Total revenues	3,171,149.00	4,369,370.00	5,331,184.00	1,198,221.00	-961,814.00
HPENSIONS	Equipment	825.00	32,619.00	40,461.00	31,794.00	-7,842.00
	Expenses of premises. of buildings	15,681.00	10,504.00	50,376.00	-5,177.00	-39,873.00
	Electricity	95,282.00	65,681.00	108,160.00	-29,601.00	-42,479.00
	Oil	25,850.00	25,421.00	35,676.00	-429.00	-10,255.00
	Oils, lubricators, etc.	2,099.00	625.00	6,217.00	-1,474.00	-5,592.00
	Operating consumables	32,155.00	48,212.00	115,495.00	16,057.00	-67,283.00
	Repair	10,878.00	7,750.00	141,234.00	-3,128.00	-133,484.00
	Operational services	2,176.00	3,346.00	3,980.00	1,170.00	-634.00
	Official trips	6,103.00	10,997.00	11,369.00	4,894.00	-372.00
	Marketing and publications	42,755.00	29,200.00	46,090.00	-13,555.00	-16,890.00
	Office consumables	13,297.00	8,649.00	11,754.00	-4,648.00	-3,105.00
	Phone / email / internet	9,250.00	8,845.00	10,071.00	-405.00	-1,226.00
	Hazard expense	30,317.00	71,661.00	221,049.00	41,344.00	-149,388.00
	Representation consumables	7,558.00	7,099.00	11,958.00	-459.00	-4,859.00
	Insurance	41,331.00	44,627.00	111,509.00	3,296.00	66,882.00
	External staff	987.00	34.00	5,839.00	-953.00	-5,805.00
	Staff and workers	1,710,138.00	1,810,719.00	2,370,237.00	100,581.00	-559,518.00
	Other operating expenses	49,860.00	29,876.00	59,846.00	-19,984.00	-29,970.00
	Total operating expenses	2,096,542.00	2,215,865.00	3,361,321.00	119,323.00	-1,145,456.00
	1. Difference (income - expenses) operating reserve	1,074,607.00	2,153,506.00	1,969,863.00	1,078,898.00	183,643.00
	2. Depreciation expenses	1,060,796.00	963,846.00	938,166.00	-96,950.00	25,680.00
	3. Provision expenses.	549,230.00	163,713.00	-	-385,517.00	163,713.00
	4. Provision expenses.R.GJ	-	32,946.00	-	32,946.00	32,946.00
	5. Other financial expenses	149,380.00	80,225.00	100,448.00	-69,155.00	-20,223.00
	6. Income tax expenses	-	18,754.00	-	18,754.00	18,754.00
	Net score (1-2-3-4-5-6)	-684,800.00	894,022.00	931,249.00	1,578,820.00	-37,228.00

Graphical presentation of operating results and revenues.





3.1.1 Planned and actual revenues

For the necessary clarification, the following is a description of the revenues and expenses presented in the table above.

Revenues from the use of the TM network—These revenues (as the main revenues of INFRAKOS) are generated from track Access charges made by TRAINKOS and RAILTRANS on behalf of the use of the network and according to the 2024 Network Statement. As can be seen from the table above, in 2024 €1,631.00 or 53% of the planned budget amount of €3,056.00 were realized.

Compared to 2023, when we had realized €25,052.00, Revenues from network usage are €23,421.00 less or expressed as a percentage 93% less.

Revenues from the use of the TU network—These revenues (as the main revenues of INFRAKOS) are created from track access charges made by TRAINKOS on behalf of the use of the network and according to the 2024 Network Statement. As can be seen from the table above, in 2024 €172,714.00 were realized or 8% less than the planned budget amount of €188,220.00.

Compared to 2023, when we had realized €184,915.00, revenues from network usage are €12,201.00 less or expressed as a percentage 7% less.

Rental income —The second source of INFRAKOS's income is undoubtedly rental income. During 2024, €1,276,135.00 was realized or 27% more than the amount planned for this year, which amounts to €1,003,644.00. So, it can be seen that we have an increase in these revenues of €272,491.00 compared to the planned budget. Compared to 2023 when we had realized €958,928.00, in 2024 rental income is €317,207.00 or 33% higher.

Other income —It is worth noting that the realization of other revenues was made from the maintenance and repairs of private industrial tracks, the provision of services at the freight terminal for all clients who used that terminal for loading and unloading goods, then the provision of other services and the sale of scrap metal that has become obsolete.

Therefore, regarding other revenues, in 2024 €931,318.00 were realized, or 57% less than the planned budget amount of €2,141,520.00. Compared to 2023 when we had realized €171,653.00, in 2024 other revenues are €759,665.00 or 443% higher.

Government subsidy –Since 2012, we have requested from the Government, respectively from the Ministry of Environment, Spatial Planning and Infrastructure as well as the Ministry of Economy to subsidize the change in tariffs from track access charges, these tariffs which INFRAKOS has compiled based on the direct cost of infrastructure maintenance, while MMPHI has drastically reduced them every year. Unfortunately, although during 2023 they resulted in the signing of a five-year agreement, this agreement has not been fully implemented during 2024. So, even in 2024, the same practice of previous years has continued where the government, respectively the responsible ministries have not fulfilled their obligation to cover the difference in track access charges in full.

The unwillingness of the responsible institutions to fully subsidize the planned amount has led us to make large reductions in planned expenses, which is not good at all because the consequences in the future could be great, thus compromising the safety of railway traffic.

Our request has been reviewed and fortunately this agreement dated December 11, 2023 was signed between the parties, the Ministry of Environment, Spatial Planning and Infrastructure, the Ministry of Economy and Infrakos JSC, which ministries have fulfilled their obligation under the Law on Railways No. 04/L-063.

3.2 INFRAKOS expenses

Regarding expenses, we can conclude that the operating expenses incurred by INFRAKOS in 2024 are €2,215,865.00, which compared to the planned expenses of €3,361,321.00, are €1,145,456.00 or 34% lower. This shows the great care that we have constantly taken during the realization of expenses by making maximum savings, since we have analyzed very well that the planned revenues will not

be realized for the reasons mentioned above.

Throughout the year, INFRAKOS has been very careful in managing expenses, saving as much as possible so that the company can operate. This has also resulted in certain difficulties and shortages in supplies of materials and spare parts, but owing to this, we have managed to survive and maintain the proper safety of railway transport.

3.3 Comparison of income and expenses

Above is a description of INFRAKOS's revenues compared to the 2024 budget, as well as a comparison of the realized expenses compared to 2023. It is worth noting that INFRAKOS is the only public company whose main revenues do not depend on the company itself. Regardless of the maximum commitment that the management and all other staff have made and can make, the impact on these revenues is

extremely minor because INFRAKOS's main revenues depend on the railway transport operators.

Based on Table 1. above, it can be seen that the revenues generated in 2024 are €4,369,370.00, which compared to the planned revenues of €5,331,184.00, are €961,814.00 or 18% lower than planned. Compared to 2023 where we had generated revenues in the amount of €3,171,149.00, in 2024 we generated €1,198,221.00 more or expressed in percentage terms a 38% increase in total revenues.

The table shows that operating expenses in 2024 are €2,215,865.00, which compared to the planned expenses of €3,361,321.00, it turns out that we spent €1,145,456.00 or 34% lower than the planned amount for 2024. This difference is due to the fact that we have saved throughout the year so that INFRAKOS can operate without problems. So, it has been said how much and how many times we have saved maximally for the sake of maintaining the financial stability of the company.

The difference between total revenues and expenses incurred in 2024 is €894,022.00. This year we have made provisions for accounts receivable and court cases in the amount of €196,659.00.€.

Based on what was said above, we can conclude that the year 2024 has been a very challenging but also successful year, all owing to the commitment of everyone, this success has been achieved..

4 Progress according to business plan

4.1 Progress reports on the implementation of the business plan

As in previous years, this year INFRAKOS's main objective has been to fully implement the Business Plan for 2024. This plan has been a clear plan with the possibility of permanent measurement of the results achieved.

Like every other year, this year the company's departments and sectors have compiled their action plans based on the business plan, while based on these plans, the INFRAKOS action plan was compiled, which has been a guide for all departments and units of this company.

Based on the results achieved, it has been concluded that the 2024 Business Plan (with the exception of the realization of revenues from track access charges that depend on TRAINKOS and RAILTRANS, state subsidies that have not been realized according to our requests) has been almost completely realized. As for revenues from real estate and other revenues, these revenues that depend on us, here a relatively good success is observed which is expected to improve in the future.

4.2 Progress of key strategic objectives

As in the previous year, in 2024, the realization of the objectives foreseen in the business plan has been one of INFRAKOS's main priorities. The 2024 business plan has not had any significant changes from the 2023 one. Therefore, among the main objectives related to the progress reports are the following:

- Maintenance of railway infrastructure at the highest possible level in accordance with applicable regulations and legislation.
- Building human capacities towards increasing safety, quality and effectiveness.
- Maximum commitment to good management of existing resources to achieve anticipated revenues.
- Providing rail paths to rail transport operators in a fair, transparent and non-discriminatory manner.
- Proper management of real estate as a second source of income generation and elimination of bad debts
- Continuation of the rehabilitation and modernization of the first phase of Railway Line 10 (Fushë Kosovë – Hani i Elezit).
- Continuation of the rehabilitation and modernization of the second phase of Railway Line 10 (Fushë Kosovë - Mitrovica).
- Beginning of the rehabilitation of signaling and energy equipment for the first and second phases (Mitrovicë - Hani i Elezit).
- Continuation of the Technical Detail Design Project for the third phase (Mitrovicë – Leshak)
- Reopening of the northern part of Railway Line 10 from Mitrovica to the border with Serbia.
- Increasing cooperation with local and international institutions towards the development of railway infrastructure in Kosovo.

The following presents the achievement, or non-achievement, of the above objectives, which represent the main basis of INFRAKOS's work during 2024.

Maintenance of railway infrastructure at the highest possible level in accordance with regulations and legislation in force

The year 2024 has been a year of maximum commitment by the executive sectors to maintain safety on our railway lines. For this reason, the commitments of the MLH sector have been continuous by maintaining the railway lines at the required level. The VET sector has done the same by avoiding all obstacles in the signaling-interlocking, telecommunications and energy equipment, while the Communications sector has meticulously implemented the train movement schedule.

Building human capacities towards increasing safety, quality and effectiveness for executive and administrative staff

One of our priorities in 2023 and 2024 has been to increase the company's human capacities. In order to be able to realize our vision and the objectives foreseen in the business plan, one of the main tasks has been and still remains the increase in human capacities.

It is worth noting that within the last two years, capacity building and participation in training and workshops has been 822 effective hours for administrative staff, while in 2024 alone, based on the program plan, we have 1,230 hours, which in total is 2,052 hours. It is also important to note that during 2024, 18 employees (executive staff) were certified in the field of the traffic sector, which we have included in the following table.

Below is a table showing the capacity increases:

Capacity building and workshop participation by function for the last two years 2023/2024:

1	Permanent training of traffic staff	108 hours
2	Permanent staff training in the Electrical Engineering Department	90 hours
3	Permanent staff training at MLH	72 hours
4	Training and certification of 18 employees in the railway traffic sector	960 hours
3	Finance Department	146 hours
4	Coordinator between Infrakos and KPA	16 hours
5	Project Implementation Unit "PIU"	42 hours
6	Engineering and Signaling Sector	216 hours
7	Procurement	200 hours
8	Planning and Development Sector	136 hours
9	Technical and Infrastructure Department	24 hours
10	Property Sector	16 hours
11	Legal Office	16 hours
12	Audit Office Unit (OAU)	10 hours
	<i>TOTAL</i>	<i>2,052 Hours</i>

Maximum commitment to good management of existing resources to achieve anticipated revenues

One of our priorities in 2024 has been to commit all existing resources to achieving the anticipated revenues. Today, we can conclude that the revenues that depend on INFRAKOS have been achieved within the limits foreseen in the business plan.

Providing railway paths to rail transport operators in a fair, transparent and non-discriminatory manner

INFRAKOS as the Manager of the railway network during 2024, in addition to the transport operator - TRAINKOS, has been ready to provide to the other private operator RAILTRANS as well, but the private company RAILTRANS has not carried out any transport.

We are pleased to note that the provision of our services to these operators has been at the highest possible level.

So, the provision of all our services to transport operators has been correct, timely and at the highest possible level.

Proper management of real estate as a second source of income generation and elimination of bad debts

We have paid special attention during 2024 to the real estate sector, a sector that already generates the main income for INFRAKOS before access to the railway network. With sound policies, regular meetings with our clients and a very favorable approach towards them, we have managed to have a complete realization of this objective in 2023.

Continuation of the rehabilitation and modernization of the first phase of Railway Line 10 (Fushë Kosovë – Hani i Elezit)

This is one of the most important objectives in the new history of railways, because the rehabilitation and modernization of railway line 10 is of vital importance for the integration of Kosovo's railway system in the region and the EU.

During 2024, intensive work was carried out on the rehabilitation of the first phase of the Railway Line 10 (Fushë Kosovë - Hani i Elezit)

Continuation of the rehabilitation and modernization of the second phase of Railway Line 10 (Fushë Kosovë – Mitrovica)

Work has also continued on the rehabilitation of this railway segment, which was expected to be completed in 2024, but has not been achieved, which has obliged us to apply penalties in compliance with the contract.

Reopening of the northern part of Railway Line 10 from Mitrovica to the border with Serbia

It is known that since March 3, 2008, forces of parallel Serbian structures in northern Kosovo, assisted by Serbian Railways, have occupied the northern part of Railway Line 10, thus preventing INFRAKOS from accessing that part of the railway.

We thought that during 2023 and 2024 there would be talks between Kosovo and Serbia on this issue, but unfortunately this did not happen, which as a result did not achieve this objective.

Increasing cooperation with local and international institutions towards the development of railway infrastructure in Kosovo

This year too, we can state with pleasure that INFRAKOS has maintained and developed an excellent cooperation activity with local, regional and EU institutions. Here it is worth emphasizing our maximum commitment in providing information, drafting reports, completing various questionnaires and developing permanent communication with all our state institutions (in particular with the Ministry of Infrastructure, the Ministry of Economy and Environment, the Ministry of Finance and the Office of European Integration), with regional institutions (in particular with the Macedonian, Albanian and Montenegrin railways), and recently with EU institutions (in particular with the EBRD, EIB, WBIF, CER), and so on.

Here, it is particularly worth mentioning our commitment to the Transport Community for the Western Balkan countries, where we have had very good cooperation with this institution.

In any case, during 2025 we will further develop communication and cooperation with all the aforementioned institutions and stakeholders, always towards the development of the Kosovo railway system.

4.3 Changes during activities

As usual, for 2024 we have drafted action plans based on the company's Business Plan. These plans have been quite detailed, but based on the daily flows and existing conditions, certain improvisations had to be made by changing the priorities or the implementation time of certain projects.

Wanting to maintain the financial security of the company, we have been very careful in the implementation of the planned projects and the time of their implementation. Due to the poor financial situation, we have also made certain changes from the previous plan.

5 Capital expenditures and projects

5.1 Capital expenditures and projects

The Public Procurement Office, during its work activity, has always had as its basis and main goal the fulfillment and respect of the basic principles of the provisions of the LPP, such as: the

principle of economy (value for money), equality in treatment/non-discrimination, efficiency, transparency, etc. By implementing these principles, it is aimed to ensure

that, in all procurement activities carried out by the Public Procurement Office, public funds and public resources are used in the most economical, efficient, transparent and fair manner.

During 2024, the office has been engaged in the implementation of projects planned for 2024, in which the office has acted actively by processing all requests initiated by requesting

departments and units in a timely manner.

The Procurement Office, in accordance with the legal provisions regulating the field of public procurement, has initiated a total of 39 procedures and signed 37 contracts, for supplies and services, to implement and fulfill the requirements for all pillars of the Contracting Authority's budget, respectively for all Requesting Units, by implementing capital projects financed by:

- Capital projects financed by the Kosovo Budget.
- Projects financed by the INFRAKOS Budget.

Capital projects financed by the Kosovo Budget.

From the Kosovo budget, through the Ministry of Economy, €200,000.00 has been allocated to Infracos JSC. for financing capital projects, of which it has implemented 6 capital projects worth €176,583.36.

Also, the Ministry of Environment, Spatial Planning and Infrastructure has allocated funds worth 3,000,000.00, for the financing of two capital projects, of which 1 capital project worth €995,979.00 has been implemented.

Table 1 Capital projects implemented by the Kosovo Budget

Year 2024	Number of Capital Projects according to agreements	Budget value in €	Contracted Value in €	Difference between Planned and Contracted Funds in €
Agreements by Ministries				
Agreement of the Ministry of Economy	8	200,000.00	176,583.36	23,416.64
MMPHI Agreement	1	1,000,000.00	995,979.00	4,021.00

In table 1, capital projects implemented based on the agreements of the Ministries for project financing are presented, where according to the agreement of the Ministry of

Economy - ME, 8 contracts were signed for the implementation of capital projects financed by this ministry, while according to the agreement of the MMPHI, one contract was signed for the implementation of the capital project, where comparing the estimated and contracted value for the projects financed by both Ministries, a difference/saving of €27,437.64 results.

Capital projects financed by the Infrakos Budget

Table 2 Capital projects implemented by the Budget of Infrakos Sh.A.

year	Number of Projects according to Infrakos budget	Budget value in €	Contracted Value in €	Difference between Planned and Contracted Funds in €
2024	28	129,824.00	120,832.27	8,991.73

In table 2, the projects implemented and financed from Infrakos' own budget are presented, during 2024 a total of 28 projects were implemented, where compared between the predicted value of €129,824.00 and the contracted value of €120,832.27, there is a difference/saving of €8,991.73

Initiated and implemented projects

Table 3. Tabular overview of procurements initiated and completed during the years 2021-2024

year	Number of Initiated Procurements	Number of procurements carried out
2024	39	36
2023	47	41
2022	59	51
2021	50	49

Based on the data above in Table No. 3, we have an overview of the initiated and completed projects covering the years 2021-2024.

Table 4. Tabular overview of contracted procurements during 2024

year	Number of Contracts Signed	Budget value in €	Contracted Value in €	Difference between Planned and Contracted Funds in €
2024	37	1,329,824.00	1,293,394.63	36,429.37

Table 4 presents the procurement activities/procurement procedures for which contracts were signed during 2024, where the comparison between the estimated and contracted value shows that there is a difference/saving of 36,429.37 euros.

Procedures implemented in procurement activities

Procurements to meet the needs of the Contracting Authority, expressed in financial value, have mostly been carried out through the implementation or use of the open procedure. In fact, through this procedure the highest degree of transparency and competition between economic operators is most expressed, compared to other procedures.

Table 5. Procurements carried out through the implementation of procurement procedures

Financial Instruments	Open Procedure (€)	Negotiated Procedure without Publication of Contract Notice	Price Quotation Procedure (€)	Procedure for Minimum Value Contracts (€)	Total (€)
Predicted	1,286,000.00	3,995.00	23,680.00	16,146.00	1,329,824.00
Contracted	1,254,851.98	3,948.00	20,137.28	14,457.37	1,293,394.63
Difference	31,148.02	47.00	3,524.72	1,688.63	36,429.37
Participation in %, according to procedure	96.70%	0.30%	1.78%	1.22%	100%

Table 5. It reflects in more detail the type of procedure used for the contracted supplies and services, the participation of the type of procedure in the total estimated value of procurements, as well as the participation of procedures expressed in percentage, where it can be seen that the open procedure has the largest participation in the total estimated value of 96.70%.

From the analysis of the data presented in Table No. 5, it can be seen that the greatest savings were achieved when implementing the open procedure, also due to the fact that more financial resources were concentrated there.

Types of procurement applied to contracts signed during 2024

Table 6. Tabular overview by type of procurement in 2024

	Anticipated Financial Means	Contracted Financial Instruments	Participation in % in the Total Contracted Value
Supply	1,215,000.00€	1,186,001.00€	91.70%
Services	114,824.00€	€107,393.63	8.30%
Total	€1,329,824.00	€1,293,394.63	100%

Table 6, reflects in more detail the procurements carried out during the reporting period, expressed in contracted financial value as well as the participation expressed in percentage.

Based on the data in Table 6, it can be seen that during 2024 two types of procurement were used, Supplies and Services, their participation expressed in percentage in the contracted value is as follows: Supply contracts have a participation of 91.70% in the total value, while service contracts have a participation of 8.30%.

Application of penalties for delays in contract execution

It should also be noted that for unreasonable delays in the completion of projects according to the contracted dynamic plan, the office, in accordance with the legal provisions of the LPP and the Conditions set out in the Contract, has applied penalties due to unjustifiable delays in the completion of the contract. The financial value of the application of penalties amounts to 686.00

Goals for the coming period

The procurement office, in the future, will be oriented in commitment towards a most thorough planning possible, identify in reasonable detail all requirements with special emphasis on the supplies and services that the contracting authority intends to procure, so that such procurements can be carried out and secured through the implementation of a consolidated or joint procurement procedure.

6 Perspective for next year

6.1 Perspective for 2025

The year 2024 has been a year of important developments, but also the most challenging year for INFRAKOS. When we say that it has been a year of great developments, we base this on a large and very valuable number of projects that have been completed or have begun to be implemented:

- The rehabilitation of the first phase of the Railway Line 10 (Fushë Kosovë – Hani i Elezit) will continue;
- The rehabilitation of the second phase of the Railway Line 10 (Fushë Kosovë – Mitrovica) will continue;
- The drafting of the project design for the third phase (Mitrovicë - Leshak - border with Serbia) has begun;

So, the developments that occurred in 2024 guarantee a rapid progress of INFRAKOS in 2025 as well. We are

aware that the financial issue of our company will be difficult even in 2025, because no increase in transportation

is expected from railway operators, but with the signing of the five-year financial contract with the government, we will have it easier to continue the path of success.

However, we believe that INFRAKOS's perspective for 2025 will be significantly better, and therefore we expect the following developments:

- Completion of the rehabilitation works of the first phase of Railway Line 10 (Fushë Kosovë – Hani i Elezit);

So, from the presentation of the above-mentioned projects, it is noticeable that the year 2025 will be an extremely busy year with work and projects that we will do our best to successfully implement. The implementation of these projects

- Completion of the rehabilitation works of the second phase of Railway Line 10 (Fushë Kosovë - Mitrovica);
- Completion of the project design for the third phase (Mitrovicë – Leshak – border with Serbia);
- Bidding and selection of the Contractor for the implementation of works in the first and second Phases for signaling and telecommunications;

guarantees a very good perspective for INFRAKOS, with the continuation towards new developments and a guaranteed success.

6.2 Main objectives according to the Business Plan for 2025

It is now known that 2025, like the previous year, will be a year of development of railway infrastructure and other important projects.

Below are our objectives for this year, which are taken from the 2025 Business Plan. The presentation of these objectives does not have any significant changes from those of the previous year, because their connection with the railway system is excellent, while their realization is always possible.

So, for 2025 we have set clear objectives that will enable the company's rapid development. Among the many objectives, we will mention the following:

- Maintenance of railway infrastructure at the highest possible level in accordance with applicable regulations and legislation.
- Building human capacities towards increasing safety, quality and effectiveness.
- Maximum commitment to good management of existing resources to achieve anticipated revenues.

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- Providing rail paths to rail transport operators in a fair, transparent and non-discriminatory manner.
 - Proper management of real estate as a second and now first resource for generating income and eliminating bad debts.
 - Completion of the rehabilitation and modernization of the first phase of Railway Line 10 (Fushë Kosovë – Hani i Elezit).
 - Completion of the rehabilitation and modernization of the second phase of Railway Line 10 (Fushë Kosovë – Mitrovica).
 - Beginning of the rehabilitation of signaling and energy equipment for the first and second phases (Mitrovicë - Hani i Elezit).
 - Completion of the Technical Detail Design Project for the third phase (Mitrovicë – Leshak)
 - Reopening of the northern part of Railway Line 10 from Mitrovica to the border with Serbia.
 - Increasing cooperation with local and international institutions towards the development of railway infrastructure in Kosovo.

INFRAKOS will have maximum commitment throughout 2025 so that the above-mentioned objectives and those set out in the business plan are successfully achieved.

6.3 Changes from the previous year's business plan

The business plan for 2025 was stated above to be very similar to that of the previous year, while the objectives presented in this plan have not undergone any major changes that are worth highlighting.

Similar to the previous year, the objectives in the 2024 Business Plan are very clear, starting from the basic objectives that are constantly repeated to the new objectives that have been introduced in this business plan. In this context, infrastructure maintenance, increasing security and human capacities, providing network access services and generating revenues from real estate, remain as the main objectives of INFRAKOS for 2025.

6.4 Risks for the future

The challenges that have accompanied INFRAKOS in the past years, and especially those that continued in 2024, have been enormous (of course, in terms of the financial situation), so owing to our preliminary forecasts and maximum commitment, we managed to survive 2024. However, owing to reliability and trust, the financial agreement was reached and signed at the end of 2023.

According to our analysis, the risks in the coming years are influenced and depend on many different factors, most of which the impact of INFRAKOS is very small or even zero.

For this reason, in addition to INFRAKOS's maximum commitment to eliminating risks, it will be necessary to urgently engage all other relevant institutions (the Ministry of Environment, Spatial Planning and Infrastructure, as well as the Ministry of Economy) so that the railway infrastructure completely eliminates or maximally reduces these risks so that the railway network is at the appropriate level and INFRAKOS can provide quality services.

6.5 The main risks in the next two years

INFRAKOS, with its business plan through SWOT analysis, has clearly and in detail defined the risks that our company can and will face. In the same way, an action plan has been made through which activities have been defined to eliminate or minimize these risks. Based on the experiences of previous years, we have clearly defined the main risks that could affect the company in the next two years.

Since the risks for the next two years are almost entirely similar to those addressed in the 2024 report, we have not made any changes to the definition of risks for 2025, so apart from reaching and signing the 5-year financial agreement, the same risks may remain:

SWOT - Analysis

Strengths (Advantages)	Weaknesses (Deficiencies)
✓ The only operator that provides access to the tracks ✓ Connection to industrial tracks in most mines in Kosovo; ✓ Providing terminal services for loading and unloading freight; ✓ Railway Line 10 is a connecting line between Serbia, Kosovo and Macedonia; ✓ The capacities of the existing infrastructure also allow the insertion of other transport operators; ✓ Long experience in this business.	✓ Poor condition of railway infrastructure; ✓ Malfunction of a part of the railway infrastructure; ✓ The high cost of maintaining railway infrastructure; ✓ Lack of signaling-interlocking equipment on all railway lines, except line 10 ✓ Old age of workers, low productivity;
Opportunities (Chances)	Risks (Threats)
✓ Connecting all major cities in Kosovo enables the development of rail transport; ✓ Connection with countries in the region through the railway line 10; ✓ Rehabilitation and commissioning of other railway lines; ✓ Good infrastructure provides opportunities for the expansion of transport operators.	✓ The malfunction of Trainkos and RailTrans ✓ Insufficient funding of infrastructure development projects ✓ Continued obstructions by Serbian Railways and the blocking of the northern exit to Serbia; ✓ High investment costs in maintenance and rehabilitation of out-of-function lines; ✓ The impossibility of renewing the mechanization for the maintenance of railway lines.

6.6 Commenting on risks

From a considered number of risks, we have selected the above risks which could negatively impact the company's performance.

Here we have presented only the risks that are considered the most significant, and which have a major impact on the development of INFRAKOS and its overall performance. Each of the risks mentioned may jeopardize the normal functioning of INFRAKOS, and therefore will be analyzed separately.

The malfunction of TRAINKOS and RAILTRANS

The decline in freight transport and the cessation of the traffic for some passenger trains by TRAINKOS since 2020 are not expected to change even in 2025.

The poor start-up and operation of the private transport operator RAILTRANS poses the same risk of the same situation continuing into 2025.

Since INFRAKOS's main revenues depend on these two transport operators, their poor functioning poses a permanent risk to our company even during 2025.

Therefore, the management of TRAINKOS, but also the owner of RAILTRANS, should be maximally engaged in finding opportunities for increasing freight transport, because this would benefit their companies but also INFRAKOS, which would have greater revenues from track access charges.

Losing real estate clients

After revenues from track access charges generated by TRAINKOS and RAILTRANS, INFRAKOS's other secondary revenues are generated from real estate, namely the rental of real estate for the development of various businesses.

During 2024, the revenues generated from real estate have been greater than the planned ones. However, considering the difficult economic situation in the country and the decline of private businesses, another risk for the company is the failure to realize the planned revenues from real estate, which may come as a result of the difficult economic situation and the loss of existing customers.

The impossibility of reopening the northern line Mitrovica / Leshak / Serbia

It is known that the Mitrovica - Leshak railway line has been blocked by the Serbs of the north since 2008. This has had a negative development in both countries and therefore the demands and needs for the reopening of this railway line are very great. The reopening of this railway line would enable a much greater development of railway transport and Kosovo would also be provided with a railway access to the countries of the region, in this case to the Serbian network.

The risk of the same situation continuing in 2025 is great, therefore a greater commitment from our responsible institutions is expected to solve this problem.

High investment cost for rehabilitation of out-of-function lines

A particular problem for the railway business has been the inability to put the entire railway network into operation. Our interest in 2025 is to find the possibility of putting into operation the lines that have been out of operation since 1999. We are talking here about the Prishtina - Podujeva line and the Klina - Xërxe - Prizren line, which are out of operation due to extremely severe damage. The high cost of rehabilitation of these lines is the main factor that risks their non-functioning, so it remains for the government to find the necessary funds for the rehabilitation of these lines.

Damage and usurpation of railway infrastructure

The extensive damage and encroachment over the years of Kosovo's Railway Infrastructure has been one of our main concerns and challenges.

In addition to the damages, a very worrying issue is the various usurpations of the railway infrastructure by unscrupulous individuals and legal entities. This is a phenomenon that has been going on for years and unfortunately has caused and continues to cause irreparable damage to the railway infrastructure.

6.7 How to act

Seeing that the risks of the expected malfunction of INFRAKOS are great, we have timely drafted our plans and, based on them, action plans, so as to reduce the aforementioned risks to a minimum or eliminate them entirely.

The commitment of INFRAKOS management is to work tirelessly to fulfill the 2025 Business Plan and the objectives arising from this plan.

We are aware of the country's current economic situation and the major problems that haunt all countries in the region, but we are aware that there is no success without sacrifice. Therefore, our commitment is that in 2025 we will do the following:

- The full implementation of our action plans resulting from the Business Plan;
- Close cooperation with all stakeholders;
- Significantly improving our commitment to achieving better results, thus achieving our goals but at a lower cost;
- Continuous research into investment opportunities and new opportunities for infrastructure improvement;
- Protection of railway assets and infrastructure;
- Development of various real estate projects;
- The immediate implementation of our tasks regarding the general rehabilitation of the railway line 10; and
- Maximizing safety precautions in railway traffic.

INFRAKOS will have extremely major commitments during 2025, both in the implementation of daily tasks and in the implementation of development projects, among which we will highlight the general rehabilitation and modernization of Railway Line 10.

As usual and above all, the number one priority will be the safety of our railway lines, in which regard we will, as always, be uncompromising and will never allow our lines to not have the appropriate level of safety.

So, our work and that of the entire railway staff will continue with maximum commitment in 2025, but also in the following years.

Finally, we guarantee that we will continue our tireless work in 2025, so that Kosovo's Railway Infrastructure is part of the regional network of countries and the Integrated Network of EU countries.

End