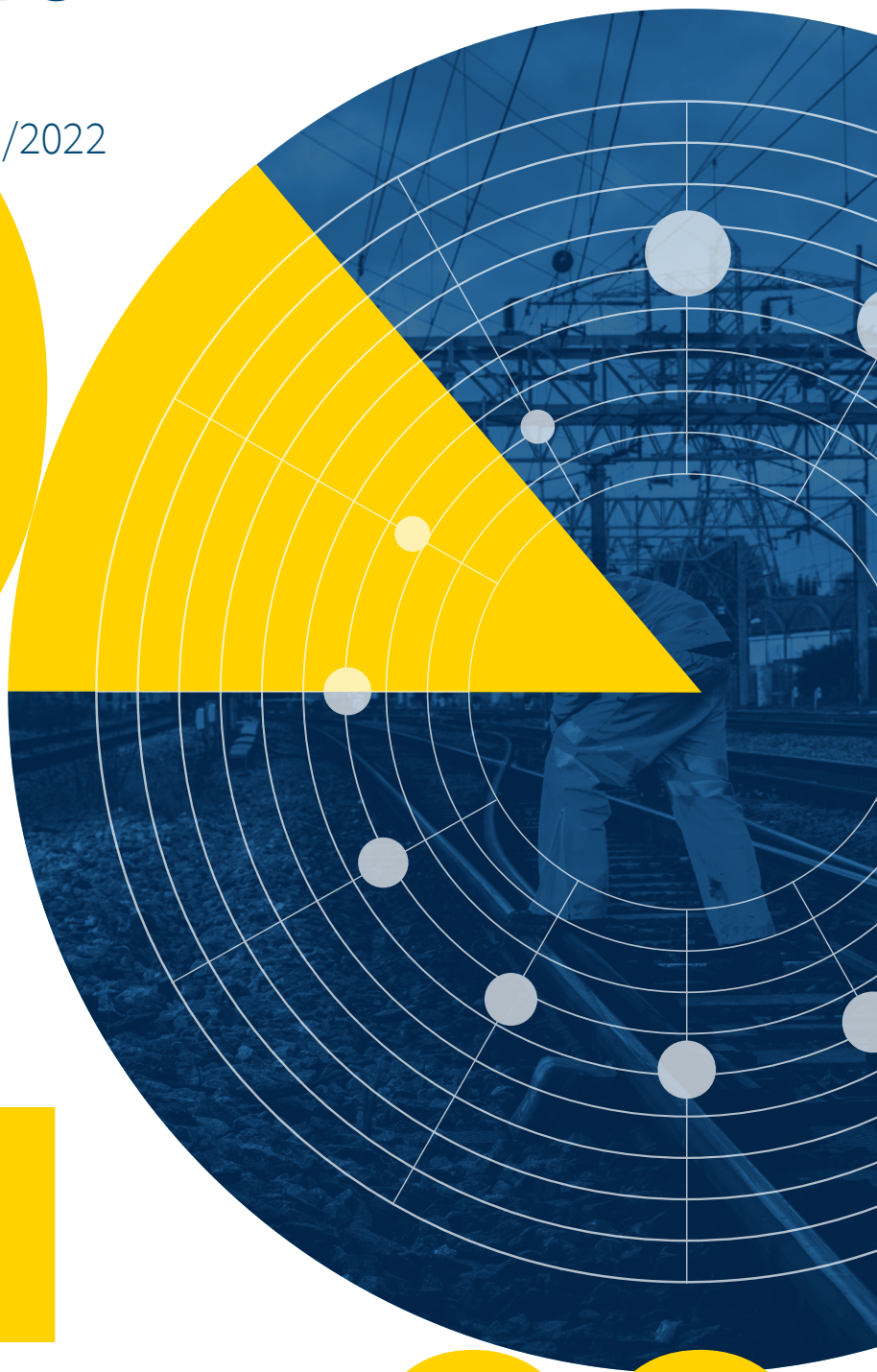


REPORT ON ACTIVITY AND RESULTS



OF AŽD PRAHA S.R.O.
FOR THE FISCAL YEAR 2021/2022



SAFELY
TO YOUR DESTINATION

22

REPORT ON ACTIVITY AND RESULTS

OF AŽD PRAHA S.R.O.

FOR THE FISCAL YEAR 2021/2022



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INTRODUCTORY REMARKS BY THE DIRECTOR GENERAL

Dear shareholders, dear business partners,
dear friends,

I would like to introduce you the Annual Report of AŽD Praha s.r.o., which, based on the legal requirements, presents the business year 2021/2022 in commented, graphic and tabular form.

I am pleased that in this fiscal year we can build on the good results of previous years. First of all, I would like to thank all of you - shareholders, employees, business partners and friends - for your confidence in our company, our products and our people.

Also this year brought a number of unexpected challenges. The end of the Covid-19 pandemic was replaced by the war in Ukraine and a significant increase in prices, especially for energy. Despite all these negative factors, we achieved good results, but this cannot be taken for granted.

Economic development is not only and exclusively directed upwards in the long term. After several years of growth, we now need to take into account a certain decline in domestic investment in transport infrastructure in our considerations and plans. I am therefore very pleased that we have continued to work on foreign contracts in Slovakia, Poland, Serbia,

Bosnia and Herzegovina, Montenegro, Croatia, Bulgaria and other countries. These foreign activities and their development will certainly be a natural complement to the possible shortfall in the domestic market.

I consider the development of technology in the year under review to be a success. I would like to emphasize in particular the ETCS program and the installation of this unified European Train Control System on the main Czech lines, the program for the installation of new electronic interlocking systems, level crossings and information systems – all of this has been successfully implemented.

A major task last year was the installation of onboard parts of the ETCS system in traction vehicles. In this segment, we have become the leading company able to install the system in various types of vehicles, including work machines and mechanisms.

In this context, the importance of our Plum Railway as a test polygon has increased significantly. Night test runs with onboard ETCS systems have become the norm. This results in a significant reduction in test costs and allows flexible scheduling of these test runs.

We continue to implement standards in the areas of environmental protection, human resources,



occupational safety and business ethics based on the principles of social responsibility and environmental sustainability - ESG. Through a wide range of activities, AŽD helps to promote environmentally friendly transportation in practice and to participate in the research and development of new technologies that help to reduce the environmental impact in practice.

Social responsibility, helping those in need, understanding the problems of others, respect and tolerance are important criteria for our activities. These are attributes that our company has not lacked in the past year, and they have certainly been visible.

We are a socially responsible company with high standards of ethical behaviour. We demand the same of the companies with which we work. This is the only way to ensure that our company remains on a stable footing in the future. We follow clear and predictable rules.

Also in this period we focused on improving the skills of our employees, recruiting new ones and improving their working environment. Perspectives, a pleasant team, fair negotiations, incentive systems and other bonuses are all attributes that we use to stabilize our team of employees and attract others interested in working for our company.

Quality interpersonal relationships are the foundation of our business, which is why I value employee loyalty. It is their personal commitment and professional skills that enable our company to achieve success and growth. I am pleased that we have people of all ages working for us. I would also like to highlight the high percentage of women employed in our company, at all levels of management. We are committed to employment stability and diversity, which is important for sustainability. We also strive to achieve the highest possible standards of occupational health and safety.

As every year, we have made great efforts to create a good media image of our company and to promote the entire industry by publishing the quarterly magazine REPORTER with a circulation of about 3,000 copies, which is popular not only within AŽD, but has also become a sought-after industry magazine for the general public. The video magazine THE TRAIN is very popular, with 190,000 views per episode, which is also picked up by some TV stations and web portals.

Finally, I would like to thank everyone who cheers us on, believes in us, supports us, crosses their fingers and, most importantly, helps us.

I wish success to all of you

Ing. Zdeněk Chrdle
AŽD Director General

GOVERNING BODIES AND ORGANIZATIONAL UNITS

AŽD Praha s.r.o. (ID. No. 48029483) is a purely Czech company owned by a long-term stable group of owners. Within the meaning of the Act on Business Corporations and Cooperatives (Business Corporations Act) it is a limited liability company. It is registered in the Commercial Register maintained by the Municipal Court in Prague under file no. C 14616. From a legislative and economic point of view, it is a single legal entity.

Three executive directors act on behalf of the company in accordance with the articles of association. Each of the executive directors is authorised to act on behalf of the company independently.

In order to ensure top management functions, a company head office is established to manage and coordinate the activities ensuring the implementation of the company's business.

Employment relations in the company were fulfilled in the period under review in accordance with the legislative regulations of the Czech Republic and the Collective Agreement of the company.

The company's bodies and representatives of the company are listed in this Annual Report as at 30 September 2022.



COMPANY'S BODIES

AS AT 30 SEPTEMBER 2022

GENERAL ASSEMBLY

EXECUTIVES

Ing. Zdeněk CHRDLÉ
Director General

Ing. Roman JUŘÍK
Technical Director

Daniela VESELÁ
Internal Affairs Director

SUPERVISORY BOARD

Ing. Miroslav KOZÁK
Financial Director

Petr ROTT
Shareholder

Ing. Alice DICKOVÁ
Shareholder

During the reporting period of the fiscal year 2021/2022, the governing bodies worked in a stable composition. A change in the Supervisory Board took place on 9 December 2021, when Ing. František Formánek was replaced by Ing. Alice Dicková.

HEAD OFFICE AND SEAT OF THE COMPANY

AŽD Praha s.r.o.

Žirovnická 3146/2, Záběhlce, 106 00 Prague 10

Tel.: +420 267 287 111

E-mail: info@azd.cz

Website: www.azd.cz

Director General

Ing. Zdeněk CHRDLÉ

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 BAŤKA

Tel.: +420 267 287 203

Equity Mergers Director

Ing. Vladimír KETNER

Tel.: +420 267 287 234

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

Director of Project Management in Poland

Ing. Jiří MARTÍNEK

Tel.: +420 267 287 414

HR Manager

Blanka PREŠINSKÁ

Tel.: +420 267 287 301

ORGANIZATIONAL UNITS

“TECHNIKA” PLANT

Žirovnická 3146/2, Záběhlice
106 00 Prague 10

Plant Director

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

Deputy Director for Research and Development

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

LOGISTICS PLANT OLOMOUC

Železniční 84/1
779 00 Olomouc – Chválkovice

Plant Director

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

INSTALLATION PLANT KOLÍN

Polepská 724
280 02 Kolín – 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

TELEINFORMATICS DIVISION

Ukrajinská 1517/4
100 00 Prague 10 – Vršovice

Division Director

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

TELECOMMUNICATION AND SIGNALLING TECHNOLOGY SERVICE DIVISION

Žirovnická 3146/2, Záběhlice
106 00 Prague 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 VAVRDA
Tel.: +420 541 421 545

AŽD PRAHA S.R.O.
ORGANIZATIONAL UNIT BRATISLAVA
Ružinovská 1 G, 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

AS AT 30 SEPTEMBER 2022

2021
2022

Explanatory notes

VZ – Production Plant

MZ – Installation Plant

ZTE – Technika Plant

PRJ – Design Department

VAV – Research and Development

DTI – Teleinformatics Division

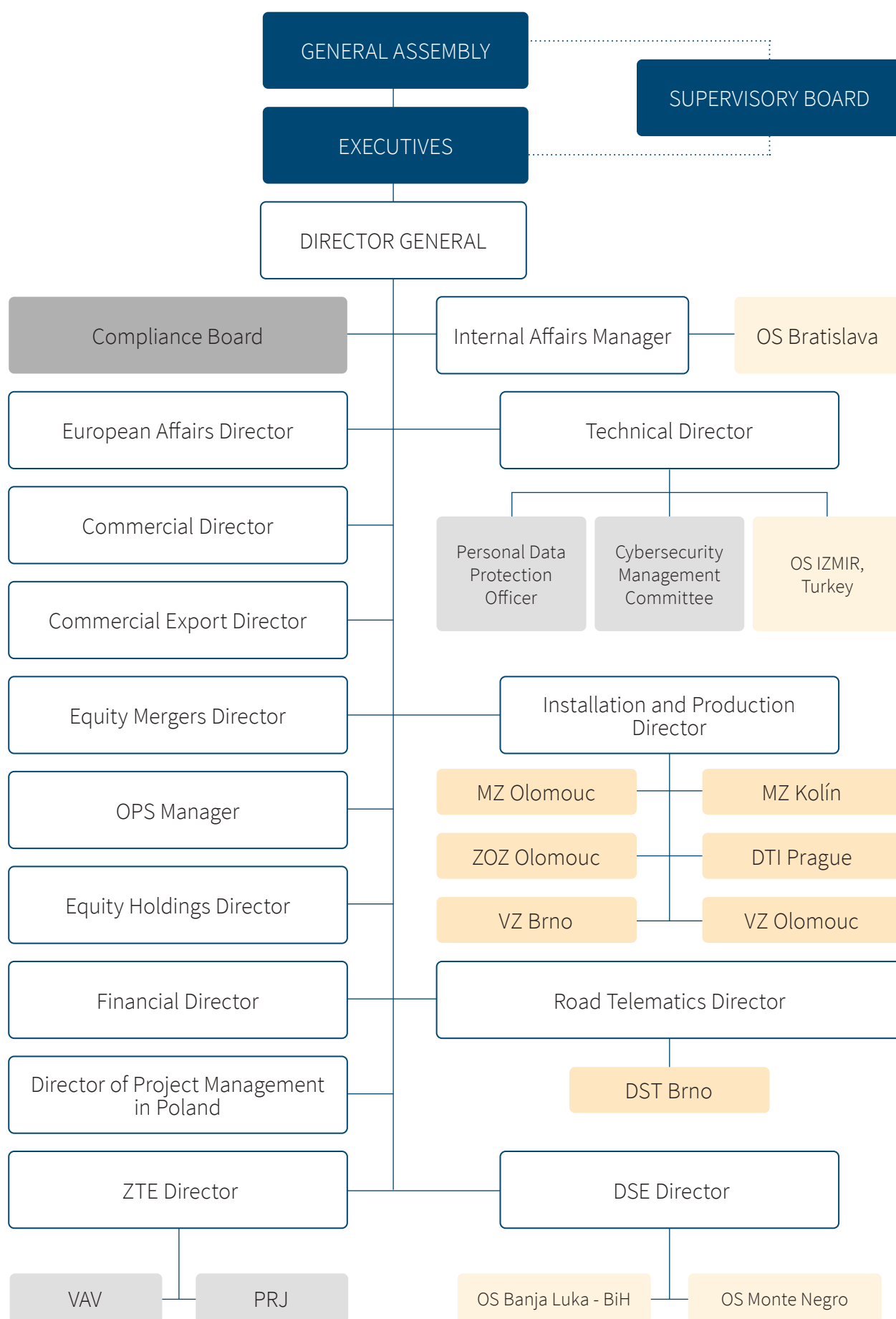
OPS – Personnel and Administration
Department

OS – AŽD Praha s.r.o., organizational unit

ZOZ – Logistic Plant Olomouc

DST – Road Technology Automation
Division Brno

DSE – Telecommunication and
Signalling Technology Service
Division







PURPOSE OF BUSINESS ACTIVITY AND ITS ANTICIPATED DEVELOPMENT

*AŽD Praha s.r.o.
is a major supplier
of technological units
in the field of signalling,
telecommunication,
information and automation
technologies for transport
infrastructure.*

PURPOSE OF BUSINESS ACTIVITY AND ITS ANTICIPATED DEVELOPMENT

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

The company has an experienced team of professionals and has its own technical background for the comprehensive provision of orders. It is able to cover all activities from the preparation of the design documentation to the delivery and execution of the installation work. After the completion of the contract, it is a matter of course to provide warranty and post-warranty service.



AŽD has qualifications that enable the company to perform all works on the railway infrastructure in the field of signalling and telecommunication technology, including the most modern trends, for example the use of new ETCS technologies that are part of ERTMS.

After the completion of the installation work, the company performs the commissioning of the technological equipment, including carrying out the prescribed tests and issuing all documents necessary for its fail-safe operation.

The long-standing presence on the railway market in the field of signalling and telecommunication technologies has proved that AŽD is able to successfully manage complex constructions, not only in the field

of its business, but also as a higher contractor, and to provide a comprehensive set of activities for the successful completion of demanding contracts including construction works from other fields.

The organisation 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 according to the rules of the Public Procurement Act. Our major partners in the field of rail transport include ČD, a. s. and ČD Cargo, a. s.

The Company's participation in the projects 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 of new technologies.

In its practices, it seeks to leverage its potential for cost-effective and cost-efficient solutions to achieve maximum safety in the transport sector. A process of related service, maintenance and repair programs for the equipment is also essential to achieve this goal. All the activities of AŽD are guided by an effort to maintain the achieved position and development of the company in the future periods.

We are members of ACRI, ERTMS, UNIFE, Shift2Rail, ČSS and SDT associations.

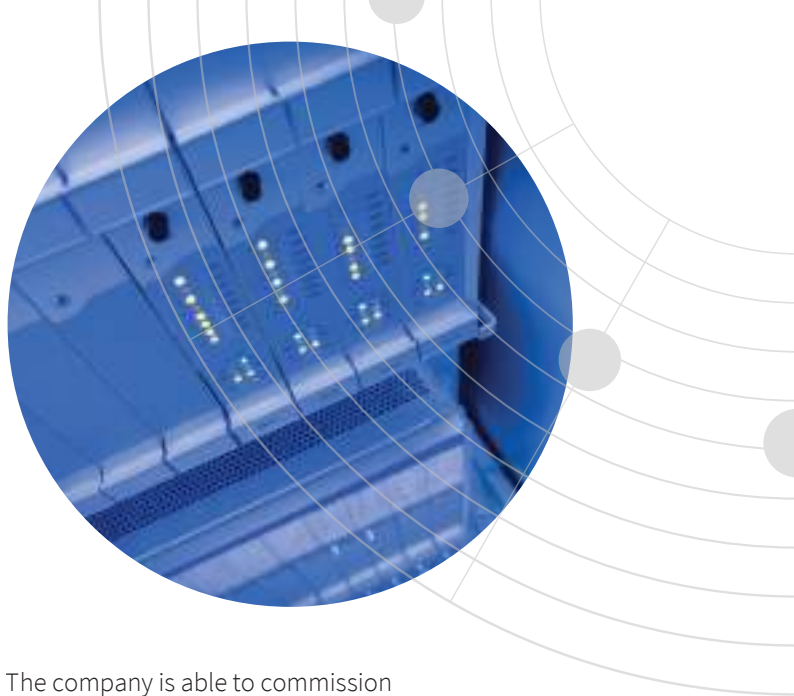
RAILWAY INFRASTRUCTURE

In the past period, AŽD tendered for projects of modernisation and reconstruction of the railway infrastructure. Furthermore, it participated in tenders concerning public contracts with the content of modern technical trends in railway transport safety solutions. These were mainly technological constructions using ETCS elements, then 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 with other 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 participated in public tenders not only as a main contractor or leading partner, but also as a member of the consortium of companies or as a subcontractor to construction companies. The form of participation in tenders depended on the object composition of the given project, especially on the share of the technological part of the construction in the field of 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 available 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 bill of quantities. A further complication was the object composition of the constructions, which included both technological operating sets and sub-contracted 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, providing supplies through its own production facility or external material purchasing and subsequent 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

In the current fiscal year, the commercial department dealt with a significant decline in business opportunities in the domestic market. There was a significant decrease in the number of public tenders in the area of railway infrastructure, due to the reduction of the state budget funds earmarked for the area of transport investments. Another factor influencing the number of contracts was the gradual phasing out of major projects won in previous years.

PUBLIC PROCUREMENT FOR INVESTMENT PROJECTS AND REPAIRS

In spite of the above, in the first quarter of the fiscal year we managed to win three significant projects, namely the „Electrification of the line PEÚ Brno (incl.) – Zastávka u Brna, 2nd stage“ with a bid price of 435,431 thous. CZK, „Completion of the 1st railway corridor in the line section Lanžhot (Czech Republic) – Kúty (Slovakia)“ with a bid price of 75,257 thous. CZK and „ETCS Prague Uhřetěves – Prague Main Railway Station (excl.)“ with a bid price of 313,767 thous. CZK. The first two projects were prepared as subcontracts for main civil contractors, the third was obtained as a direct delivery for the contracting authority Správa železnic, s.o.

In the second quarter of the fiscal year, we successfully bid for the project „Modernization of the line Kladno (incl.) – Kladno - Ostrovec (incl.)“ with a bid price of 828,537 thousand CZK as a subcontractor for a consortium of construction companies.

In the third quarter, other significant subcontracts were signed with consortium of construction companies for „Modernization of the line Prague-Bubny (incl.) – Prague-Výstaviště (incl.)“ with a bid price of 349,581 thous. CZK and with a specialised supplier of telecommunication technologies for the project „Reconstruction and segmentation of the technological network“ with a bid price of 60,180 thous. CZK.

In the period falling into the fourth quarter of the fiscal year 2021/2022, company obtained a share in the contract for „Reconstruction of platforms and establishment of barrier-free access at the railway station Lovosice“ with a bid price of 66,203 thous. CZK.

Throughout the fiscal year, efforts were made by the commercial department to actively participate in tenders for orders even with lower budgeted costs. In this group there were both investment projects and repair works and works and supplies requested through framework contracts. Technically, these contracts included work mainly on level crossing safeguarding equipment, station interlocking and line signalling and telecommunication equipment. Cable relocations were also included.

CONTRACTS FOR ONBOARD SYSTEMS

Following the first successful and essential order for Správa železnic, AŽD won a public tender announced by České dráhy, a.s. for the ETCS onboard systems, namely the locomotives of the 750.7 series (19 pcs.) in the total value of 266,324 thous. CZK, vehicles of the 842 and 954.2 series (71 pcs.) with a total value of 779,998 thous. CZK, vehicles of 841 series (17 pcs.) in the total value of 189,800 thous. CZK and several others.

In addition, several contracts for the ETCS onboard units for 844 series vehicles (České dráhy) were successfully completed, totalling 31 vehicles in the amount of 379,590 thous. CZK.

For a private carrier Stadler Flirt vehicles of Leo A20, ETCS onboard units were supplied for a total amount of 119,616 thous. CZK.

TECHNOLOGY FOR METRO

The main activity of the Metro Department (hereinafter OME) in the monitored period was to ensure the supply of equipment, technologies and services, especially for Prague Public Transport Company (Dopravní podnik hl. m. Prahy (DPP)). The largest order was the construction of the Comprehensive Security System of the Prague Metro, which consists of both security systems on all metro lines and a train protection system on the B line. The installation of the VKV digital communication system on the inter-station sections continued, gradually on the entire metro network, as well as the installation of the onboard part of the LZA automatic train protection system on the B line.

In 2022, OME provided warranty and post-warranty service for LZA automatic train protection system on both A and B metro lines.

OME Technical Development is completing the preparation of a pilot project for a platform wall and door at Zličín metro station. OME has also implemented other contracts for DPP, such as the Replacement of DSŠ (Relay Receivers for dual-band Track Circuits) with new EFCP (Electronic Phase Sensitive Receivers), Reconstruction of tunnel lighting in the NM-ZE section or Reconstruction of Jiřího z Poděbrad station. In addition, OME supplied and installed onboard part of ATO (Automatic Train Operation) for the Warsaw metro trains.

ROAD TELEMATICS

AŽD is also a supplier of systems and technologies for road transport. The Business Unit for Road Telematics (STM) is part of the company's headquarters. As a supplier and integrator of telematics system solutions, it supplies intelligent systems and equipment that contribute to optimised traffic flow management, increased efficiency and safety of road traffic. With regard to the development of energy prices and the goal of providing environmentally sensitive solutions, AŽD provides solutions for public lighting aimed at promoting energy savings, reducing energy consumption and

thus ensuring the entire process for obtaining related subsidies. 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. With its support, STM provides its customers with comprehensive telematics solutions for road transport, for traffic in tunnels, for improving safety in the form of restrictive and informative technologies and for public lighting. The services provided include traffic studies, engineering and design activities, comprehensive implementation activities, integration into existing systems, service and maintenance activities and delegated administration.

STM successfully develops its activities not only in the Czech Republic but also abroad.

ACTIVITIES IN THE FIELD OF TELEMATICS SOLUTIONS FOR ROAD TRANSPORT

Also in the 2021/2022 financial year, we focused on the consolidation and professional development of the teams in both STM/DST units, on the efficiency of orders and work in IS CRM and ETO 1 with maximum use of our own workforce at the level of implementation and completion of tasks from the previous financial year. We focused on strategic SSZ (road signalling systems)

orders beyond the Prague Project, which was completed, on major SSZ (road signalling systems) installations in Brno, on tunnel technology in the Pohůrka tunnel on D3, in the Hřebeč tunnel, in the Žabovřeská tunnel, on the construction of a polygon in Sokolov for BMW, which is moving into the second stage, on the next stage of the implementation of strategic detectors in České Budějovice. In the current financial year, it was decided to implement a high-speed weighing system on the D4 motorway for ŘSD. We focused on the further development and supply of camera systems and systems for the detection of traffic offences not only on roads but also at level crossings.

These strategic contracts also include the subsequent provision of maintenance services for technological units.

In cooperation with our subsidiaries, we have supplied additional electronic information panels for public transport stops in Brno. The deliveries also included hardware linking the panels to sources of vehicle location information, software for operating the panels and for remote management. We are implementing the updates of not only control rooms but also other modern systems (radio network) for transport companies.

After completing the development of the contactless pedestrian button, we implement their placement in intersection systems in municipalities of the Czech Republic.

In Baku, we are developing follow-up activities to maintain and develop the hardware and service of the complete line management of transport systems.

RESEARCH AND DEVELOPMENT

Our company has long been investing in the continuous development of its technological product portfolio, which forms a solid basis for the provision of comprehensive supplies of complete functional units designed to ensure fail-safe railway operation. The support of in-house development teams form a solid basis for ensuring all the company's commitments, both in the period of delivery and in the period of operation of the delivered systems, their maintenance and possible servicing.





AŽD has developed a complete portfolio of railway signalling equipment that can be modified for various applications, including adaptation to the requirements of foreign infrastructure managers. As a result, it was possible to realise supplies of equipment to a number of European countries, primarily Poland in 2022. At the same time, work began on adapting the product portfolio for deployment on Hungarian infrastructure.

ETCS (European Train Control System) technologies play an important and growing role in the company's product portfolio. In 2022, AŽD developed another version of the L2 trackside solution that fully meets the interoperability requirements and fulfils the functional specific requirements of the infrastructure administrators. At the same time, it has added a complete technical solution to its portfolio to provide L1 level functions. In addition to the activities in the area of track-side, AŽD significantly strengthened its competences in 2022 in the area of integration of onboard parts of ETCS into railway vehicles, including automatic control in cooperation with the onboard part of ETCS (AoE).

In the field of research, AŽD actively cooperated in partial projects of the European Shift2Rail initiative and started its activities in the new European Union project to support development in the field of Europe's Rail, which is planned for the period 2023-2030 and within which it participates in a number of activities, the most important of which are activities in the field of autonomous trains and autonomous railway.



THE STATE OF THE SUBJECT OF BUSINESS 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 the sites of interest are called, are always managed by a dedicated team of people.

This is usually created when an interesting contract is won or a significant position is achieved in a particular foreign market. These teams are placed under a single foreign trade heading, which allows for better management of foreign activities and coordination of order execution within the company. The „Engineering of Foreign Orders“ unit, which coordinates the implementation of individual foreign projects and monitors the economic indicators of contracts in the context of profitability and planning, works successfully under the Foreign Trade heading.

Slovakia, Lithuania, Poland, Serbia, Montenegro, Bosnia and Herzegovina, Turkey, Bulgaria, Croatia, Hungary and Malaysia are the destinations in AŽD's main area of interest. The company is now trying to penetrate the territory of Georgia, Ukraine and Greece.



BRANCHES AND ORGANIZATIONAL UNITS OF AŽD ABROAD

The development of foreign orders is one of the important attributes of AŽD. One of the indicators of the company's foreign trade growth is the number of subsidiaries operating abroad. These are AZD BH in Bosnia and Herzegovina and AZD Polska in Warsaw providing support in the implementation of ongoing contracts, AZDAP coordinating the business activities of AZD in Turkey.

In addition, AZD SASI in Serbia, AZD Zagreb in Croatia, AZD Slovakia and AZD Bratislava in Slovakia and BALKAN SAST in Bulgaria provide support in the creation and implementation of foreign contracts. Organizational units established in Montenegro, Bosnia and Herzegovina, Croatia and Slovakia act as local organisers and provide facilities mainly for installation work.

EU, INTERNATIONAL COOPERATION AND EXTERNAL RELATIONS

AŽD continues to be actively involved in international cooperation within the EU. The past period was marked by several significant events. One of them, within the framework of our activities in the UNISIG consortium, was the completion of the technical specifications for interoperability of the CCS TSI planned for 2022, of which the ETCS Specification is a part. They have been forwarded by ERA to the European Commission. The Commission was supposed to prepare a legislative proposal, but this has been delayed and has not been approved to date. The fate of the key legislation laying the foundations for interoperable autonomous transport is therefore still open.

We consider several successful demonstrations of driving a fully autonomous train under ETCS supervision to be a milestone of the past period. We demonstrated it on the Plum Railway in late 2021/2022 and it was broadcast live to Brussels for a major European Research Conference. The train was remotely dispatched from the conference site and moved along our line, where it

successfully stopped before an obstacle on the track. This successful demonstration was repeated at the InnoTrans fair in Berlin in September 2022, the event had a wide international appeal. The autonomous train in ATO GoA4 mode is a clearly visible outcome of the international collaboration in the Shift2Rail research program, which ended after six years in 2022.

Building on the success of the Shift2Rail program, we are involved in the ongoing Europe's Rail program, in which we will further develop not only this breakthrough technology.

Europe's Rail is currently the most important European project and program for research, development and standardisation in Europe, which started in 2022 and will run for the next six years. The program consists of an innovation pillar, focused on the development of new technologies, and a systems pillar, where the rail environment is being defined and standardisation beyond interoperability is being proposed. The development cooperation and standardisation in this joint venture is what sets us apart from other competitors in the market and brings us not only new technologies, the possibility of co-creating the European railway technological environment, but also increasing the know-how and technological maturity of our company.

Generally speaking, international cooperation in the field of research, development and standardisation is the only possible way to be part of the world's leading industry. 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 others.



PRODUCTION, INSTALLATION AND LOGISTIC ACTIVITIES

The installation and production department comprises six plants involved in the full range of production, installation and logistic activities.

The installation and production department comprises six plants involved in the full range of production, installation and logistic activities. This includes the Production Plant Brno (VZB), which specialises in the production of electronics for station interlocking equipment and line signalling and level crossing systems. It also manufactures outdoor elements such as signal lights, both incandescent and LED, and impedance bonds. The Production Plant Olomouc (VZO) specializes in the production of outdoor signalling elements, such as signals, barrier drives, electromechanical point machines, a complete point program and other elements for installation in the railyard. It also manufactures a wide range of cabinets for interlocking rooms as well as outdoor use.

The Installation Plant Kolín (MZK) and the Installation Plant Olomouc (MZO) operate in the area of installation and direct supplier activities, which deal mainly with



the installation and activation of station interlocking equipment and line signalling and level crossing systems and DOZ (CTC) and ETCS systems.

Within the company, the Teleinformatics Division (DTI) is a specialized supplier of telecommunication technology, which is also dedicated to the installation of the onboard part of the ETCS.

The Logistics Plant Olomouc (ZOK) is the main logistics centre of AŽD, which provides full 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.

The installation plants provide full contractor services on our construction sites. The traditionally high level of installation is guaranteed by qualified employees who are continuously trained and prepared for work in the field of traditional and new signalling technology and telecommunication systems.

In the period of the 2021/2022 financial year, the capacities of installation plants were concentrated on railway construction sites, sections of railway corridors and secondary lines. By modernising lines and railway

stations, we are achieving a high level of service comfort, reliability and safety. At the same time, it also increases the comfort of information for rail passengers. The modern technologies that we develop are also implemented on construction sites.

It is mainly a system of modern station interlocking equipment ESA 44, ESA 55 and ESA 51 with ABE-1 line signalling system. Diagnostics of the equipment itself is an integral part of the system, which speeds up the control of the reliable operation of the equipment, including the rapid diagnosis of faults. Other elements implemented by our installation plants to increase safety are the EZS (Evidence of Shunt Loss) and VNPN (Signal Trespass Warning) systems with the function of general STOP on TRS (Track Radio System) and GSM-R equipment on the affected train routes, thus eliminating the influence of the human factor. We continue to modernise and introduce new level crossing systems, including new barrier drives (PZA-100 and PZA-200) to ensure safe crossing of the railway and road. In the area of centralised traffic control (DOZ), we also continue to expand the range and add new telecommunication systems with precision digital technology, including an embedded GTN (Graphical and Technological Layer) system for dispatchers. As for onboard units, we also offer the more modern LS06 equipment, which we mount on railway vehicles. It is also important to mention the area of centralised traffic control from the Central Dispatching Points (CDP) in Prague and Přerov. The implementation of the ETCS system is a completely separate chapter, where we have already installed it on several line sections and are preparing other sections, which are in various stages of development. We also participate in the installation of the ETCS OBU system on traction vehicles. Here, AŽD acts as an integrator of onboard parts of ETCS on railway vehicles, both in the form of sub-delivery and its own full installation.

The Installation and Production Department (MVU), which coordinates the individual production and installation processes, also contributes to the smooth optimisation of production and installation capacities. In order to improve the quality of the delivered

systems, our production plants are constantly and continuously upgraded using modern technologies. The installation plant staff maintains its expertise in newly developed technologies and working procedures. These latest technologies, processes and procedures ensure high quality products and the materials used also minimise the negative impact on the environment.

Our production and installation plants in cooperation with the Logistics Plant have coped with the tasks associated with the construction and reconstruction of the railway infrastructure and have ensured, within their capacities, the completion and activation of equipment for permanent operation of a number of important constructions, including repair work.





SYSTEM INTEGRATION – CLEAN PREMISES

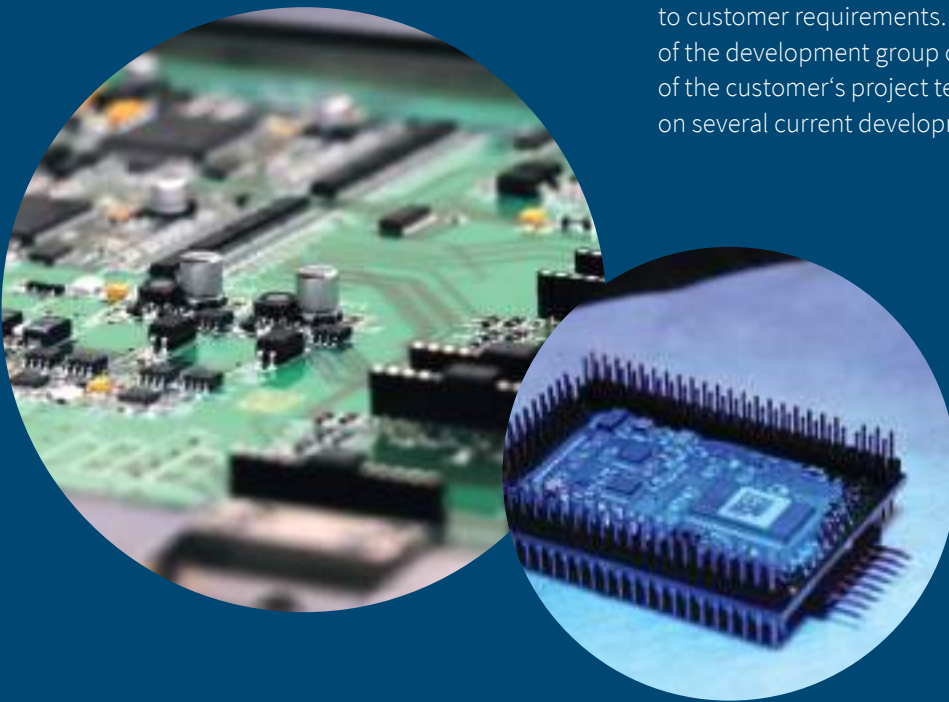
The Production Plant Brno (VZB) specializes in the production of electronic and electromechanical assemblies within its own industrial production. At the same time, since 2004, it has been providing services in the field of electromechanical vacuum assemblies and assemblies for electron microscopes and spectrometers for Thermo Fisher Scientific.

Thermo Fisher Scientific is a world leader in electron microscopy and spectroscopy. Major universities, large pharmaceutical companies and development centres in the aerospace, semiconductor, mining, automotive and aviation industries are major customers. The services provided to this customer

include material procurement, supply chain creation and management, installation, testing and development activities.

In 2011, the production was moved from the production plant in Křižíkova Street to a newly built building in Gromešova Street in Brno, which allowed doubling the production capacity in technologically clean premises. In the following years, the production and warehouse areas and office space for development activities were gradually expanded. Another significant increase in capacity is expected in 2023 in connection with the planned transfer of production to a new building in Brno's Černovická terasa industrial zone.

An important task for the 2021/22 financial year was to ensure an increase in production according to customer requirements. The active involvement of the development group continued, AŽD is part of the customer's project teams and cooperates on several current development projects.





SERVICE ACTIVITIES

The Telecommunication and Signalling Technology Service Division (DSE) is a separate organizational unit, whose main activity is to carry out service activities on telecommunication and signalling equipment.

It deals with services resulting from the liability for defects of the work (equipment) during the warranty period (warranty service activities) and the performance of post-warranty service activities and maintenance in the field of signalling, telecommunication and information equipment.

Service activities are performed primarily in the area of new modernized technological units, especially electronic digital station interlocking equipment, line and level crossing signalling and centralised traffic control systems, including servicing of the AŽD point and barrier program.

For the railways owned by AŽD, the Service Division performs the tasks of the organisation providing maintenance of signalling equipment.

Service activities are carried out through DSE service groups in Brno, České Budějovice, Karlovy Vary, Kolín, Olomouc, Ostrava, Pardubice, Prague, Plzeň and Ústí nad Labem. The Service Division also provides warranty and post-warranty service on AŽD equipment installed abroad, through its organizational units in Slovakia, Montenegro, Bosnia and Herzegovina, or these activities are provided in cooperation with locally competent AŽD subsidiaries under the methodical or direct management of the Service Division.

Service is provided 24 hours a day, 365 days a year on an on-call basis.





SOCIAL RESPONSIBILITY AND ESG

The company's concept in terms of responsibility towards employees emphasizes an initiative and active corporate culture, which includes openness towards employees, including their support.

RESPONSIBILITY TOWARDS EMPLOYEES AND GENDER NEUTRALITY

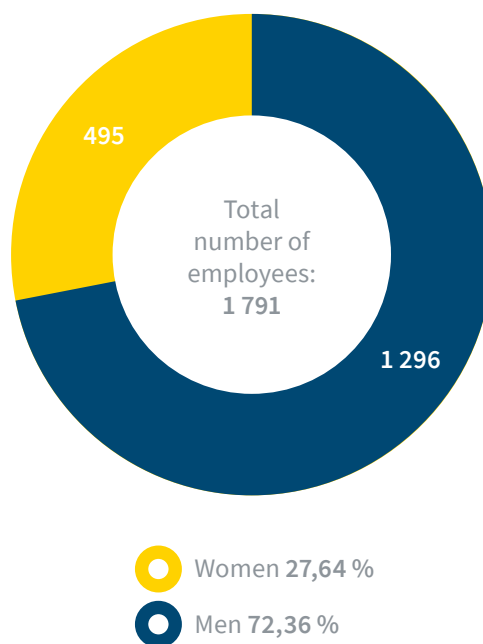
The company's concept in terms of responsibility towards employees emphasizes an initiative and active corporate culture, which includes openness towards employees, including their support. Current and increasingly rapid dynamic development of the entire company is leading the organization to strategies to ensure stability and qualification in the area of 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. By its approach, the company contributes to the elimination of gender stereotypes, to the establishment of a better balance on the labour market and thus to the benefit of society as a whole. Despite the overall focus of the

company, especially on technologies in transport infrastructure, their development, production, delivery and installation, women make up almost one third of the 1,791 employees.

Structure of employees

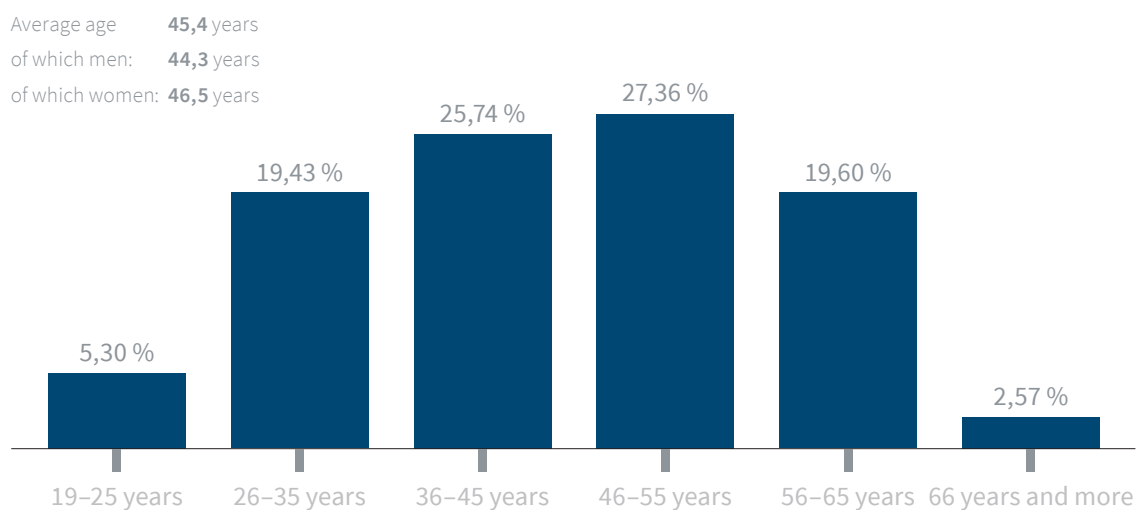
All employees are treated equally in terms of working conditions, remuneration, training and professional development. Employees with many years of experience pass on their knowledge to less experienced colleagues, students and graduates. This way, both junior and senior job seekers can find employment with the company. The average age of the company's employees is 45 years. For men it is 44 years, for women 47 years.



Age structure of employees

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 vocational education ending with a school-leaving examination, education ending with a final examination with an apprenticeship certificate and higher education.

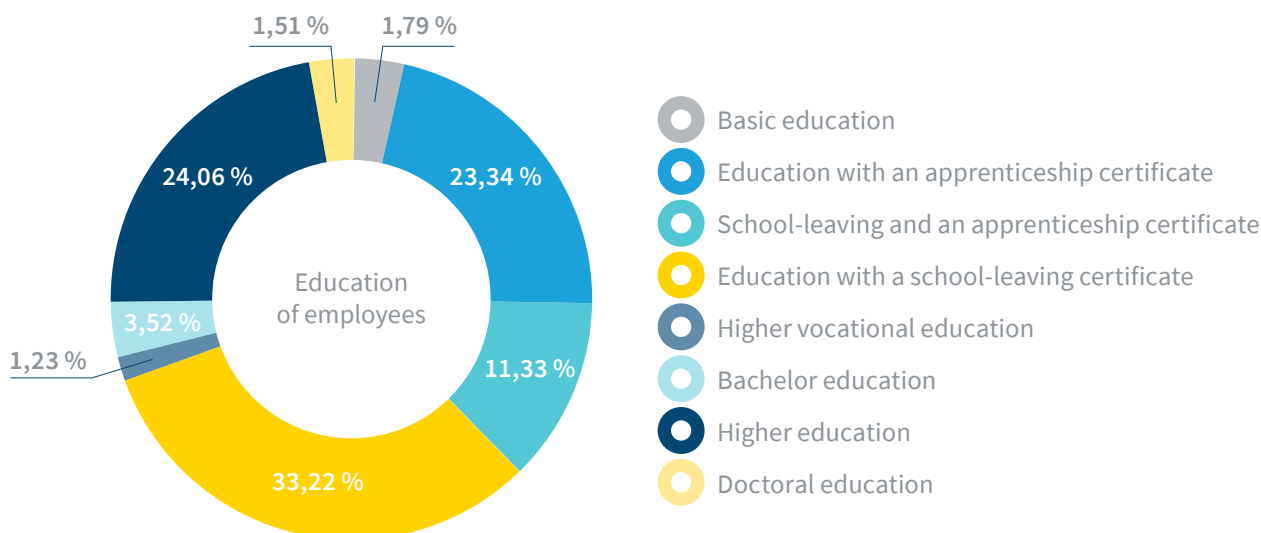
Within employment, the company is oriented in many directions, it therefore provides employment for technical and economic employees as well as for the blue-collar professions that constitute up to 35 % of the employees.



Education of employees

The fact of equal employment opportunities in AŽD and the absence of any discrimination is also proved by the employment of foreigners,

who constitute 2.5 % of employees, and the employment of persons with disabilities, who constitute 1.3 % of employees.



Cooperation with schools

Cooperation with secondary schools and higher education institutions is aimed at building the AŽD brand and especially at generating potential employees as a tool to attract them.

Our company has been enabling students of selected secondary vocational schools to complete compulsory professional practice and holiday jobs for a long time. As part of their professional practice, the students also visit the Plum Railway, where they will get to know the latest technologies installed on the railway section Lovosice - Most, with a professional interpretation, including a demonstration of drone work and its use on the railway.

AŽD regularly participates in career days at higher education institutions, especially those with a technical focus. Every year, it also offers work experience for higher education students, as well as part-time jobs during their studies and holidays.

Within the ERASMUS+ program, an internship was made possible for students of the Department of the School of Railway Transport from the Academy of Technical and Artistic Applied Studies Belgrade (AKADEMIJA TEHNIČKO-UMETNIČX STRUKOVNIHX STUDIJA BEOGRAD).

Students and teaching staff from the Cinarli Mesleki Secondary Technical School in Teknik Anadolu Lisesi from Turkey also completed their internship at AŽD.

SPORT AND CULTURE

Bike to Work

In May 2022, our company supported the idea of environmentally friendly and sustainable transport, thereby contributing to the reduction of the total amount of harmful substances emitted, which have a clear impact on the environment. It paid the entry fee and provided the necessary facilities for our employees who took part in the nationwide “Bike to Work” May Challenge.

The main aim of this event was to promote the physical and mental health of our employees and to contribute to better relations between colleagues across the company. 114 AŽD employees compared their strength with other participants of the May Challenge from all over the Czech Republic.



PLUM RAILWAY'S MUSIC FESTIVAL AND TŘEBÍVLICE VINTAGE 2022

Also in 2022, we continued the tradition of this event located near our Plum Railway. In cooperation with the mayor of the municipality of Třebívlice, as the name suggests, the Plum Railway Music Festival and the Třebívlice Vintage Festival 2022 took place on Saturday, 10 September, with a rich musical and accompanying program with the participation of the general public of all ages. This time the music sounded alternately from two stages, from the castle park and from the square. In addition to discounted fares, adults could also get free admission to this feast for fans of good music. Children, adolescents and caregivers from children's homes in the area did not miss out on the festival either, and were allowed free admission.

Clients with disabilities from the Čížkovice Home with Special Regime also had free entry; their visit to the festival allowed them to do two of their activities at the same time - a walk around the surroundings and music therapy.



COMPLIANCE PROGRAM

The management of AŽD, aware of the necessity to comply with the necessary processes and procedures outside and inside the company, applied the Compliance Policy to its internal system.

The implemented compliance program is based on three main pillars, which are prevention, detection and response to unethical and illegal conduct that is contrary to the established rules of the company. Such an established compliance program can be seen as a real shield to protect the entire company from incidents, the source of which may be outside

or inside the company, but also as a tool to promote compliance with a healthy corporate culture.

The existing practice in the area of compliance program, supported by documents, proves in particular the use of the compliance program function as a tool to support compliance with the corporate culture among employees and business partners. This demonstrates the existence of mutual trust between the company management and employees, which is one of the added values that AŽD brings to its business partners.

GDPR

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

In 2021/2022, existing guidelines relevant to the processing of personal data were revised and supplemented at AŽD. The filing, archiving and shredding regulations have been updated in accordance with current legal norms and decrees.

In the area of documentation, contractual amendments compliant with GDPR requirements have been concluded and sufficient assurances have been sought on the compliance of processors with GDPR requirements. In addition, the documentation and work procedures used were modified.

A contract was also concluded with Edenred for the sharing of personal data as part of the performance of the contract for the provision of the food voucher portal and customer technical support through Benefit Café. The Ticket Restaurant digital wallet product, uploaded to the Edenred card, provides company catering for AŽD employees.

An evaluation of the legal analysis of the possibility of transferring personal data of AŽD employees sent abroad to the contracting counterparty for the purpose of cost reporting was prepared. The level of risk was assessed according to ten evaluated criteria. Creation of a separate document fulfilling the information obligation that the employee acknowledges that in certain cases AŽD is entitled to transfer basic identification data of the employee (name, surname) for the purposes of organising the fulfilment of contractual requirements and cost reporting, basic professional information about the employee, salary information (number of hours worked, cost of business trips) on the basis of legitimate interest.

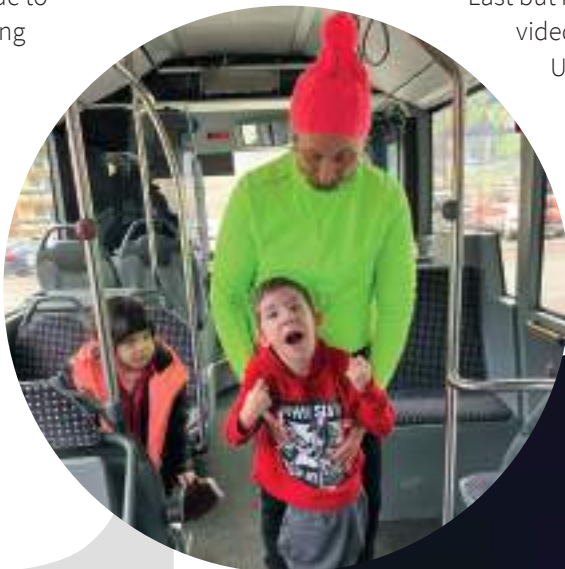
In the area of processes, both the obligation to keep records of processing activities according to the GDPR and the process for reporting risky cases of breaches of the protection of personal data to the supervisory authority have been implemented.

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

CHARITABLE ACTIVITIES

Also in the 2021/2022 financial year, our company was not indifferent to those who need our attention and help, whether the reason was a medical handicap or the war conflict in Ukraine.

In the area of charitable activities, AŽD continued to support individuals on the autism spectrum through Kateřina Sokolová's AutTalk Foundation Fund by contributing to families caring for autistic children or by repeatedly supporting the young singer Barbora Brodníčková so that she could continue to develop her singing talent.



Our help also went to Daniel Trdlo to enable him to receive intensive therapy at the neuro-rehabilitation clinic. We have been following the fate of little Daniel for years, and we are pleased that our ongoing contribution to his treatment has led to a steady improvement in his disability.

As part of the 10th annual cycling marathon, our company supported the handicapped Patrik Šimánek through his patron - the Spinálníček association.

Last but not least, selfless assistance was also provided in the form of a material donation to ten Ukrainian families who fled the war. The donated laptops served not only the mothers in their search for employment, but also the children in their Czech language lessons.



2022

INTEGRATED MANAGEMENT SYSTEM

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

In order to meet this priority, the company is managed in accordance with an integrated management system, which ensures the fulfilment of both strategic objectives and requirements in the areas of quality, environment, occupational health and safety and information security.

Established management system is applied to the company's purpose of business. 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 activities.

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 and, in terms of a three-year cycle, the next recertification will take place in 2023.

CQS Accredited Certification Body during the audit stated the conformity of the quality management system with the requirements of ČSN EN ISO 9001:2016, compliance of the environmental management system with the requirements of ČSN EN ISO 14001:2016 and compliance of the occupational health and safety management system with the requirements of 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 departments of the company's headquarters, the

installation and production department, the development and design departments of the “Technika” Plant and the support departments were certified in 2021 in terms of information security management in accordance with the ČSN EN ISO/IEC 27001:2014 standard and the accredited certification body CQS/IQNet issued AŽD with the corresponding certificate CZ-260/2021 valid until 19 December 2024. In order to continuously increase the efficiency and effectiveness of the integrated management system, the management of AŽD creates the appropriate resources and introduces progressive methods in all crucial areas of its activities in relation to the strategic objectives of the company.



FINANCIAL MANAGEMENT OF THE COMPANY

The company's turnover of 12 billion CZK for the 2021/2022 financial year is the highest year-on-year compared to previous periods. The optimisation of costs and organisation of the company has led to better year-on-year results.

In the period under review, the company employed 1,791 people, an increase of 36 year-on-year.

Our company spent a total of CZK 345 million on research and development.

The composition of assets is significantly influenced by receivables, mostly overdue receivables, as the terms of reference of most contracts already stipulate a long maturity of invoices. The company also promotes marketability by contractually staggering the due dates of the individual parts of the work performed, especially for foreign orders. The 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 digital signalling systems that are in long-term testing 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, Bosnia and Herzegovina and Croatia.

The company exercises decisive and significant influence in 26 subsidiaries, including 11 subsidiaries abroad: in Slovakia (4), Poland, Bulgaria, Serbia, Croatia, Bosnia and Herzegovina, Turkey.

No significant events materially affecting the company's operations have occurred between 30 September 2022 and the time of the report.

The anticipated development of the company's activity is stable and thus a prerequisite for its further development both domestically and abroad has been created.

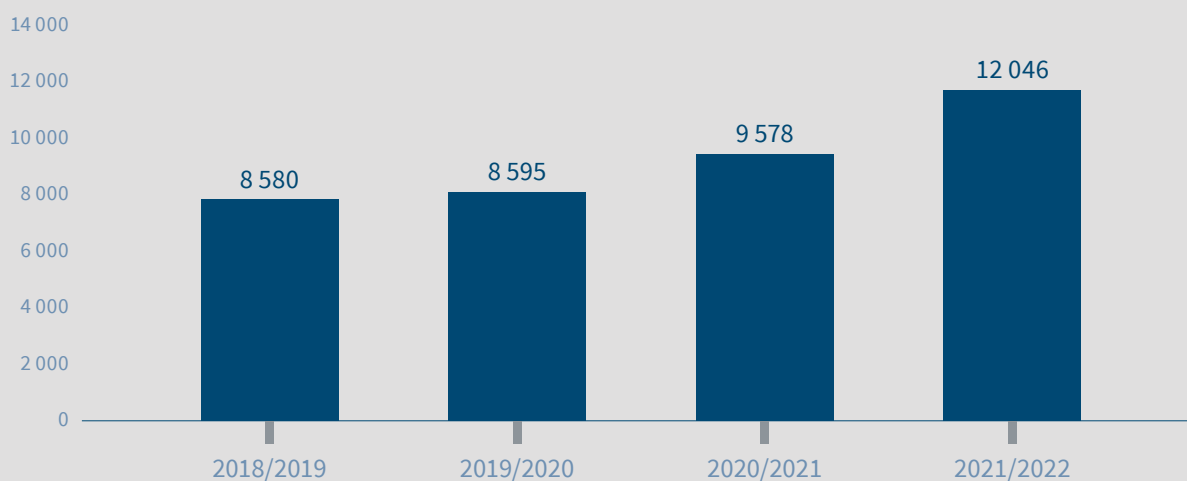


MAIN FINANCIAL INDICATORS OF AŽD PRAHA S.R.O.

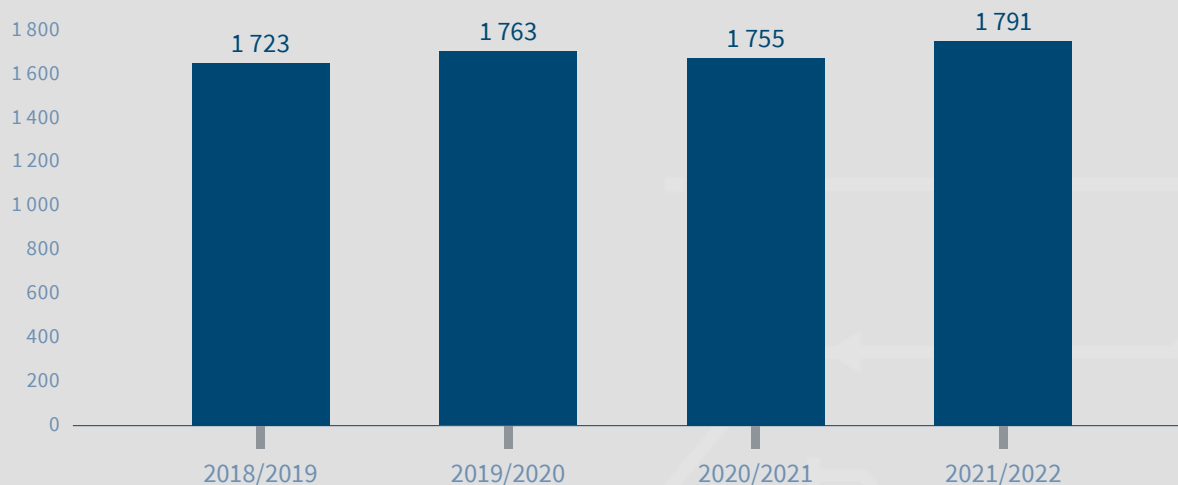
for the period 2021/2022 - from 1 October 2021 to 30 September 2022

The company monitors its results in the periods beginning always from 1 October to 30 September of the following year.

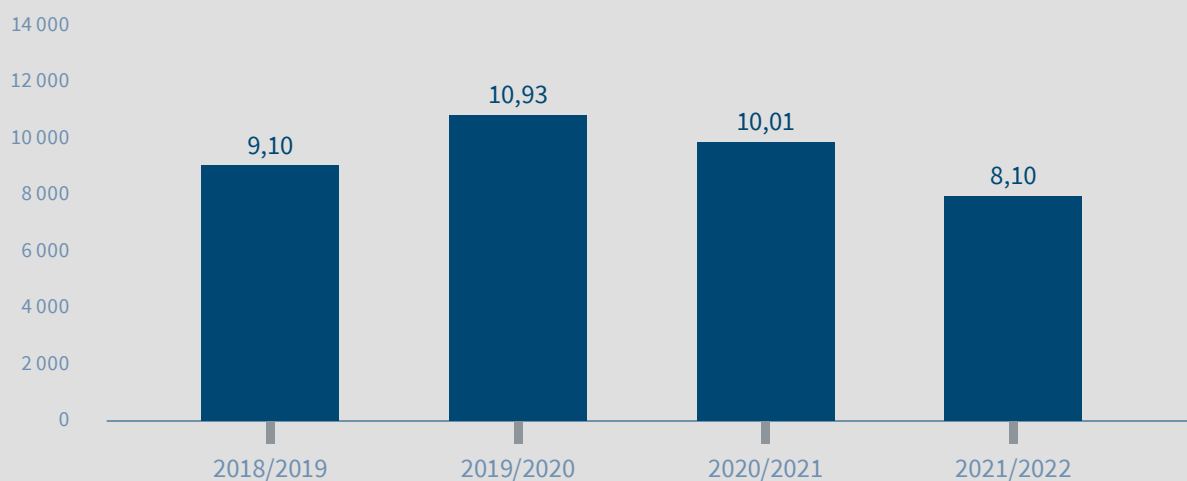
Business turnover in mill. CZK



Average number of employees



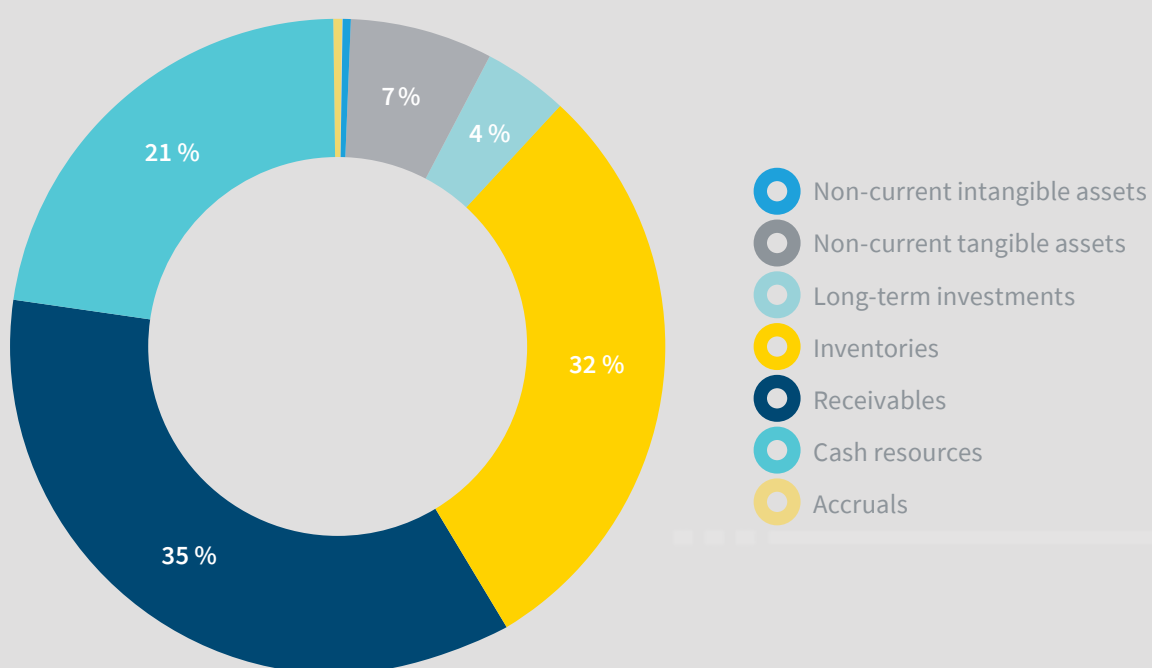
Profitability on turnover in %



Indicator/period	2018/2019	2019/2020	2020/2021	2021/2022
Business turnover (thous. CZK)	8 580 264	8 595 662	9 578 423	12 045 748
Profit after tax	781 151	939 370	958 573	975 805
Profit on turnover in %	9,10	10,93	10,01	8,10
Added value	2 227 851	2 737 264	3 245 804	3 434 996
Bank loans	0	0	0	0
Average number of employees	1 723	1 763	1 755	1 791

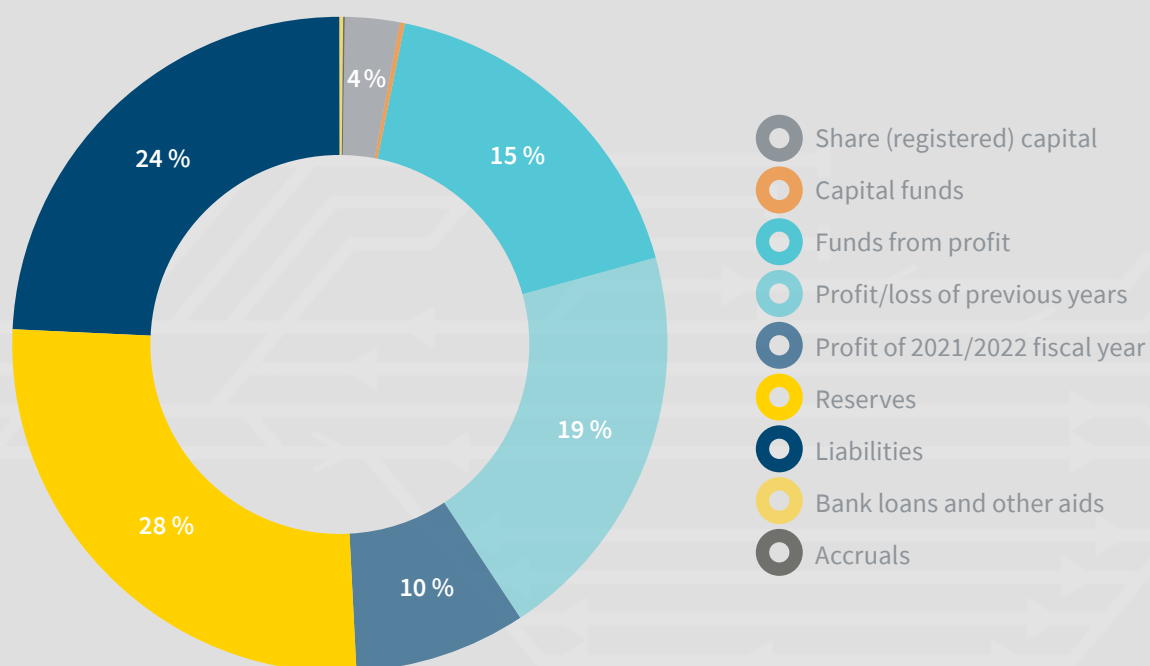
COMPOSITION OF ASSETS AS AT 30 SEPTEMBER 2022 (in thousands CZK)

Non-current intangible assets	18 458
Non-current tangible assets	677 653
Long-term investments	419 845
Inventories	3 243 183
Receivables	3 557 019
Cash resources	2 133 607
Accruals	36 335
Total assets	10 086 100



COMPOSITION OF LIABILITIES AS AT 30 SEPTEMBER 2022 (in thousands CZK)

Share (registered) capital	384 436
Capital funds	-8 051
Funds from profit	1 564 538
Profit/loss of previous years	1 933 225
Profit of 2021/2022 fiscal year	975 805
Reserves	2 831 469
Liabilities	2 387 639
Bank loans and other aids	0
Accruals	17 039
Total liabilities	10 086 100







FINANCIAL STATEMENTS

1. **BALANCE SHEET** in full as at 30 September 2022
 - ASSETS
 - LIABILITIES
2. **PROFIT/LOSS ACCOUNT** for the accounting period from 1 October 2021 to 30 September 2022

BALANCE SHEET in full as at 30 September 2022 – ASSETS (in thousands CZK)

Identification	ASSETS	Row no.	Current accounting period			Previous period
			Brutto	Correction	Netto	Netto
a	b	c	1	2	3	4
	TOTAL ASSETS (r. 2+3+37+74)	001	12 008 299	1 922 199	10 086 100	8 362 526
A.	Receivables for subscribed registered capital	002				
B.	Non-current assets (r. 4+14+27)	003	2 886 291	1 770 335	1 115 956	1 049 090
B. I.	Non-current intangible assets (r. 5+6+9+10+11)	004	179 909	161 451	18 458	16 439
B. I. 1.	Intangible results of research and development	005				
B. I. 2.	Valuable rights	006	172 305	158 407	13 898	12 173
2. 1.	Software	007	169 783	156 087	13 696	11 782
2. 2.	Other valuable rights	008	2 522	2 320	202	391
B. I. 3.	Goodwill	009				
B. I. 4.	Other non-current intangible assets	010	5 466	3 044	2 422	3 844
B. I. 5.	Advances paid on non-current intangible assets and non-current intangible assets in progress	011	2 138		2 138	422
5. 1.	Advances paid on non-current intangible assets	012				
5. 2.	Non-current intangible assets in progress	013	2 138		2 138	422
B. II.	Non-current tangible assets (r. 15+18+19+20+24)	014	2 146 382	1 468 729	677 653	637 826
B. II. 1.	Land and structures	015	613 391	346 373	267 018	283 439
1. 1.	Land and structures	016	71 743		71 743	71 988
1. 2.	Structures	017	541 648	346 373	195 275	211 451
B. II. 2.	Fixtures, fittings, plant and machinery	018	1 488 916	1 122 356	366 560	349 929
B. II. 3.	Impairment of acquired tangible assets	019				
B. II. 4.	Other non-current tangible assets	020				
4. 1.	Orchards and vineyards	021				
4. 2.	Livestock	022				
4. 3.	Other non-current tangible assets	023				
B. II. 5.	Advances paid on non-current tangible assets and non-current tangible assets in progress	024	44 075		44 075	4 458
5. 1.	Advances paid on non-current tangible assets	025	2 987		2 987	1 535
5. 2.	Non-current tangible assets in progress	026	41 088		41 088	2 923

Identification	ASSETS	Row no.	Current accounting period			Previous period
			Brutto	Correction	Netto	Netto
a	b	c	1	2	3	4
B. III.	Long-term investments (r. 28 up to 34)	027	560 000	140 155	419 845	394 825
B. III. 1.	Shares – controlled or controlling entity (subsidiaries or associates)	028	463 084	97 316	365 768	334 748
B. III. 2.	Loans and credits – controlled or controlling entity (subsidiaries or associates)	029	31 839	31 839		
B. III. 3.	Shares – significant influence	030	63 077	11 000	52 077	58 077
B. III. 4.	Loans and credits – significant influence	031				
B. III. 5.	Other long-term securities and shares	032				
B. III. 6.	Loans and credits – other	033				
B. III. 7.	Other long-term investments	034	2 000		2 000	2 000
7. 1.	Other long-term investments	035				
7. 2.	Advances paid on for long-term investments	036	2 000		2 000	2 000
C.	Current assets (r. 38+46+68+71)	037	9 085 673	151 864	8 933 809	7 276 809
C. I.	Inventories (r. 39+40+41+44+45)	038	3 308 170	64 987	3 243 183	2 653 870
C. I. 1.	Raw materials	039	1 391 905		1 391 905	1 043 772
C. I. 2.	Work-in-progress and semi-finished products	040	1 915 690	64 987	1 850 703	1 609 384
C. I. 3.	Finished products and merchandise	041	575		575	714
3.1.	Finished products	042				
3.2.	Merchandise	043	575		575	714
C. I. 4.	Young livestock	044				
C. I. 5.	Advances paid on inventories	045				
C. II.	Receivables (r. 47+57)	046	3 643 896	86 877	3 557 019	2 776 005
C. II.1.	Non-current receivables (r. 47 up to 51)	047	1 011 770		1 011 770	675 008
1.1.	Trade receivables	048	286 805		286 805	262 475
1.2.	Receivables – controlled or controlling entity (subsidiaries or associates)	049				
1.3.	Receivables – significant influence	050				
1.4.	Deferred tax asset	051	523 600		523 600	411 108
1.5.	Other receivables	052	201 365		201 365	1 425
1.5. 1.	Receivables from partners	053				
1.5. 2.	Advance payments made	054	1 365		1 365	1 425
1.5. 3.	Estimated receivables	055				
1.5. 4.	Other receivables	056	200 000		200 000	

Identifica- tion	ASSETS	Row no.	Current accounting period			Previous period
			Brutto	Correction	Netto	Netto
a	b	c	1	2	3	4
C. II.2.	Current receivables (r. 58 up to 61)	057	2 632 126	86 877	2 545 249	2 100 997
2.1.	Trade receivables	058	2 273 143	58 304	2 214 839	1 908 639
2.2.	Receivables from controlled or controlling entity (subsidiaries or associates)	059	62 601	28 573	34 028	9 691
2.3.	Receivables – significant influence	060				
2.4.	Other receivables	061	296 382		296 382	182 667
2.4. 1.	Receivables from partners	062				
2.4. 2.	Receivables from social security and health insurance institutions	063				
2.4. 3.	Taxes and government assistance (state subsidies) receivable	064	137 419		137 419	113 505
2.4. 4.	Advance payments made	065	153 191		153 191	36 917
2.4. 5.	Estimated receivables	066	2 966		2 966	26 237
2.4. 6.	Other receivables	067	2 806		2 806	6 008
C. III.	Short-term financial assets (r. 69+70)	068				
C. III. 1.	Shares – controlled or controlling entity (subsidiaries or associates)	069				
C. III. 2.	Other short-term financial assets	070				
C. IV.	Finances (r. 72+73)	071	2 133 607		2 133 607	1 846 934
C. IV. 1.	Cash in hand	072	3 393		3 393	3 455
C. IV. 2.	Bank accounts	073	2 130 214		2 130 214	1 843 479
D.	Accruals and deferrals (r. 75 up to 77)	074	36 335		36 335	36 627
D. 1.	Accrued expenses	075	35 065		35 065	35 209
D. 2.	Complex accrued expenses	076				
D. 3.	Accrued income	077	1 270		1 270	1 418

BALANCE SHEET in full as at 30 September 2022 – LIABILITIES (in thousands CZK)

Identifi- cation	LIABILITIES	Row no.	Current period	Previous period
a	b	c	5	6
	TOTAL LIABILITIES AND EQUITY (r. 79+101+141)	078	10 086 100	8 362 526
A.	Equity (r. 80+84+92+95+99+100)	079	4 849 953	4 174 631
A. I.	Share capital (r. 81 up to 83)	080	384 436	384 436
A. I. 1.	Share capital	081	384 436	384 436
A. I. 2.	Own shares held (-)	082		
A. I. 3.	Changes in share capital	083		
A. II.	Share premium and capital contributions (r. 84+85)	084	-8 051	-2 172
A. II. 1.	Share premium	085		
A. II. 2.	Capital contributions (r. 87 up to 91)	086	-8 051	-2 172
2. 1.	Other capital contributions	087	310	555
2. 2.	Differences from assets and liabilities revaluation (+/-)	088	-8 361	-2 727
2. 3.	Differences from revaluation at mergers (+/-)	089		
2. 4.	Differences from mergers (+/-)	090		
2. 5.	Differences from valuation at mergers (+/-)	091		
A. III.	Other reserves (r. 93+94)	092	1 564 538	1 563 425
A. III. 1.	Other reserve funds	093	1 558 732	1 558 732
A. III. 2.	Statutory and other reserve funds	094	5 806	4 693
A. IV.	Profit / loss of previous years (r. 96 up to 98)	095	1 933 225	1 270 369
A. IV. 1.	Retained earnings from previous years	096	1 933 225	1 270 369
A. IV. 2.	Accumulated losses from previous years (-)	097		
A. IV. 3.	Other profit / loss of previous years (+/-)	098		
A. V.	Profit / loss for the current period	099	975 805	958 573
A. VI.	Decided on advance payment of profit share (-)	100		
B. + C.	External resources (r. 102+107)	101	5 219 108	4 171 167
B.	Provisions (r. 103 up to 106)	102	2 831 469	2 283 843
B. 1.	Provisions for pensions and similar liabilities	103		
B. 2.	Corporate income tax provision	104	65 120	134 571
B. 3.	Tax-deductible provisions (provisions under special legislation)	105		
B. 4.	Other provisions	106	2 766 349	2 149 272

Identifi- cation	LIABILITIES	Row no.	Current period	Previous period
a	b	c	5	6
C.	Payables (r. 108+123)	107	2 387 639	1 887 324
C. I.	Non-current payables (r. 109+112 up to 119)	108	205 778	175 553
C. I. 1.	Debentures and bonds issued (r. 110+111)	109		
1. 1.	Convertible debentures and bonds	110		
1. 2.	Other debentures and bonds	111		
C. I. 2.	Payables to credit institutions	112		
C. I. 3.	Non-current advance payments received	113	300	263
C. I. 4.	Trade payables	114	205 478	175 290
C. I. 5.	Bills of exchange payable	115		
C. I. 6.	Payables – controlled or controlling entity (subsidiaries or associates)	116		
C. I. 7.	Payables – significant influence	117		
C. I. 8.	Deferred tax liability	118		
C. I. 9.	Payables – others (r. 120 up to 122)	119		
9.1.	Payables to partners	120		
9.2.	Estimated payables	121		
9.3.	Other payables	122		
C. II.	Current payables (r. 124+127 up to 133)	123	2 181 861	1 711 771
C. II. 1.	Debentures and bonds issued (r. 125+126)	124		
1. 1.	Convertible bonds	125		
1. 2.	Other debentures and bonds	126		
C. II. 2.	Payables to credit institutions	127		
C. II. 3.	Current advance payments received	128	180 606	122 577
C. II. 4.	Trade payables	129	1 524 412	1 163 811
C. II. 5.	Current notes payable	130		
C. II. 6.	Payables – controlled or controlling entity (subsidiaries or associates)	131		
C. II. 7.	Payables – significant influence	132		
C. II. 8.	Payables – others (r. 134 up to 140)	133	476 843	425 383
8. 1.	Payables to partners	134	100 020	102 020
8. 2.	Current financial assistance	135		
8. 3.	Payables to employees	136	178 578	150 884
8. 4.	Payables to social security and health insurance institutions	137	104 064	86 897
8. 5.	Taxes and government assistance (state subsidies) payable	138	31 899	25 927
8. 6.	Estimated payables	139	62 019	59 655
8. 7.	Other payables	140	263	
D.	Accruals and deferrals (r. 142+143)	141	17 039	16 728
D. 1.	Accrued expenses	142	16 580	16 454
D. 2.	Deferred revenue	143	459	274

PROFIT / LOSS ACCOUNT in full as at 30 September 2022 (in thousands CZK)

Identifica- tion	Text	Row no.	Fiscal period	
			Current	Previous
a	b	c	1	2
I.	Sales of goods and services	01	10 309 227	8 005 991
II.	Sales of goods	02	836 674	824 728
A.	Sales of production (r. 4 up to 6)	03	9 321 324	7 567 820
A.1.	Cost of goods sold	04	679 943	682 234
A.2.	Material and energy consumed	05	6 495 543	5 024 142
A.3.	Services	06	2 145 838	1 861 444
B.	Change in inventory of finished products and work in progress (+/-)	07	-228 915	-596 614
C.	Capitalization (-)	08	-1 381 504	-1 386 290
D.	Staff costs	09	1 862 545	1 641 488
D. 1.	Wages and salaries	10	1 381 954	1 219 851
D. 2.	Social security and health insurance and other costs (r. 12+13)	11	480 591	421 637
2.1.	Social security and health insurance costs	12	443 470	396 219
2.2.	Other expenses	13	37 121	25 418
E.	Adjustments in operating area (r. 15+18+19)	14	102 751	187 504
E.1.	Adjustments of non-current intangible and tangible assets (r. 16+17)	15	132 043	124 506
1.1.	Adjustments of non-current intangible and tangible assets – permanent	16	132 043	124 506
1.2.	Adjustments of non-current intangible and tangible assets – temporary	17		
E.2.	Adjustments of inventories	18	-10 013	75 000
E.3.	Adjustments of receivables	19	-19 279	-12 002
III.	Other operating revenues (r. 21 up to 23)	20	694 662	623 783
III. 1.	Revenues from sale of non-current assets	21	2 219	5 833
III. 2.	Revenues from sale of material	22	578 676	499 316
III. 3.	Other operating revenues	23	113 767	118 634
F.	Other operating expenses (r. 25 up to 29)	24	1 048 848	849 301
F. 1.	Net book value of disposed non-current assets	25	227	4 054
F. 2.	Net book value of disposed material	26	347 765	299 576
F. 3.	Taxes and fees	27	5 376	5 897
F. 4.	Reserves in operating area and complex deferred costs	28	617 277	475 536
F. 5.	Other operating expenses	29	78 203	64 238
*	Operating profit / loss (+/-) (r. 1+2-3-7-8-9-14+20-24)	30	1 115 514	1 191 293

Identifica- tion	Text	Row no.	Fiscal period	
			Current	Previous
a	b	c	1	2
IV.	Revenues from long-term investments – shares (r. 32+33)	31	93 168	95 520
IV.1.	Revenues from shares – controlled or controlling entity (subsidiaries)	32	93 168	85 920
IV.2.	Other revenues from shares	33		9 600
G.	Expenses for sold shares	34		
V.	Revenues from other long-term investments (r. 36+37)	35		
V. 1.	Revenues from other long-term investments – controlled or controlling entity (subsidiaries)	36		
V. 2.	Other revenues from other long-term investments	37		
H.	Costs related to other long-term investments	38		1 852
VI.	Interest revenues and similar revenues (r. 40+41)	39	69 295	927
VI.1.	Interest revenues and similar revenues – controlled or controlling entity (subsidiaries)	40	69 295	927
VI.2.	Other interest revenues and similar revenues	41		
I.	Adjustments and reserves in financial area	42	-15 634	-500
J.	Interest expenses and similar expenses (r. 44+45)	43	3	
J. 1.	Interest expenses and similar expenses – controlled or controlling entity (subsidiaries)	44	3	
J. 2.	Other interest expenses and similar expenses	45		
VII.	Other financial revenues	46	42 722	27 474
K.	Other financial expenses	47	163 269	153 710
*	Profit / loss from financial operations / transactions (+/-) (r. 31-34+35-38+39-42-43+46-47)	48	57 547	-31 141
**	Profit/loss before taxation (+/-) (r. 30+48)	49	1 173 061	1 160 152
L.	Income tax (r. 51+52)	50	197 256	201 579
L. 1.	Income tax current	51	309 748	306 361
L. 2.	Income tax deferred (+/-)	52	-112 492	-104 782
**	Profit/loss after tax (r. 49-50)	53	975 805	958 573
M.	Transfer of dividends to partners (+/-)	54		
***	Profit/loss of current accounting period (+/-) (r. 53-54)	55	975 805	958 573
*	Net sales for current accounting period = I.+II.+III.+IV.+V.+VI.+VII. (r. 1+2+20+31+35+39+46)	56	12 045 748	9 578 423

SUPERVISORY BOARD REPORT

Report of the Supervisory Board of AŽD Praha s.r.o. on the financial results for the financial year 2021-2022

During the period under review, the Supervisory Board carried out its activities in accordance with the Civil Code and the Articles of Association and monitored the resolutions of the General Meetings.

At regular meetings with the Executive Directors, the Board was kept informed of the implementation of the approved business plan, the management of the company, the financial situation, organisational changes and the company's business activities in the country and abroad.

The Supervisory Board has familiarised itself with the presented financial results of AŽD Praha s.r.o. as at 30 September 2022, agrees with them and has no comments or additions to make.

Therefore, after discussion with the Executive Directors, the Supervisory Board recommends to the General Meeting to approve the financial results of AŽD Praha s.r.o. as at 30 September 2022, including the financial statements and the proposal for the distribution of profit.

Ing. Alice Dicková

Petr Rott

Ing. Miroslav Kozák

In Prague on 16. 1. 2023



POZOR VLAK

This Annual Report has been elaborated in compliance
with the valid Accounting Act and reflects the state as at 30 September 2022.

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