

REPORT ON BUSINESS ACTIVITIES AND RESULTS OF

AŽD PRAHA S.R.O.
FOR THE FISCAL YEAR 2020/2021



REPORT ON BUSINESS ACTIVITIES AND RESULTS OF

AŽD PRAHA S.R.O.
FOR THE FISCAL YEAR 2020/2021





164.3

36

CONTENTS

INTRODUCTORY WORD OF THE GENERAL DIRECTOR	4
GOVERNING BODIES AND ORGANIZATIONAL UNITS	6
ORGANIZATIONAL STRUCTURE	12
PURPOSE OF BUSINESS ACTIVITY AND ITS ANTICIPATED DEVELOPMENT	14
PRODUCTION, INSTALLATION AND LOGISTIC ACTIVITIES	20
SERVICE ACTIVITIES	22
SOCIAL RESPONSIBILITY AND ESG	24
RESPONSIBILITY TOWARDS EMPLOYEES AND GENDER NEUTRALITY	28
RELATION TO ENVIRONMENT – GREEN COMPANY	32
COMPLIANCE PROGRAM	34
GDPR	36
CHARITABLE ACTIVITIES	38
INTEGRATED MANAGEMENT SYSTEM	40
FINANCIAL COMPANY MANAGEMENT	42
FINANCIAL STATEMENTS	50
SUPERVISORY BOARD REPORT	60

INTRODUCTORY WORD OF THE GENERAL DIRECTOR

I am glad that we are building on the positive development of previous years with good results. I would like to thank all of you – associates, employees, business partners and friends – for your trust in our Company, our products and our people.



**Dear associates, business partners,
dear friends,**

Let me introduce the annual report of AŽD Praha s.r.o., which, based on legal requirements, describes the 2020/2021 fiscal year in the annotated, graphical and table forms.

I am glad that by good results we follow up with the positive development of the previous years. I would like to thank all of you – associates, employees, business partners and friends – for having confidence in our Company, our products, our people.

Also this year took place in the period of the permanent pandemic of Covid-19 and brought us additional problems and many surprises that we had to face. In the optics of today, I must say that we have stood up very well.

Social responsibility, helping those in need, tolerance, respect and understanding of the problems of others is an important criterion of our activities. These are attributes that our company did not lack in the past year, and were certainly visible.

For many years, we have been assessing, evaluating, reviewing and modifying our rules and procedures, often beyond the minimum statutory limits

and requirements. We strive to approach our country and people in our daily activities with humility, to conserve resources and nature, to honour the values that are most precious, especially health, consideration and respect for the environment in which we live and work. These principles are our guiding principles in relation to our clients, employees and business partners. The philosophy we have been following for a long time has recently become a criterion followed in Europe and worldwide.

From previous years, we have implemented demanding certification audits relating to environmental protection, HR policies, occupational health and safety and business ethics. We are ready to further develop the ESG principles (we think about the environment – we think about people – we think fairly). Through the whole range of its activities, AŽD helps in practice to prioritize and make wider use of more environmentally friendly transport of passengers and goods; we participate in research and development of new technologies that further lead to increased safety and contribute more effectively to reducing the environmental burden in transport. A healthy and undamaged environment for present and future generations is our priority. That is why we strive to reduce the negative impact of our activities on the ecology.

Quality interpersonal relationships are the core of our business. I very much appreciate the loyalty of our employees. It is thanks to their personal commitment and professional skills that our Company is able to achieve success and growth. Although our „transportation technology“ industry is usually more of a man’s world, I am very pleased that women are well represented at all levels of the Company. Our young employees, who bring energy and courage to our activities, are matched by experienced professionals, who contribute their

knowledge and skills. We care no less about the stability of employment and its diversity, which is important for sustainability. We also strive to achieve the highest possible standards of occupational health and safety. We take special care in training and improving the qualifications of our employees and in recruiting new employees, whom we pay close attention to. Interesting and promising work, friendly team, fair negotiations, incentive systems and other bonuses – these are all attributes that stabilize our teams of people and attract more people interested in working for our Company.

AŽD is a socially responsible Company that has set high demands on ethical standards. We play clean and fair. We make the same demands on our business partners. We listen and talk to all the groups involved. This is the only way to ensure that our business continues to be on a stable footing in the future. We follow clear rules and have zero tolerance for unethical behaviour.

As we do every year, we try to devote a lot of effort to the media image of our Company and the promotion of the entire industry. We publish a quarterly magazine Reporter, which is popular not only within AŽD but has become a railway magazine for the general public. The video magazine „The Train“ is also very popular and is also being broadcast by some TV stations.

Finally, I would like to thank everyone who encourages us, believes in us, supports us, keeps their fingers crossed and, most importantly, helps us.

I wish success to all.

Ing. Zdeněk Chrdle
CEO and General Director

GOVERNING BODIES AND ORGANIZATIONAL UNITS

The Company's Head Office has been established to ensure top management functions and to manage and coordinate activities ensuring the implementation of the Company's purpose of business activity.

AŽD Praha s.r.o. (Company ID 480 29 483) is a solely Czech company owned by a long time stable group of owners. Within the meaning of the Act on Business Corporations and Cooperatives (Act on Business Corporations) it is a limited liability company. It is registered in the Commercial Register kept by the Municipal Court in Prague under file number C 14616. From a legislative and economic point of view, it constitutes a single legal person.

Three Executive Officers act on behalf of the Company in accordance with the Memorandum of Association. Each of the Executive Officers is entitled to act on behalf of the Company independently.

In order to ensure top management functions, the Company's Head Office has been established to manage and coordinate activities ensuring the implementation of the Company's purpose of business activity.

The Company employment relations were fulfilled during the evaluated period in compliance with the legislation of the Czech Republic and the Collective Agreement of the Company.

The Company's bodies and representatives are mentioned in the Report on Business Activities and Results according to the state as at 30 September 2021.

COMPANY BODIES

as at 30 September 2021

GENERAL ASSEMBLY

EXECUTIVES

Ing. Zdeněk Chrdle

General Director and CEO

Ing. Roman Juřík

Technical Director

Daniela Veselá

Internal Company Affairs Manager

SUPERVISORY BOARD

Ing. Miroslav Kozák

Financial Director

Petr Rott

Partner

Ing. František Formánek (died in July 2021)

Partner

During the observed period of the 2020/2021 fiscal year, the Executives and the Supervisory Board were working in a stable composition.

AŽD Praha s.r.o.

HEAD OFFICE AND COMPANY REGISTERED OFFICE

Žirovnická 3146/2, Záběhlice
106 00 Praha 10
Tel.: +420 267 287 111
E-mail: info@azd.cz
www.azd.cz

General Director

Ing. Zdeněk Chrdle
Tel.: +420 267 287 201

Commercial Director

Ing. Petr Faltus
Tel.: +420 267 287 416

Financial Director

Ing. Miroslav Kozák
Tel.: +420 267 287 190

Technical Director

Ing. Roman Juřík
Tel.: +420 267 287 361

Installation and Production Director

Ing. Radek Zamrazil
Tel.: +420 267 287 797

Equity Holdings Director

Ing. Jiří Batka
Tel.: +420 267 287 203

Director for Road Telematics

Patrik Reiniš
Tel.: +420 267 287 403

Commercial Export Director

Ing. Petr Žatecký
Tel.: +420 267 287 263

European Affairs Director

Ing. Vladimír Kampík
Tel.: +420 267 287 437

Equity Mergers Director

Ing. Vladimír Ketner
Tel.: +420 267 287 284

HR Manager

Blanka Prešinská
Tel.: +420 267 287 301



ORGANIZATIONAL UNITS

“TECHNIKA” PLANT

Žirovnická 3146/2, Záběhlce
106 00 Praha 10

Plant Director

Ing. Karel Višnovský
Tel.: +420 267 287 223

Research and Development

Deputy Director

Ing. Antonín Diviš
Tel.: +420 267 287 363

Deputy Director for Design

Ing. Martin Cejp
Tel.: +420 267 287 384

PRODUCTION PLANT BRNO

Křižíkova 465/32
612 00 Brno – Královo Pole

Plant Director

Ing. Jolana Horsáková
Tel.: +420 549 122 101

PRODUCTION PLANT OLOMOUC

Roháče z Dubé 113/6
779 00 Olomouc – Bělidla

Plant Director

Ing. Stanislav Slavíček
Tel.: +420 585 113 510

INSTALLATION PLANT KOLÍN

Polepská 724
280 02 Kolín IV

Plant Director

Ing. Václav Pařízek
Tel.: +420 321 734 413

INSTALLATION PLANT OLOMOUC

Jiráskova 948/5
779 00 Olomouc – Hodolany

Plant Director

Ing. Zdeněk Bébar
Tel.: +420 585 113 760

LOGISTICS PLANT OLOMOUC

Železniční 84/1
779 00 Olomouc – Chválkovice

Plant Director

Ing. František Grambal
Tel.: +420 585 113 254

TELEINFORMATICS DIVISION

Ukrajinská 1517/4
100 00 Praha 10 – Vršovice

Division Director

Ing. Tomáš Handl
Tel.: +420 274 012 610

TELECOMMUNICATION AND SIGNALLING TECHNOLOGY SERVICE DIVISION

Žirovnická 3146/2, Záběhlce
106 00 Praha 10

Division Director

Ing. Václav Bartůněk
Tel.: +420 311 404 151

**ROAD TECHNOLOGY
AUTOMATION DIVISION**

Křižíkova 465/32
612 00 Brno – Královo Pole

Division Director

Ing. Jiří Vavřda
Tel.: +420 541 421 545

**AŽD PRAHA S.R.O.
ORGANIZATIONAL UNIT BRATISLAVA**

Ružinovská 1G, 821 02 Bratislava,
Slovak Republic

ORGANIZATIONAL UNIT DIRECTOR

Ing. Richard Botka
Tel.: +421 258 282 351

**AŽD PRAHA S.R.O.
DIO STRANOG DRUŠTVA CRNA GORA**

Vlada Martinovića bb, 81 000 Podgorica,
Crna Gora

Organizational Unit Director

Otakar Kameník
Tel.: +382 20 622 462

**AŽD PRAHA S.R.O.
POSLOVNA JEDINICA BANJA LUKA**

Jevrejska br. 37,
78 000 Banja Luka, BiH

Organizational Unit Director

Otakar Kameník
Tel.: +387 51 491 255

**AŽD PRAHA S.R.O.
MERKEZI ÇEK CUMHURİYETİ TÜRKİYE
İZMİR ŞUBESİ**

Kazımdirik Mah. 351 Sokak No: 3/1/101, 035263
Bornova/İZMİR, Turkey

Organizational Unit Director

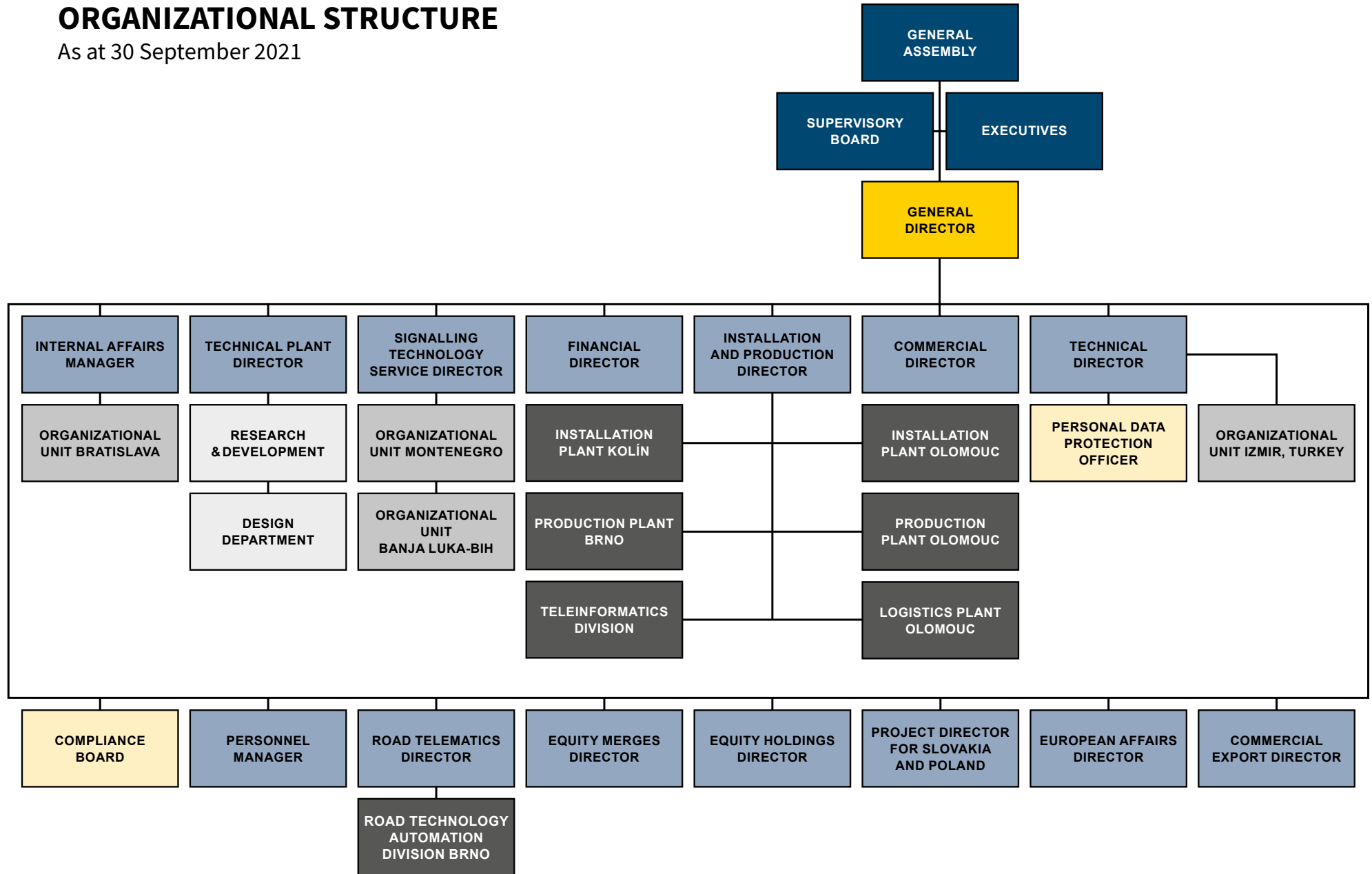
Jaroslav Spousta
Tel.: +420 267 287 215

ORGANIZATIONAL STRUCTURE

During the 2020/2021 fiscal year, no fundamental changes or activities occurred in the field of employment relations. Mostly, common operative matters of labour law nature were resolved.

ORGANIZATIONAL STRUCTURE

As at 30 September 2021



PURPOSE OF BUSINESS ACTIVITY AND ITS ANTICIPATED DEVELOPMENT

AŽD has qualifications available that enable the Company to perform all works on the railway in the fields of signalling and communication technology, including the latest trends, such as the use of new ETCS technologies, which are part of ERTMS.

AŽD Praha s.r.o. (hereinafter AŽD) is a major supplier of technological units in the field of signalling, telecommunication, control and communication technologies for transport infrastructure. The decisive factor is the Company's focus on rail transport. For its partners, it provides production, complete deliveries and installation of technological units for signalling and management of railway infrastructure.

The Company has an experienced team of professionals and has its own technical background for complete procurement. It is able to cover all activities from the processing of design documentation to the implementation of deliveries and performing installation work. After the completion of the order, it is a matter of course to provide warranty and post-warranty service.

AŽD disposes of certifications that enable the Company to perform all needed works on the railway infrastructure in the field of signalling and telecommunication technology, including state-of-the-art trends, such as the use of new ETCS technologies that are part of ERTMS.

After completion of installation works, the Company performs commissioning of the technological equipment, including conducting the prescribed tests and issuing all documents necessary for its fail-safe operation.

The long-term presence on the railway market in the field of signalling and telecommunication technology has proved that AŽD is able to execute successfully complex constructions and not only in the scope of its business but also as a higher contractor, and to assure a complete set of activities for the successful finishing of difficult contracts, including also construction works from other branches.

The organization managing the railway infrastructure – Správa železnic, státní organizace – is

the most important customer. For this customer, all offers are processed in the form of public tenders in accordance with the rules of the Public Procurement Act. Our important partners in the field of railway transport also include ČD, a.s. and ČD Cargo, a.s. The Company's participation in tenders where the main tenderers are the construction companies belongs to another important business activity. These companies usually belong to the largest construction suppliers on the Czech market.

AŽD not only deals with activities resulting from participation in public procurement but also focuses on the modernization of existing facilities and research on new technologies.

In its procedures, the Company strives to use its potential for cost-effective and economically efficient solutions to achieve maximum safety in the field of transport. A process of related service, maintenance, and equipment repair programs is also necessary to achieve this goal. All AŽD activities are guided by the effort to maintain the achieved position and the development of the Company in future periods. We are members of ACRI, ERTMS, UNIFE, Shift2Rail, ČSS and SDT associations.

RAILWAY INFRASTRUCTURE

In the past period, AŽD tendered for projects of modernisation and reconstruction of railway infrastructure. In addition, it participated in tenders for public contracts containing modern technical trends in rail transport safety. These were mainly technological constructions with the use of ETCS elements, as well as constructions enabling remote control of signalling equipment of railway stations and lines from central control rooms and constructions extending and

supplementing these central control rooms by additional traffic control technologies. Another strongly represented group of constructions was the reconstruction of level crossings with the aim of increasing their safety for road traffic.

The Company has participated in public contracts not only as a main contractor or leading partner but also as a member of a consortium or as a subcontractor to construction companies. The form of participation in tenders has depended on the object composition of the contract, especially on the share of the technological part of the signalling and telecommunication technology.

A new element that has become more apparent in the past period was the significant number of P+R tenders in which only the preparatory documentation was awarded and the content of the tender was a contract for the preparation of the as-built design and the subsequent execution of the actual construction work. This method of procurement is very demanding for the preparation of the quotation due to the absence of itemised BoQ. A further complication was the object composition of the constructions, which included both technological operating sets and subcontracted construction objects. The success in winning a large part of the contracts confirmed that AŽD is able to implement complex projects and provide a complete set of activities to handle demanding contracts. The Company has the necessary personnel and technical background for the processing of as-built design documentation, the provision of supplies through their production facility or purchase and execution of installation work. The Company is able to commission the technological equipment, including the issuance of all documents necessary for



its operation, with the involvement of its own employees.

OTHER INVESTMENT ACTIONS – MOBILE (ON-BOARD) SYSTEMS

Installation of ETCS on-board systems

This complex activity is divided into two basic categories – installation during the construction of new rolling stock and installation on vehicles in operation, the so-called “retrofit”. AŽD focuses on design, installation and approval of ETCS technologies on rail rolling stock already in operation. Primarily, there are 115 rail vehicles of various series (750.7, 842, 954, 844, 841, MVTV 2, MVTV 2.2, MVTV 2.3, MTW100) of Správa železnic, s.o. and České dráhy, a.s.

METRO TECHNOLOGY

The main activity of the Metro department (hereinafter OME) in the 2020/2021 fiscal year was ensuring the supply of equipment, technologies and services, particularly for Dopravní podnik hl. m. Prahy (DPP). The largest contract was the construction of the Comprehensive Security System of the Prague Metro, which consists of both security systems on all metro lines and the train protection system on line B. Currently, the installation of the digital communication system VKV is being carried out on inter-station sections gradually on the entire metro network. The installation of the mobile (on-board) part of the LZA automatic train control system continued on the B line. Installation on all trainsets on the B line is scheduled to be completed in 2023.

In 2021, OME provided warranty and post-warranty service for LZA on both A and B metro lines.

OME Technical Development is now completing the preparation of a pilot project for a platform wall and door in the Zličín station of the Prague metro. Depending on the progress of the construction procedure, commissioning is planned for the end of 2022.

OME also implements other contracts for DPP, such as replacement of DSŠ receivers (relay receivers for double rail track circuits) with new EFCPs (Electronic Phase Sensitive Receivers), Reconstruction of tunnel lighting in the NM-ZE section or Reconstruction of Jiřího z Poděbrad metro station.

ROAD TELEMATICS

AŽD is also a supplier of systems and technologies for road transport. Part of the Company's Head Office is the Road Telematics Department (OBU STM). As a supplier and integrator of telematics system solutions, it supplies intelligent systems and equipment that contribute to optimised traffic flow management and to increased efficiency and safety of road traffic. The preventive safety part is the construction of children's traffic playgrounds.

The Division of Road Technology Automation Brno (DST Brno) is the implementation arm of orders in the field of road telematics (STM), which carries out complex implementation and service of orders through its technical and professional background. STM and DST Brno provide their customers with comprehensive telematics solutions for road transport, tunnel transport, increasing

safety in the form of restrictive and informative technologies and public lighting. The services provided also include traffic studies, engineering and design activities, complex implementation activities, integration into existing systems, service and maintenance activities, and transfer administration.

AŽD successfully develops activities in the field of road telematics not only in the Czech Republic but also abroad, for example, in Turkey and Azerbaijan.

THE STATE OF THE PURPOSE OF BUSINESS ACTIVITY AND ITS EXPECTED DEVELOPMENT IN THE FIELD OF FOREIGN ORDERS

AŽD's foreign orders are developing very dynamically. The main aspect of AŽD's foreign trade is the centralization of foreign activities. The individual destinations, as sites of interest are called, are always managed by a specialized team of people. Such team is usually created when an interesting order is won or a significant position is achieved in a certain foreign market. These teams are included under the heading of foreign trade, which allows better management of foreign activities and coordination of implementation of orders within the company. The “Engineering of Foreign Orders” department, which ensures the coordination of the implementation of individual foreign projects and monitors the economic indicators of contracts in the context of planning, works successfully under the heading of Foreign Trade.



2 EC 123 20:50
Směr Praha hl. nást. min.

Směr min. 3

Slovakia, Lithuania, Belarus, Poland, Serbia, Montenegro, Bosnia and Herzegovina, Turkey, Bulgaria and Malaysia are destinations in the area of AŽD's main interest. The Company is now trying to spread its activities into the territory of Croatia, Slovenia, Georgia, Ukraine and Greece.

BRANCHES AND ORGANIZATIONAL UNITS OF AŽD ABROAD

Development of foreign orders belongs to important attributes of AŽD. The number of subsidiaries operating abroad is one of the indicators of the Company's foreign trade growth. AZD BH in Bosnia and Herzegovina and AZD Polska in Warsaw provide support during implementation of running contracts, AZDAP provides coordination of business activities of AŽD in Turkey and MPC Servis in Belarus provides all service activities connected with deliveries of AŽD for Belarusian Railway. Furthermore, AZD SASI in Serbia, AZD Zagreb in Croatia, AZD Slovakia and AZD Bratislava in Slovakia and BALKAN SAST in Bulgaria provide support in creating and implementation of foreign orders. The organizational units established in Montenegro, Bosnia and Herzegovina and Slovakia perform the function of a local organizer and create facilities mainly intended for installation works.

EU, INTERNATIONAL COOPERATION AND EXTERNAL RELATIONS

AŽD continues to be actively involved in international cooperation within the European Union.

In the period under review, we continued to work with our experts working in the UNISIG consortium to update the most important legislation – the Technical Specification for Interoperability – TSI CCS, which includes the ETCS specification. The technical part will not only update the existing requirements, but mainly introduces new features to ETCS, such as ATO, ETCS backward compatible version 2.2 and a new version 3.0, partial specification for the future use of FRMCS and an outline of the modular architecture for the future on-board part of ETCS. This will complete the long journey that we started in 2015, when we co-defined the future direction of ETCS development, which is now moving into pan-European specifications and subsequent use in practice.

AŽD is also a member of the Shift2Rail research program, the results of which are continuously presented to the public. An example of this cooperation is the successful demonstration of ATO over ETCS, when AŽD was the first in the world to run an automatically guided freight train.

In addition, AŽD is a founding member of the follow-up research programme Europe's Rail, which, like Shift2Rail, is a joint undertaking with 50 % participation of the European Commission. The development cooperation in this joint venture sets us apart from other competitors in the market. It brings us not only the application of new technologies in practice but also the opportunity to co-create the rail technology environment within Europe and to increase the know-how and technological maturity of our Company.

We continue to be active members of the Czech and European rail industry associations

ACRI and UNIFE, the European Parliament's discussion forum – Rail Forum Europe and other organisations.

PRODUCTION, INSTALLATION AND LOGISTIC ACTIVITIES

Our production and installation plants, in cooperation with ZOZ (Logistics plant Olomouc), coped with the tasks associated with the construction and reconstruction of the railway infrastructure and ensured, within the limits of their capacities, the completion and activation of equipment for permanent operation of a number of important projects, including repair works, despite the difficulties caused by the situation related to the Covid-19 pandemic.

The installation and production department comprises six plants involved in complete production, installation and logistics activities. These are the Production Plant Brno (VZB), which specializes in electronics and addressable products for station interlocking, line signalling and level crossing systems and other partial electronic products. It also manufactures outdoor elements, such as signal lights and impedance bonds. The Production Plant Olomouc (VZO) specializes in production of outdoor elements of signalling technology, such as signal devices, barrier drives, point machines, complete point programme and other elements for installation in the railyard. It also manufactures a wide range of cabinets for interlocking rooms as well as outdoor use.

In the area of installation and direct supplier activities, the Installation Plant Kolín (MZK) and Installation Plant Olomouc (MZO) mainly assure the installation and activation of station interlocking, line signalling and level crossing systems and DOZ-1 (CTC) and ETCS systems. Within the Company, the Teleinformatics Division (DTI) is the exclusive supplier of telecommunication technology; it also installs the mobile (on-board) part of ETCS.

The main logistics centre of AŽD is the Logistics Plant Olomouc (ZOZ), which provides complete logistics activities – from the purchase and storage of materials to their distribution to construction sites throughout the Czech Republic and abroad, both for our organizational units and for external customers.

Installation plants provide complete supply activities on our construction sites. The traditionally high level of installation is guaranteed by qualified employees who are continuously

trained to work in the field of existing and new signalling technology and telecommunication systems.

In the 2020/2021 business year, Installation Plant capacity was concentrated on railway construction sites, sections of rail corridors and sidings.

By modernising of lines and railway stations, we achieve high operator comfort, reliability and safety. The modern technologies we develop are also implemented on construction sites.

These are mainly systems of the modern station interlocking equipment of ESA 44 with the line signalling equipment ABE-1. The diagnostics of the equipment is also an integral part of it, which accelerates checking reliable operation of the equipment, including fast diagnosis of failures. Other elements, which are installed by our Installation Plants to increase safety, are EZŠ systems (Evidence of Loss of Shunt) and VNPN (Warning of non-permitted passing through a signal) with the general stop function on the TRS system (Line Radio System equipment) as well as GSM-R on all concerned train routes, where human factor is eliminated to the maximum extent. We continue with modernisation and introduction of new level crossing systems including new barrier drives (PZA 100 and PZA 200) to assure fail-safe crossing of railways and roads. In the field of centralised traffic control (DOZ) we continue also with the extended offer and adding of new telecommunication systems with precise digital technology, including the incorporated system of GTN (Graphic-Technology Overlay) for traffic operators. In mobile (on-board) units, we offer a more modern LS-06 device, which we install on railway vehicles. It is also necessary to mention the field of centrali-

sed traffic control from CDP (Central Traffic Control) in Prague and Přerov. A completely separate chapter is the implementation of the ETCS system, where we have already installed it on several line sections and are preparing other sections, which are in various stages of realisation. We are also involved in the installation of ETCS on traction vehicles.

The Installation and Production Department (MVU), which coordinates the various production and installation processes, also contributes to the smooth use of production and installation capacities. In order to improve the quality of the delivered systems, our Production Plants are modernized using up to date technologies. The Installation Plant staff maintains their qualifications in newly developed technologies and work processes. These state-of-the-art technologies, processes and procedures ensure high product quality, and the materials used also minimise the negative impact on the environment.

Our Production and Installation Plants, in cooperation with the ZOZ (Logistics Plant), coped with the tasks associated with the construction and reconstruction of the railway infrastructure and ensured, within the limits of their capacities, the completion and activation of equipment for permanent operation of a number of important structures, including repair works, despite the difficulties caused by the situation related to the Covid-19 pandemic.

SERVICE ACTIVITIES

Service activities are provided continuously 24 hours a day and 365 days a year, based on emergency services not only in the Czech Republic but also abroad.

The Telecommunication and Signalling Technology Service Division is an independent organizational unit whose main activity is to provide service activities for the telecommunication and signalling systems.

It performs services resulting from the liability for defects in the work (equipment) during the warranty period (warranty service activity) and further post warranty service activities and maintenance for the area of telecommunication, signalling and information equipment.

It executes service activities preferably for the field of new, modernised technological complexes, particularly electronic computer based station interlocking systems, line signalling systems, level crossing systems and centralised traffic control systems, including the service of the points and barrier programme of AŽD.

For tracks/lines owned by AŽD, the Service Division provides the tasks of an organization ensuring the maintenance of signalling equipment.

The service activities are performed by means of service groups located in DSE Brno, České Budějovice, Karlovy Vary, Kolín, Olomouc, Ostrava, Pardubice, Prague, Plzeň and Ústí nad Labem service centers.

Service activities are provided continuously, 24 hours a day and 365 days a year, based on emergency services.



SOCIAL RESPONSIBILITY AND ESG

AŽD has long honoured common values and is able to respond flexibly and effectively to the challenges posed by a rapidly changing world and places particular emphasis on ESG principles.

In the more than 60 years of our Company's existence, we have proven that we have long cherished our common values and that we can respond flexibly and effectively to the challenges posed by a rapidly changing world. Not only do we constantly innovate and develop new products in the field of signalling technology, but we also place particular emphasis on the principles of ESG (Environmental, Social, Governance).

ENVIRONMENTAL

We work with the risks associated with potentially negative environmental impacts. We encourage our employees to prevent pollution of ecosystems and to optimize waste management in all Company facilities and on construction sites implemented by us. Recycling waste is a matter of course. Investing in the environment is a priority for us, so we continually strive to reduce energy and water consumption by installing modern, low-energy equipment in the buildings we own.

Efforts to reduce its carbon footprint led AŽD to incorporate two electric vehicles into its fleet, including the construction of its own electric charging station on the Company's premises.

SOCIAL

This area of ESG deals with the negative impacts of social and societal risks on people, the general public and society itself.

Our society works with social and community risks that directly or indirectly affect each of

us. Prophylactic action in this area is preferred because we are aware of the possible negative effects on our society as a whole (protection of human rights, occupational health and safety, health promotion). Optimal employee relations in the workplace are also essential. The entire area is "covered" by the Company's own guidelines and, above all, by the Code of Ethics.

Another activity within the social and administrative ESG area of AŽD is also the support of local communities, especially in the places where we operate the Plum Railway. We strive to be socially beneficial in the areas of culture, education and sport, where AŽD supported cultural events such as the Libčeves Festival, the Plum Track Music Festival and the Třebívlice Vintage Festival. Furthermore, AŽD also supported nostalgic steam train rides.

We have supported students at secondary schools and universities through scholarship programs and we cooperate closely with the Czech Technical University. We also supported sporting events, such as the Prague Dance League Championships, the Czech Dance Championships in standard dance, Junior Cycling World Cup in Terezín and the youth football clubs SK Český Granát Podsedice and FK Viktorie Čížkovice.

AŽD is also beneficial to its surroundings in the field of social responsibility. For the children of single mothers, we donated desktop PCs and laptops to Česká asociace streetwork, z. s. For the same reason, camping equipment for leisure activities was donated to the Cystic Fibrosis Patients Club, the Primary and Kindergarten School in Třebívlice and the Children's Home in Prague 9 and in Dlažkovice.

Last but not least, in the social and communal sphere, AŽD is significantly active in the field of co-operation with often disadvantaged minorities – e.g.,

with the Association of Roma Entrepreneurs and Associations of the Czech Republic. Organizations associated in this association are approached by AŽD and, on the basis of socially and environmentally responsible contracting, AŽD concludes contracts with them for work within the framework of constructions implemented by AŽD.

Employee health is one of the Company's top management priorities. Therefore, AŽD also ensured, among other things, testing for Covid-19, even outside the period mandated by legislation, and actively sought to reduce the risk of infection by adapting the organisation of work (e.g. homeworking) while maintaining efficiency and quality.

GOVERNANCE

This area affects the ways of managing the Company – the area of enterprise risk management, corporate policy in terms of its sustainability and development, balancing the interests of owners, management and employees, transparency of communication with the public, etc.

It is precisely for this area of ESG that AŽD has a legitimate tool, which is the elaborated and implemented Compliance Program, which, thanks to its integral parts (especially the Code of Ethics and the Company's Anti-Corruption Policy), provides the means to resolve all possible shortcomings in this area. It is no overstatement to say that the Compliance Program was tailor-made by AŽD and therefore creates an effective shield against the effects of external and internal risks.

Improving the qualifications of our own employees is carried out not only with the support of external trainers but also with our own training apparatus. The Company has a sufficient number

NABÍJECÍ
STANICE



NABÍJECÍ
STANICE



www.azd.cz



of certified persons in its ranks for the implementation of orders in the conditions of new technologies, which entitle them to activities in the construction.

AŽD was awarded internationally recognised certificates by the accredited certification body CQS, a member of the international network of certification bodies IQNet.

The Company's management adheres to the principle that corporate governance will be successful only on the assumption that management trusts employees and employees trust management.



RESPONSIBILITY TOWARDS EMPLOYEES AND GENDER NEUTRALITY

Equal working conditions, remuneration, training and promotion opportunities apply to all employees. Employees with many years of experience pass on their knowledge to less experienced colleagues, students and graduates.

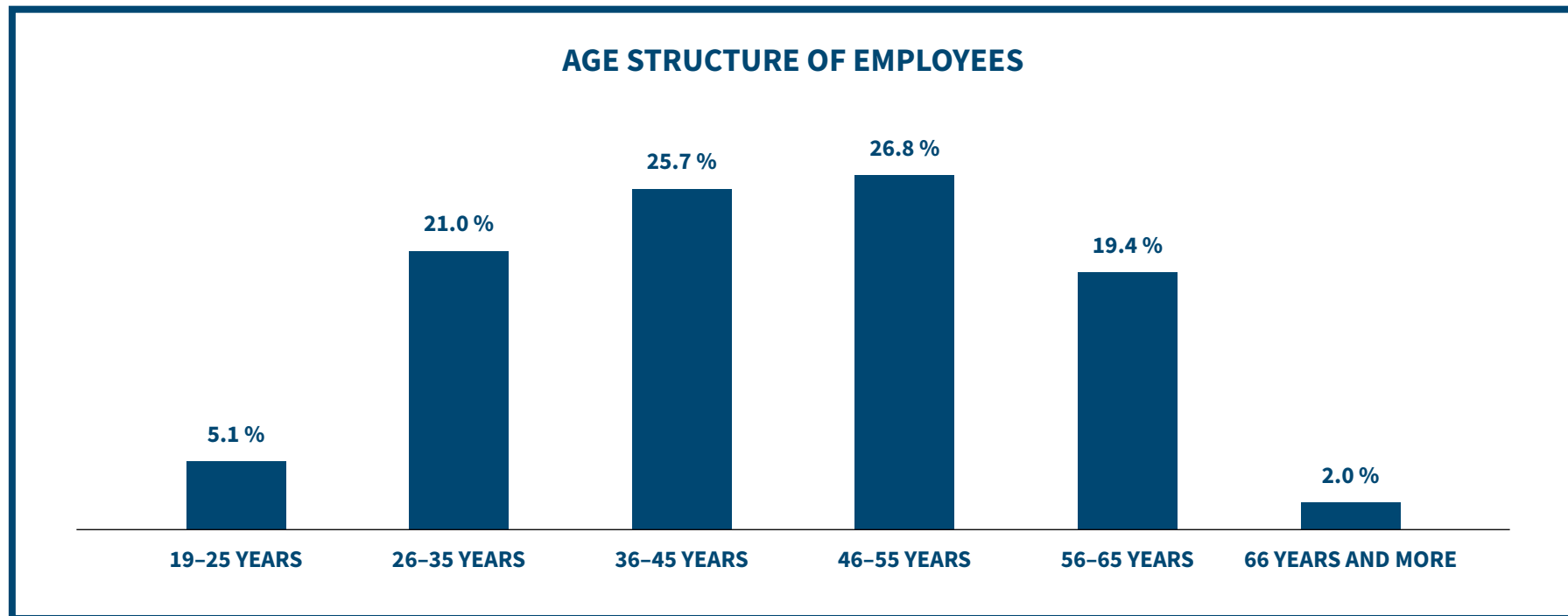
In terms of responsibility towards employees, the Company's concept emphasises a proactive and active corporate culture, which includes openness towards employees, including their support. The current and increasingly fast-paced dynamic development of the entire Company is leading the organization to strategies that seek to ensure stability and qualification in corporate employment in the future. One of the important goals of AŽD is to become one of the valuable employers on the Czech market with equal opportunities for all its employees. Through its approach, the Company contributes to the elimination of gender stereotypes, the establishment of a better balance on the labour market and thus to the benefit of so-

ciety as a whole. Despite the overall focus of the Company especially on technologies in transport infrastructure, their development, production, delivery and assembly, almost one third of the 1,759 employees are women. The following data thus includes all employees, including off-registered employees.

The indicators at the end of the annual report show the average number of employees on the books, including the Organizational Unit Bratislava, where 67 employees are employed. Of these, 57 are men and 10 women.

Equal working conditions, remuneration, training and promotion opportunities apply to all employees. Employees with many years of ex-

perience pass on their knowledge to less experienced colleagues, students and graduates. The Company's cooperation with educational establishments and the possibility of professional practice help to gain qualifications during studies, valuable experience and knowledge and will also help in the beginning of a future professional career. Prospective employees get the opportunity to get to know the Company before they join. Job seekers at both junior and senior levels will find employment with the Company. The Company's age structure is therefore diverse. The average age of the company's employees is 45 years. For men it is 44 years and for women 46 years.





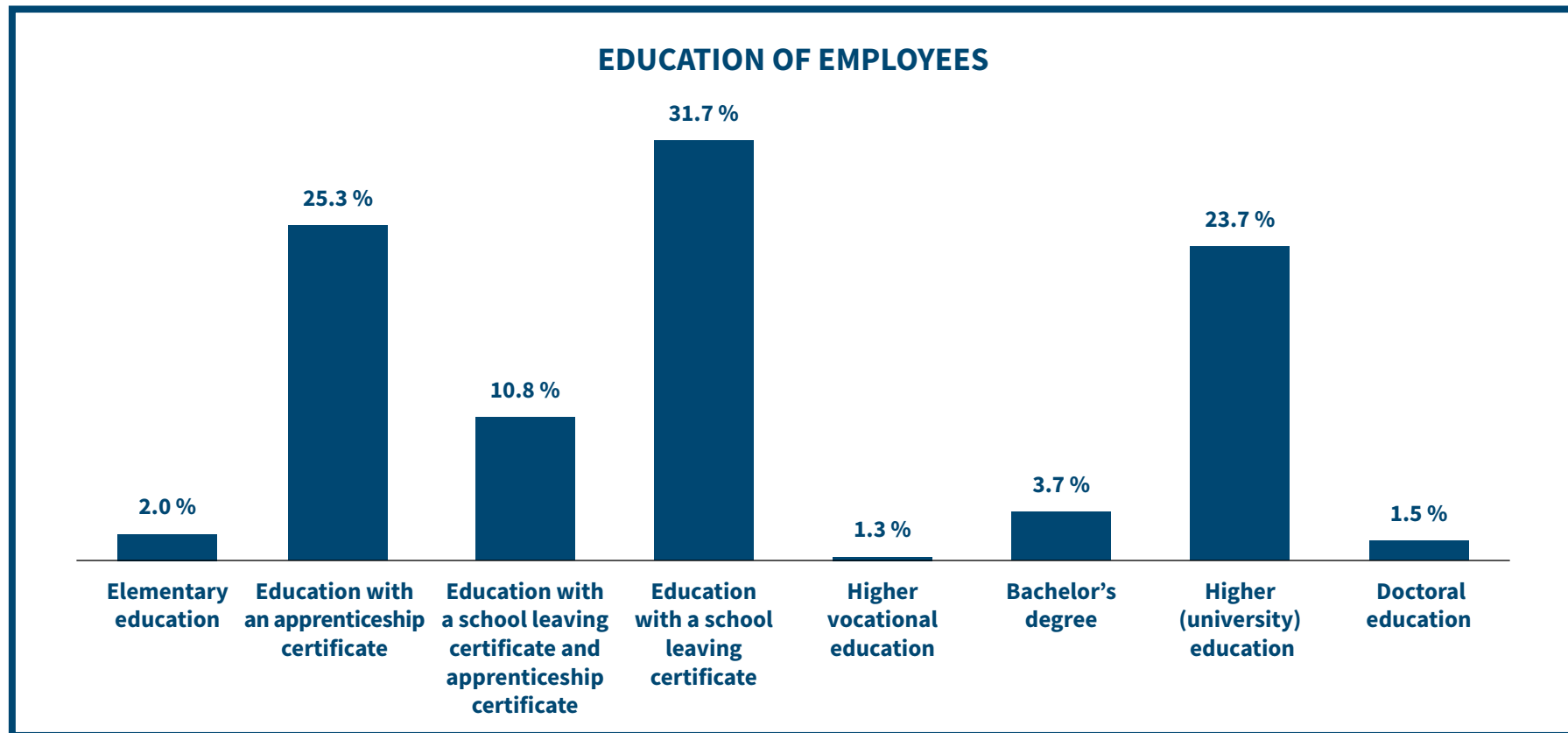
In terms of educational level, employees with different levels and fields of education will also find employment in the Company. The three most frequent levels of education of employees are secondary technical education completed with a school-leaving exam, education completed with a final exam with an apprenticeship certificate and higher (university) education.

In terms of employment, the Company is oriented in many directions, thus providing em-

ployment for technical and economic employees as well as for blue-collar professions, which account for up to 35 % of the employees.

The professional classification of the Company's employees is relatively balanced in relation to the total number of employed men and women. According to the CZ-ISCO occupational classification of the Czech Statistical Office, 45.2 % of the 478 women are employed in the first two occupational classes, which correspond to managerial and specialised job functions.

The fact of equal employment opportunities at AŽD and the absence of any discrimination is also demonstrated by the employment of foreigners, who make up 2 % of employees, and the employment of people with disabilities, who make up 1.5 % of employees.



RELATION TO ENVIRONMENT – GREEN COMPANY

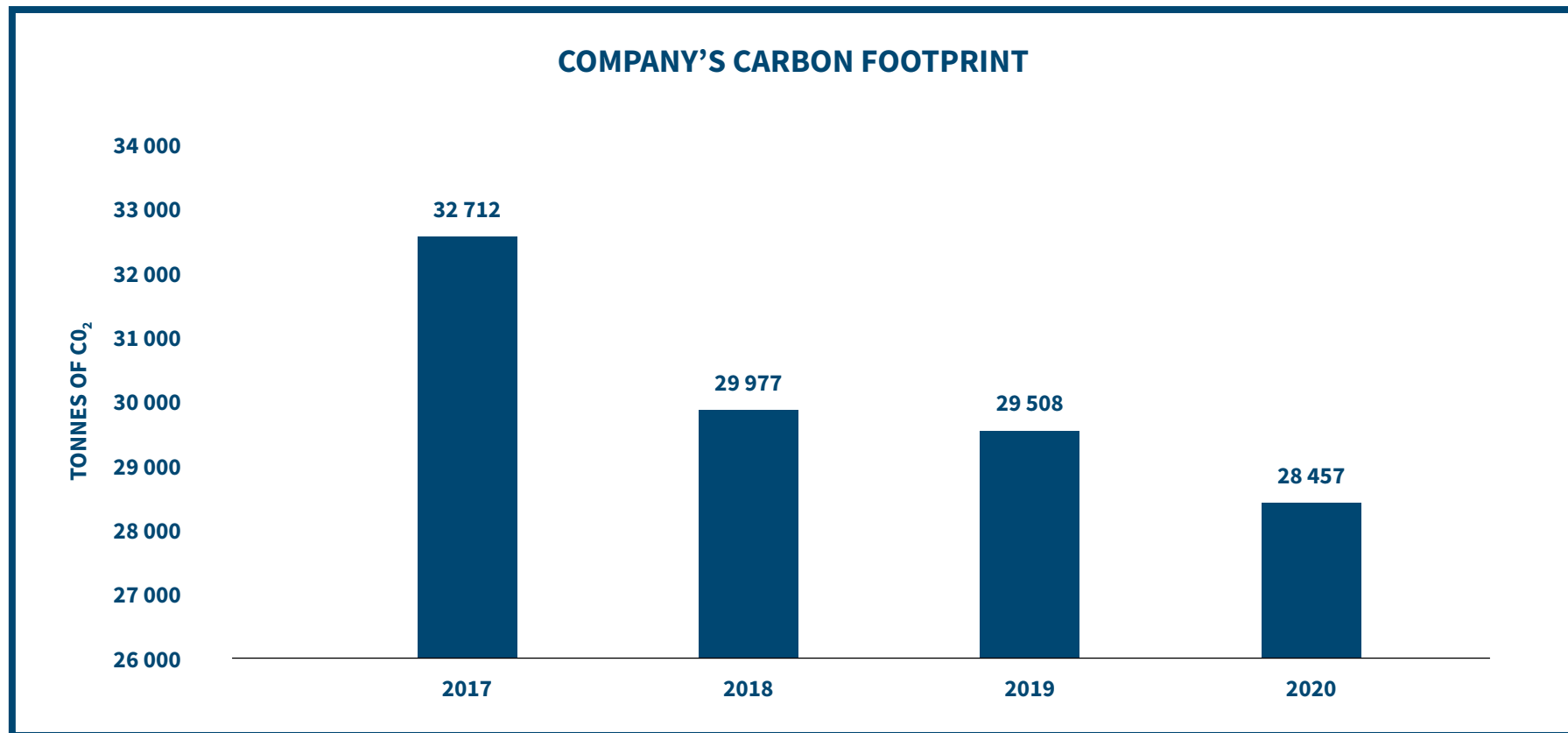
We are committed to the principle of sustainable development with an emphasis on the efficient use and implementation of environmentally friendly technologies and equipment.

AŽD presents itself as a Company which, in its “Integrated Management System Policy”, emphasizes not only quality, safety and health protection but also environmental protection, especially the continuous improvement of the level of management in the field of environmental care and pollution prevention. We minimise the negative impact of our activities on the environment. We take care of the health of employees and residents around our plants and buildings. We place great emphasis on the continuous and

consistent analysis of raw materials and materials with a focus on their maximum use and minimizing waste from technological processes and construction activities. We consistently comply with the principle of sustainable development with an emphasis on the efficient use and implementation of environmentally friendly technologies and equipment, and we respect expert opinions and suggestions for the effective prevention of negative impacts and accidents, including their consequences.

Between 2019 and 2020, we reduced our carbon footprint by 3.5% and we continued this trend in 2021.

Each year we process an Environmental Performance Assessment, which provides a detailed report on the environmental impact of our operations.



COMPLIANCE PROGRAM

The compliance program was applied in the Company as a comprehensive system for the conduct of its employees towards existing and future business partners.

AŽD applied the compliance program as a comprehensive system of behaviour of the Company and its employees in accordance with generally applicable legislation and internal Company directives based on moral and ethical principles. The management of the Company is aware of the necessity of the existence and functionality of the compliance program in both its main levels – the compliance program as a real shield to protect the entire Company from incidents, the source of which may be external or internal, and the compliance program as a tool to promote compliance with a healthy corporate culture.

The documents from the compliance program demonstrate the active interaction and co-operation between the Company's management and employees and thus clearly testify to the management's trust in the employees and the employees' trust in the management. This mutual trust makes AŽD a compact whole, which, in addition to its unquestionable expertise, can bring certain added value to its current and future partners.



GDPR

Within AŽD, existing guidelines relevant to the processing of personal data were revised and supplemented.

AŽD complies with Regulation (EU) 2016/679 of the European Parliament and of the Council (GDPR) and Act No. 110/2019 Sb. and Act No. 111/2019 Sb.

In 2020/2021, existing guidelines relevant to the processing of personal data were revised and supplemented at AŽD.

In the area of documentation, contractual amendments compliant with GDPR requirements were concluded and sufficient assurances were sought on the compliance of processors with GDPR requirements. Furthermore, the documentation and working procedures used were modified, as well as the documentation for the camera system in the drones on the AŽD Čížkovice – Obrnice line.

In the area of processes, both the obligation to keep records of processing activities according to the GDPR and the process for reporting risky cases of breaches of the protection of personal data to the supervisory authority were implemented.

In the area of processed data, access rights to personal data in information systems and repositories were formalised.

In the area of monitoring, balancing tests were carried out on cameras in a drone on the AŽD Čížkovice – Obrnice line (in trains and railway stops) to verify whether the legitimate interest of the administrator outweighs the privacy rights of passengers. The necessity of all cameras was assessed with respect to the stated purposes.

This is a pilot project of AŽD in the Czech Republic, where the control of the railway line is carried out by drones.

The processing is carried out by means of two unmanned aerial vehicles (drones), which have an integrated camera for the purpose of monitoring elements of the railway infrastructure owned and operated by AŽD.

Shots of railway infrastructure elements, such as points, point machines, rails, sleepers, signals, level crossings, technical houses, etc., are the subject of processing. Recording is carried out during semi-autonomous (automatically controlled) missions, where the rail grid and other elements of the railway infrastructure are captured from a height of about 30 metres, if conditions allow. In the case of other elements, such as signals, the inspection is carried out optically by a horizontal view of the camera from different sides. The purpose of operating a camera system placed in a drone is to ensure the safety and operability of railway lines.

Processing as described is one of the key measures for the prevention of security risks in public mass passenger transport, such as terrorism or other attacks on places with a high concentration of people and a low level of security against violent attacks (soft targets).

All authorised and designated persons are properly briefed and regularly trained in information security and data protection principles.

CHARITABLE ACTIVITIES

Last year, AŽD continued its charity activities in cooperation particularly with the AutTalk Foundation of Kateřina Sokolová, the main goal of which is to raise awareness of autism.

Last year, AŽD continued its charity activities in cooperation particularly with the AutTalk Foundation of Kateřina Sokolová, the main goal of which is to raise awareness of autism. As part of events in support of this foundation, we became the general partner of the third year of the RUN AUT 2021, which took place at the Hvězda park in Prague in September. The total financial proceeds of CZK 140,000 from the run were donated to support families caring for autistic children. We also supported five women who live without a partner and care for one or more autistic children on their own with a regular monthly donation. Far from being just money, direct financial support for parents is mainly an expression of participation, solidarity and recognition of the difficulty of the situation for the families and an expression of confidence. The AutTalk Foundation also supported the young singer Barbora Brodníčková and the talented pianist and singer Denis Szabolt to continue to develop their musical talent.

During this period, AŽD also decided to support the reconstruction and completion of the Hospic sv. Alžběty o.p.s. in Brno.



INTEGRATED MANAGEMENT SYSTEM

In order to continuously improve the efficiency and effectiveness of the integrated management system, AŽD creates appropriate resources and introduces progressive methods in all critical areas of its activities in relation to the Company's strategic objectives.

AŽD's priority is to meet the requirements, needs and expectations of its customers.

Part of the Company's management is an Integrated Management System, which ensures the fulfilment of strategic objectives and requirements in the areas of quality, environment, occupational health and safety and information security.

The created Integrated Management System is applied to the subject of the Company's activity. It determines the mutual links between the individual organizational units and departments and establishes responsibility for processes ensuring the quality of the final product provided to the customer, minimizing negative environmental impacts, occupational health and safety, information security in the area of business asset management associated with engineering and supply activities and design, development and engineering.

The vision of the management system is enshrined in the "Integrated Management System Policy".

The last recertification of the Integrated Management System was carried out in 2020.

During the audit, the accredited certification body CQS stated that the quality management system complies with the requirements of ČSN EN ISO 9001:2016, the environmental management system complies with the requirements of ČSN EN ISO 14001:2016 and the occupational health and safety management system complies with the requirements of ČSN ISO 45001:2018.

Based on the successful audit result, AŽD was awarded certificates from the level of the international certification body CQS/IQNet with registration numbers CZ-2033/2020, CZ-44/2020 and CZ-45/2020, valid until 19 April 2023.

On the basis of the commitment to continuous improvement, the business units of the Company's Head Office, the Research & Development and design workplaces of the Technika Plant and the support units were certified in 2021 in terms of information security management according to the ČSN EN ISO/IEC 27001:2014 standard and the accredited certification body CQS/IQNet issued to AŽD the corresponding certificate CZ-260/2021, valid until 19 December 2024. In order to continuously improve the efficiency and effectiveness of the Integrated Management System, AŽD creates appropriate resources and introduces progressive methods in all critical areas of its activities in relation to the Company's strategic objectives.

FINANCIAL COMPANY MANAGEMENT

The expected development of the Company's activities is stabilized, thus creating a precondition for further development of the Company in the Czech Republic and abroad.

The Company's business turnover of CZK 9.5 billion for the 2020/2021 financial year is up by one billion year-on-year compared to the previous period. By optimising the Company's costs and organising the Company's operations, better year-on-year results were achieved.

In the period under review, the Company employed 1,755 workers, a year-on-year decrease of eight workers.

A total of CZK 304 million was spent on research and development in our Company.

The composition of assets is significantly influenced by receivables, which are predominantly within the maturity period, as the terms and conditions of most contracts already stipulate long invoice due dates. The Company also promotes marketability by contractually staggering the payment of individual parts of the work, especially for foreign orders. Reported receivables are creditworthy and are paid on time.

During the period under review, the Company recorded non-tax provisions for a new generation of electronic signalling systems that are in long-term trial operation and for which the company has confirmed five-year warranties.

The Company's finances are stable and turnover is proportionally reflected in trade payables.

The Company does not acquire assets by way of finance lease and has no outstanding health and social insurance liabilities or tax arrears.

The Company has organizational units in the Slovak Republic, Turkey, Montenegro and Bosnia and Herzegovina.

The Company exercises decisive and significant influence in 24 subsidiaries, including 11 subsidiaries abroad: in Slovakia (4×), Poland, Bulgaria, Serbia, Belarus, Croatia, Bosnia and Herzegovina, Turkey. No significant events materially affecting

the Company's operations have occurred between 30 September 2021 and the time of the report.

The expected development of the Company's activities is stabilized, thus creating a precondition for further development of the company in the Czech Republic and abroad.

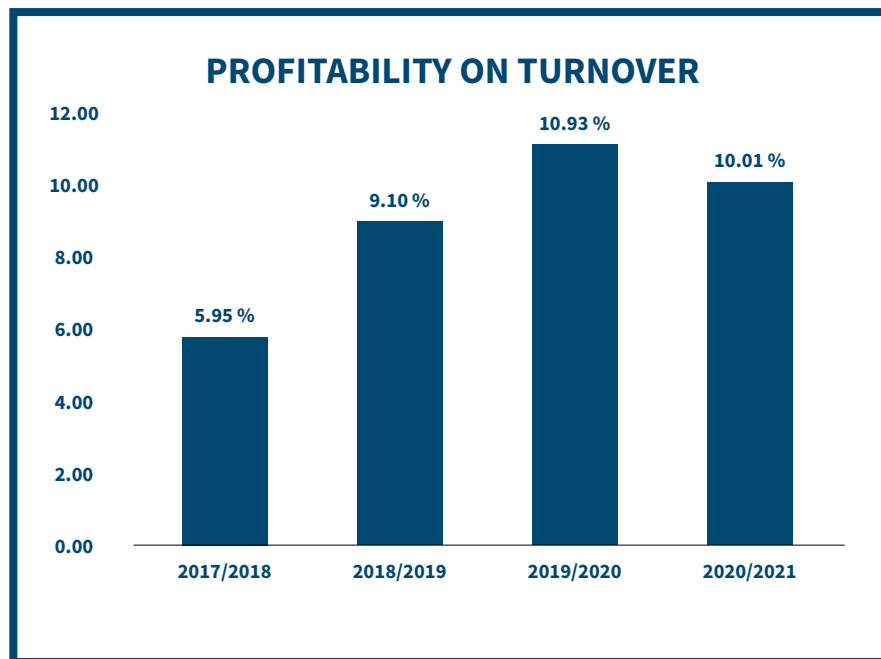
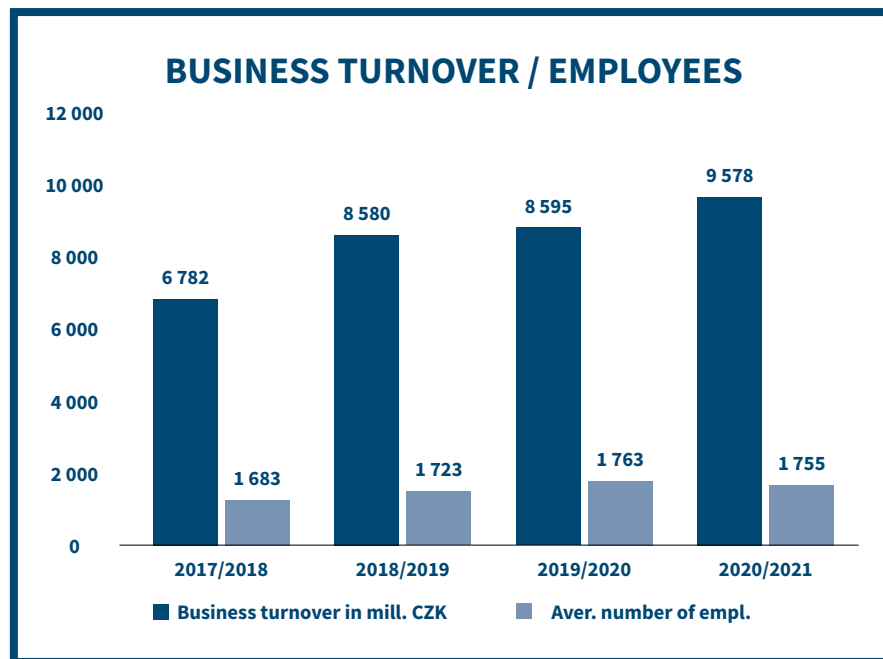


MAIN FINANCIAL INDICATORS OF AŽD Praha s.r.o.

for the period 2020/2021 – from 1 October 2020 to 30 September 2021

The Company monitors its results in the financial periods beginning each year from 1 October to 30 September of the following year.

Indicator/period	2017/2018	2018/2019	2019/2020	2020/2021
Business turnover (in thous. CZK)	6 782 063	8 580 264	8 595 662	9 578 423
Profit after tax	403 367	781 151	939 370	958 573
Profit on turnover in %	5.95	9.10	10.93	10.01
Added value	1 841 467	2 227 851	2 737 264	3 245 804
Bank loans	0	0	0	0
Employees – full-time equivalent	1 683	1 723	1 763	1 755

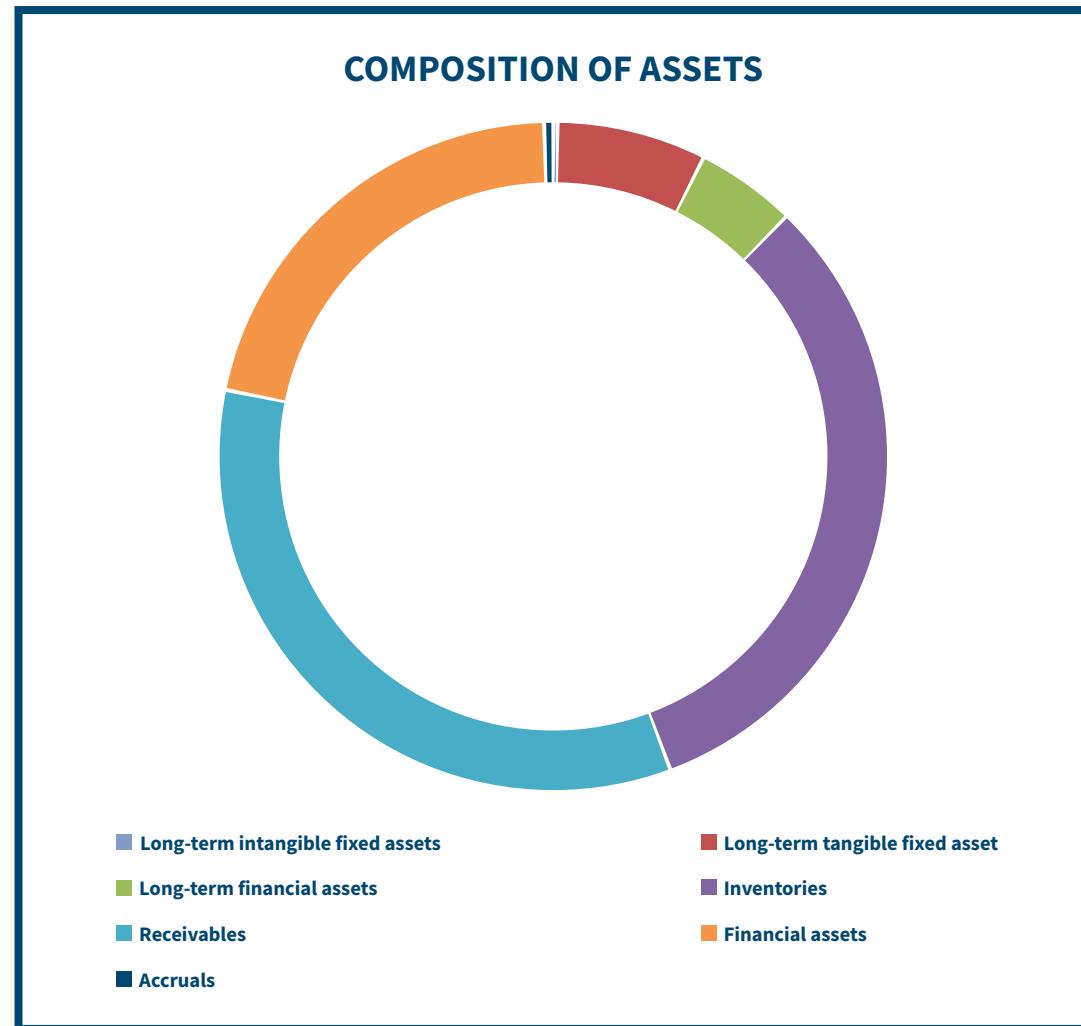




COMPOSITION OF ASSETS

AS AT 30 SEPTEMBER 2021 (IN THOUS. CZK)

Composition of assets	2020/2021
Long-term intangible fixed assets	16 439
Long-term tangible fixed assets	637 826
Long-term financial assets	394 825
Inventories	2 653 870
Receivables	2 776 005
Financial assets	1 846 934
Accruals	36 627
Assets total	8 362 526

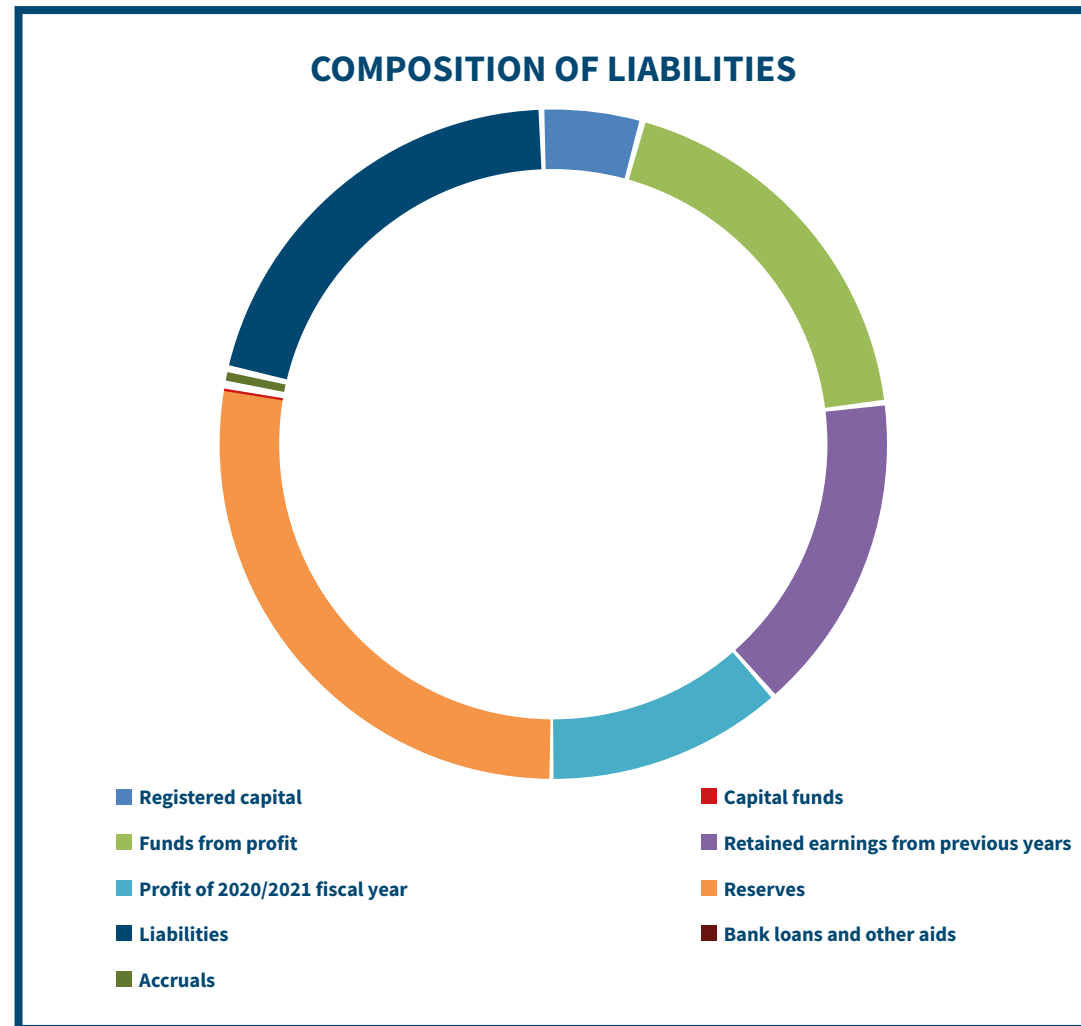




COMPOSITION OF LIABILITIES

AS AT 30 SEPTEMBER 2021 (IN THOUS. CZK)

Composition of liabilities	2020/2021
Registered capital	384 436
Capital funds	-2 172
Funds from profit	1 563 425
Retained earnings from previous years	1 270 369
Profit of 2020/2021 fiscal year	958 573
Reserves	2 283 843
Liabilities	1 887 324
Bank loans and other aids	0
Accruals	16 728
Liabilities total	8 362 526



FINANCIAL STATEMENTS

Balance sheet and profit/loss
account as at 30 September 2021.

BALANCE SHEET

In full extent as at 30 September 2021 (in thous. CZK)

Identification	ASSETS	Row no.	Current accounting period			Previous period
			Gross	Adjustment	Netto	Netto
a	b	c	1	2	3	4
	TOTAL ASSETS (r. 2 + 3 + 37 + 74)	001	10 226 974	1 864 448	8 362 526	6 997 833
A.	Receivables for subscribed registered capital	002				
B.	Fixed assets (r. 4 + 14 + 27)	003	2 742 786	1 693 696	1 049 090	1 140 416
B. I.	Intangible fixed assets (r. 5 + 6 + 9 + 10 + 11)	004	169 195	152 756	16 439	20 381
B. I. 1.	Intangible results of research and development	005				
B. I. 2.	Valuable rights	006	163 307	151 134	12 173	15 328
2.1.	Software	007	160 785	149 003	11 782	14 707
2.2.	Other valuable rights	008	2 522	2 131	391	621
B. I. 3.	Goodwill	009				
B. I. 4.	Other long-term intangible fixed assets	010	5 466	1 622	3 844	4 489
B. I. 5.	Advance payments for long-term intangible fixed assets and intangible fixed assets under construction	011	422		422	564
5.1.	Advance payments for long-term intangible fixed assets	012				
5.2.	Long-term intangible fixed assets under construction	013	422		422	564
B. II.	Long-term tangible fixed assets (r. 15 + 18 + 19 + 20 + 24)	014	2 012 574	1 374 748	637 826	716 898
B. II. 1.	Lands and constructions	015	613 636	330 197	283 439	371 157
1.1.	Lands and constructions	016	71 988		71 988	146 786
1.2.	Constructions	017	541 648	330 197	211 451	224 371
B. II. 2.	Equipment (tangible movables and their sets)	018	1 394 480	1 044 551	349 929	344 196
B. II. 3.	Evaluation difference to acquired assets	019				
B. II. 4.	Other long-term tangible fixed assets	020				
4.1.	Breeding of permanent crops	021				
4.2.	Adult animals and their groups	022				
4.3.	Other long-term tangible fixed assets	023				
B. II. 5.	Advance payments for long-term tangible fixed assets and tangible fixed assets under construction	024	4 458		4 458	1 545
5.1.	Advance payments for long-term tangible fixed assets	025	1 535		1 535	
5.2.	Long-term tangible fixed assets under construction	026	2 923		2 923	1 545
B. III.	Long-term financial assets (r. 28 to 34)	027	561 017	166 192	394 825	403 137
B. III. 1.	Shares – controlled or managing entity	028	453 698	118 950	334 748	352 513
B. III. 2.	Loans – controlled or managing entity	029	42 242	42 242		

Identification	ASSETS	Row no.	Current accounting period			Previous period
			Gross	Adjustment	Netto	Netto
a	b	c	1	2	3	4
B. III. 3.	Shares – substantial influence	030	63 077	5 000	58 077	48 624
B. III. 4.	Loans – substantial influence	031				
B. III. 5.	Other long-term securities and shares	032				
B. III. 6.	Loans – others	033				
B. III. 7.	Other long-term financial assets	034	2 000		2 000	2 000
7.1.	Another long-term financial assets	035				
7.2.	Advance payments for long-term fin.assets	036	2 000		2 000	2 000
C.	Current assets (r. 38 + 46 + 68 + 71)	037	7 447 561	170 752	7 276 809	5 841 028
C. I.	Inventory (r. 39 + 40 + 41 + 44 + 45)	038	2 728 870	75 000	2 653 870	2 013 799
C. I. 1.	Materials	039	1 043 772		1 043 772	942 234
C. I. 2.	Work in progress and semi-products	040	1 684 384	75 000	1 609 384	1 063 044
C. I. 3.	Products and merchandise	041	714		714	153
3.1.	Products	042				
3.2.	Merchandise	043	714		714	153
C. I. 4.	Young and other animals and their groups	044				
C. I. 5.	Advance payments for inventory	045				8 368
C. II.	Receivables (r. 47 + 57)	046	2 871 757	95 752	2 776 005	2 407 702
C. II. 1.	Long-term receivables (r. 47 to 51)	047	675 008		675 008	503 980
1.1.	Trade receivables	048	262 475		262 475	196 179
1.2.	Receivables from controlled and managing entity	049				
1.3.	Receivables – substantial influence	050				
1.4.	Deferred tax receivable	051	411 108		411 108	306 311
1.5.	Other receivables	052	1 425		1 425	1 490
1.5.1.	Receivables from partners	053				
1.5.2.	Long-term deposits given	054	1 425		1 425	1 490
1.5.3.	Estimated receivable	055				
1.5.4.	Other receivables	056				
C. II. 2.	Short-term receivables (r. 58 to 61)	057	2 196 749	95 752	2 100 997	1 903 722
2.1.	Trade receivables	058	1 984 384	75 745	1 908 639	1 758 244
2.2.	Receivables from controlled and managing entity	059	29 698	20 007	9 691	6 191
2.3.	Receivables – substantial influence	060				
2.4.	Other receivables	061	182 667		182 667	139 287
2.4.1.	Receivables from partners	062				
2.4.2.	Social security and health insurance	063				
2.4.3.	Due from state – tax receivable	064	113 505		113 505	71 260

Identification	ASSETS	Row no.	Current accounting period			Previous period
			Gross	Adjustment	Netto	Netto
a	b	c	1	2	3	4
2.4.4.	Other deposits given	065	36 917		36 917	51 403
2.4.5.	Estimated receivable	066	26 237		26 237	10 442
2.4.6.	Other receivables	067	6 008		6 008	6 182
C. III.	Short-term financial assets (r. 69 + 70)	068				
C. III. 1.	Shares – controlled and managing entity	069				
C. III. 2.	Other short-term financial assets	070				
C. IV.	Finances (r. 72 + 73)	071	1 846 934		1 846 934	1 419 527
C. IV. 1.	Cash	072	3 455		3 455	3 133
C. IV. 2.	Bank accounts	073	1 843 479		1 843 479	1 416 394
D.	Accruals (r. 75 to 77)	074	36 627		36 627	16 389
D. 1.	Deferred expenses	075	35 209		35 209	15 874
D. 2.	Complex deferred costs	076				
D. 3.	Deferred income	077	1 418		1 418	515

Identification	LIABILITIES	Row no.	Current period	Previous period
a	b	c	5	6
	TOTAL LIABILITIES (r. 79 + 101 + 141)	078	8 362 526	6 997 833
A.	Equity (r. 80 + 84 + 92 + 95 + 99 + 100)	079	4 174 631	3 625 462
A. I.	Registered capital (r. 81 to 83)	080	384 436	384 436
A. I. 1.	Share capital	081	384 436	384 436
A. I. 2.	Registered capital	082		
A. I. 3.	Changes in registered capital	083		
A. II.	Premium and capital funds (r. 84 + 85)	084	-2 172	7 139
A. II. 1.	Premium	085		
A. II. 2.	Capital funds (r. 87 to 91)	086	-2 172	7 139
2.1.	Other capital funds	087	555	555
2.2.	Revaluation differences of assets and liabilities (+/-)	088	-2 727	6 584
2.3.	Revaluation differences in transformation (+/-)	089		
2.4.	Differences from transformations (+/-)	090		
2.5.	Differences from evaluation in transformations (+/-)	091		
A. III.	Funds from earnings (r. 93 + 94)	092	1 563 425	1 562 369
A. III. 1.	Other reserve funds	093	1 558 732	1 558 732
A. III. 2.	Statutory and other funds	094	4 693	3 637
A. IV.	Profit/loss – previous year (r. 96 to 98)	095	1 270 369	732 148
A. IV. 1.	Retained earnings from previous years	096	1 270 369	732 148
A. IV. 2.	Accumulated losses from previous years (-)	097		
A. IV. 3.	Other profit/loss – previous years (+/-)	098		
A. V.	Profit/loss – current year	099	958 573	939 370
A. VI.	Decided on advance payment of dividends (-)	100		
B. + C.	Other sources (r. 102 + 107)	101	4 171 167	3 371 473
B.	Reserves (r. 103 to 106)	102	2 283 843	1 788 628
B. 1.	Reserves for pension and similar payables	103		
B. 2.	Income tax reserves	104	134 571	114 383
B. 3.	Reserves under special statutory regulations	105		
B. 4.	Other reserves	106	2 149 272	1 674 245
C.	Payables (r. 108 + 123)	107	1 887 324	1 582 845

Identification	LIABILITIES	Row no.	Current period	Previous period
a	b	c	5	6
C. I.	Long-term payables (r. 109 + 112 to 119)	108	175 553	134 889
C. I. 1.	Issued bonds (r. 110 + 111)	109		
1.1.	Convertible bonds	110		
1.2.	Other bonds	111		
C. I. 2.	Payables to credit institutions	112		
C. I. 3.	Long-term advances received	113	263	279
C. I. 4.	Trade payables	114	175 290	134 610
C. I. 5.	Long-term notes payables	115		
C. I. 6.	Payables – controlled or managing entity	116		
C. I. 7.	Payables – substantial influence	117		
C. I. 8.	Deferred tax liability	118		
C. I. 9.	Payables – other (r. 120 to 122)	119		
9.1.	Payables to partners	120		
9.2.	Estimated payables (passive)	121		
9.3.	Other payables	122		
C. II.	Short-term payables (r. 124 + 127 to 133)	123	1 711 771	1 447 956
C. II. 1.	Issue bonds (r. 125 + 126)	124		
1.1.	Convertible bonds	125		
1.2.	Other bonds	126		
C. II. 2.	Payables to credit institutions	127		
C. II. 3.	Short-term deposits received	128	122 577	178 279
C. II. 4.	Trade payables	129	1 163 811	927 815
C. II. 5.	Short-term notes payable	130		
C. II. 6.	Payables – controlled or managing entity	131		
C. II. 7.	Payables – significant influence	132		
C. II. 8.	Payables – others (r. 134 to 140)	133	425 383	341 862
8.1.	Payables from partners	134	102 020	20
8.2.	Short-term financial assistance	135		
8.3.	Payables from employees	136	150 884	135 457
8.4.	Payables to social security and health insurance institutions	137	86 897	83 297

Identification	LIABILITIES	Row no.	Current period	Previous period
a	b	c	5	6
8.5.	Due from state – tax liabilities and subsidies	138	25 927	34 240
8.6.	Estimated payables	139	59 655	51 542
8.7.	Other payables	140		27 306
D.	Accruals (r. 142 + 143)	141	16 728	898
D. 1.	Accrued expenses	142	16 454	731
D. 2.	Deferred revenues	143	274	167

PROFIT/LOSS ACCOUNT

In full extent as at 30 September 2021 (in thous. CZK)

Identification	TEXT	Row no.	Fiscal period	
			Current	Previous
a	b	c	1	2
I.	Revenues from sold products and services	01	8 005 991	7 231 635
II.	Revenues from sold goods	02	824 728	678 970
A.	Performance consumption (r. 4 to 6)	03	7 567 820	6 932 721
A. 1.	Expenses on sold goods	04	682 234	553 035
A. 2.	Consumption of material and energy	05	5 024 142	4 955 698
A. 3.	Services	06	1 861 444	1 423 988
B.	Change in inventory of own products (+/-)	07	-596 614	-357 014
C.	Capitalization (-)	08	-1 386 290	-1 397 720
D.	Personnel expenses	09	1 641 488	1 594 762
D. 1.	Wages	10	1 219 851	1 188 246
D. 2.	Social security expenses and health insurance and other expenses (r. 12 + 13)	11	421 637	406 516
2.1.	Social security expenses and health insurance	12	396 219	379 331
2.2.	Other expenses	13	25 418	27 185
E.	Depreciations in operating area (r. 15 + 18 + 19)	14	187 504	144 791
E. 1.	Depreciations of intangible and tangible fixed assets (r. 16 + 17)	15	124 506	128 446
1.1.	Depreciations of intangible and tangible assets – permanent	16	124 506	128 446
1.2.	Depreciations of intangible and tangible assets – temporary	17		
E.2.	Depreciations of inventory	18	75 000	
E.3.	Depreciations of receivables	19	-12 002	16 345
III.	Other operating revenues (r. 21 to 23)	20	623 783	533 467
III. 1.	Revenues from disposals of fixed assets	21	5 833	1 317
III. 2.	Revenues from disposals of materials	22	499 316	446 947
III. 3.	Other operating revenues	23	118 634	85 203
F.	Other operating expenses (r. 25 to 29)	24	849 301	364 112
F. 1.	Net book value of sold fixed assets	25	4 054	11
F. 2.	Net book value of disposed material	26	299 576	283 289

Identification	TEXT	Row no.	Fiscal period	
			Current	Previous
a	b	c	1	2
F. 3.	Taxes and fees	27	5 897	5 915
F. 4.	Reserves in operating area and complex deferred costs	28	475 536	-31 836
F. 5.	Other operating expenses	29	64 238	106 733
*	Operating profit/loss (+/-) (r. 1+2-3-7-8-9-14+20-24)	30	1 191 293	1 162 420
IV.	Revenues from long-term financial assets – shares (r. 32+33)	31	95 520	76 314
IV. 1.	Revenues from shares – controlled or managing entity	32	85 920	76 314
IV. 2.	Other revenues from shares	33	9 600	
G.	Expenses for sold shares	34		
V.	Revenues from other long-term financial assets (r. 36+37)	35		
V. 1.	Revenues from other long-term financial assets – controlled or managing entity	36		
V. 2.	Other revenues from other long-term financial assets	37		
H.	Expenses associated with other long-term financial assets	38	1 852	
VI.	Interest revenues and similar revenues (r. 40+41)	39	927	4 035
VI. 1.	Interest revenues and similar revenues – controlled or managing entity	40	927	4 035
VI. 2.	Other interest revenues and similar revenues	41		
I.	Depreciations and reserves in financial area	42	-500	28 630
J.	Interest expenses and similar expenses (r. 44+45)	43		
J. 1.	Interest expenses and similar expenses – controlled or managing entity	44		
J. 2.	Other interest expenses and similar expenses	45		
VII.	Other financial revenues	46	27 474	71 241
K.	Other financial expenses	47	153 710	130 321
*	profit/loss from financial operations/transactions (+/-) (r. 31-34+35-38+39-42-43+46-47)	48	-31 141	-7 361
**	Profit/loss before taxation (+/-) (r. 30+48)	49	1 160 152	1 155 059
L.	Income tax (r. 51+52)	50	201 579	215 689
L. 1.	Due income tax	51	306 361	211 018
L. 2.	Income tax deferred (+/-)	52	-104 782	4 671
**	Profit/loss after tax (r. 49-50)	53	958 573	939 370
M.	Transfer of dividends to partners (+/-)	54		
***	Profit/loss of current accounting period (+/-) (r. 53-54)	55	958 573	939 370
*	Net sales for current accounting period = I. + II. + III. + IV. + V. + VI. + VII. (r. 1+2+20+31+35+39+46)	56	9 578 423	8 595 662



SUPERVISORY BOARD REPORT

In the period under review, the Supervisory Board carried out activities in accordance with the Civil Code, the Memorandum of Association and supervised the resolutions of the General Assembly.

SUPERVISORY BOARD'S REPORT

FOR BUSINESS RESULTS OF THE COMPANY
FOR THE 2020/2021 FISCAL YEAR

During the evaluated period, the Supervisory Board provided activities pursuant to the Civil Code, Memorandum of Association and supervised the General Meeting resolutions.

At its regular meetings with the Executive Officers, the Supervisory Board was informed on the fulfilment of accepted intentions of the Executive Plan, on the Company's business results, the Company's financial situation, the organizational changes and on the implementation of the Company's business activities in the Czech Republic and abroad.

The Supervisory Board got acquainted with the submitted business results of AŽD Praha s.r.o. as at 30 September 2021 and approves them without any objection or complements.

Having discussed the matter with the executives, the Supervisory Board advises the General Assembly to approve the business results of AŽD Praha s.r.o. as at 30 September 2021, including the financial statement and profit distribution proposal.



Ing. Alice Dicková



Petr Rott



Ing. Miroslav Kozák

In Prague on 30 December 2021



This Annual Report has been elaborated in compliance with the valid Accounting Act and reflects the state as at 30 September 2021
© AŽD Praha s.r.o. 2022



AŽD Praha s.r.o. 2022