



AŽD

SAFELY TO YOUR DESTINATION

REPORT ON ACTIVITY AND RESULTS

OF AŽD PRAHA S.R.O.

FOR THE FISCAL YEAR 2022/2023

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Introductory word of General Director

Dear friends,

you are receiving the annual report of the AŽD company, which, based on legal requirements, represents the economic year 2022/2023 in annotated, graphical and tabular sections. The results we have achieved this fiscal year are the best since our company was founded. I am glad that we are following up on previous years with this positive trend. However, I approach this with great humility, but also with the wish that equally good results accompany us in 2023/2024.

I would like to thank all of you – shareholders, employees, business partners and friends – for having faith in our company, our products and our experts.

AŽD will celebrate 70 years since its foundation in 2024. This important jubilee is an opportunity for us to look back, a chance to pause and remember the past years, the joys and worries, as well as our friends, employees and acquaintances who are no longer with us or are on a well-deserved rest. During that time we have achieved great things, made significant steps and bold decisions.

I am convinced, and the current state of the company shows, that most of these decisions were correct. We are not planning any grand celebrations, but small memories and reminders of the seven decades since the beginning of the company's existence.

The 70th anniversary of the foundation of our company also becomes an important milestone in the management of our company. The constantly changing current situation and the acquisition of other companies on the market lead us to a relatively fundamental change in the organizational structure, namely the transition to a holding system of management.

From this step, we expect better flexibility and efficiency in the management of the entire group, as well as a greater possibility of integrating young people into management levels. These ongoing changes are in no way the start of steps to sell the company or the entire group, but only the path to higher performance and increasing the market value of the company.

In addition to the main criteria of our business, which is documented in the annual report, an important criterion of our activity is social responsibility, helping those in need, tolerance, respect and understanding the problems of others. These are attributes that our company did not lack in the past year and were definitely visible. Our reaction to the war in Ukraine was logical and clear, when we left the Belarusian market and ended business in this country. The next step was our help to the needy in Ukraine.

We have been assessing, evaluating and modifying our policies and procedures for many years, often above and beyond the call of legal requirements. Our approach to our country and people in our daily activities is correct, we save resources, nature, we honor the values that are most valuable, especially health, consideration and respect for the environment in which we live and work. These principles guide us in relation to our clients, employees and business partners. The philosophy that we have been following for a long time has recently become a monitored criterion in Europe and the world.

From previous years, we have introduced demanding certification audits regarding environmental protection, personnel policy, occupational health and safety and business ethics. We are ready to further develop ESG principles (we think about the environment - we think about people - we think fairly). Through its range of activities, AŽD helps in practice to prioritize and more widely use more environmentally friendly transport of people and goods, participates in research and development of new technologies that further increase safety and more effectively contribute to reducing the ecological burden in transport. A healthy and undamaged environment is a priority for current and future generations. That is why we strive to reduce the negative impact of our activities on the environment.

The core of our business is quality interpersonal relationships. I highly value the loyalty of our employees. Thanks to their personal commitment and professional skills, our company manages to achieve success and growth. Although our „transportation-technology“ industry is usually more of a man's world, I am very happy that there is a strong representation of women at all levels of the company. Our young employees, who bring energy and courage to our work, are matched by experienced professionals who contribute their knowledge and skills.

We care no less about the stability of the employment relationship and its diversity, which is important for sustainability. We also strive to achieve the highest possible standards in the field of health and safety at work. We pay attention to training

and improving the qualifications of employees, to the acquisition of new workers, which we pay close attention to. Interesting and promising work, a pleasant team, fair dealings, motivation systems and other bonuses - these are all attributes that stabilize our people's teams and appeal to other people interested in working in our company.

AŽD is a socially responsible company that has set high level for ethical standards. We act fairly. We place the same demands on our business partners. We listen to and talk to all interested groups. This is the only way we can ensure that our business stands on stable foundations in the future as well.

We follow clear rules and have zero tolerance for unethical behavior.

As 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 the quarterly REPORTER, which is popular not only within our company, but has also become a professional magazine for the general public. The video magazine POZOR VLAK, which is also broadcast by some TV stations, is also very popular.

Our work is also recognized by placing AŽD in 28th place out of the hundred most valuable companies with Czech owners in the Czech Elite ranking, published at the end of last year by the Seznam.cz portal. Even this kind of evaluation and comparison gives our company high prestige in the country and abroad.

At the end of this foreword, I would like to thank everyone who cheers for us, believes in us, supports us, keeps their fingers crossed and above all helps.

I wish everyone success



Ing. Zdeněk Chrdle
General Director

**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.

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 2023.

COMPANY'S BODIES as at 30 SEPTEMBER 2023

GENERAL ASSEMBLY

EXECUTIVES

Ing. Zdeněk CHRDLÉ
General Director

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 2022/2023, the governing bodies (Executives and Supervisory Board) worked in a stable composition.

HEAD OFFICE AND SEAT OF THE COMPANY

AŽD Praha s.r.o.

Žirovnická 3146/2, Záběhlice, 106 00 Praha 10

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E-mail: info@azd.cz

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General Director

Ing. Zdeněk CHRDLÉ

Tel.: +420 267 287 201

Commercial Director (CR, SR)

Ing. Petr FALTUS

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Financial Director

Ing. Miroslav KOZÁK

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Technical Director

Ing. Roman JUŘÍK

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Installation and Production Director

Ing. Radek ZAMRAZIL

Tel.: +420 267 287 797

Equity Holdings Director

Ing. Jiří BAŤKA

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Equity Mergers Director

Ing. Vladimír KETNER

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Director for Road Telematics

Patrik REINIŠ

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Commercial Export Director

Ing. Petr ŽATECKÝ

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European Affairs Director

Ing. Vladimír KAMPÍK

Tel.: +420 267 287 437

Director of Project Management in Poland

Ing. Jiří MARTÍNEK

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HR Manager

Blanka PREŠINSKÁ

Tel.: +420 267 287 301

ORGANIZATIONAL UNITS

“TECHNIKA” PLANT

Žirovnická 3146/2, Záběhlice
106 00 Praha 10

Plant Director

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

Deputy Director for Research and Development

Ing. Antonín DIVIŠ
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Deputy Director for Design

Ing. Martin CEJP
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PRODUCTION PLANT BRNO

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612 00 Brno – Královo Pole

Plant Director

Ing. Jolana HORSÁKOVÁ
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PRODUCTION PLANT OLOMOUC

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Plant Director

Ing. Stanislav SLAVÍČEK
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Plant Director

Ing. Václav PAŘÍZEK
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INSTALLATION PLANT OLOMOUC

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LOGISTIC PLANT OLOMOUC

Železniční 84/1
779 00 Olomouc – Chválkovice

Plant Director

Ing. František GRAMBAL
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TELEINFORMATICS DIVISION

Ukrajinská 1517/4
100 00 Praha 10 – Vršovice

Division Director

Ing. Tomáš HANDL
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**TELECOMMUNICATION AND SIGNALLING
TECHNOLOGY SERVICE DIVISION**

Žirovnická 3146/2, Záběhlce
106 00 Praha 10

Division Director

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**AŽD PRAHA S.R.O.
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**ROAD TECHNOLOGY
AUTOMATION DIVISION**

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Division Director

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

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Organizational Unit Director

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

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

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Organizational Unit Director

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

Vlada Martinovića bb
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Organizational Unit Director

Otakar KAMENÍK
Tel.: +382 20 622 462

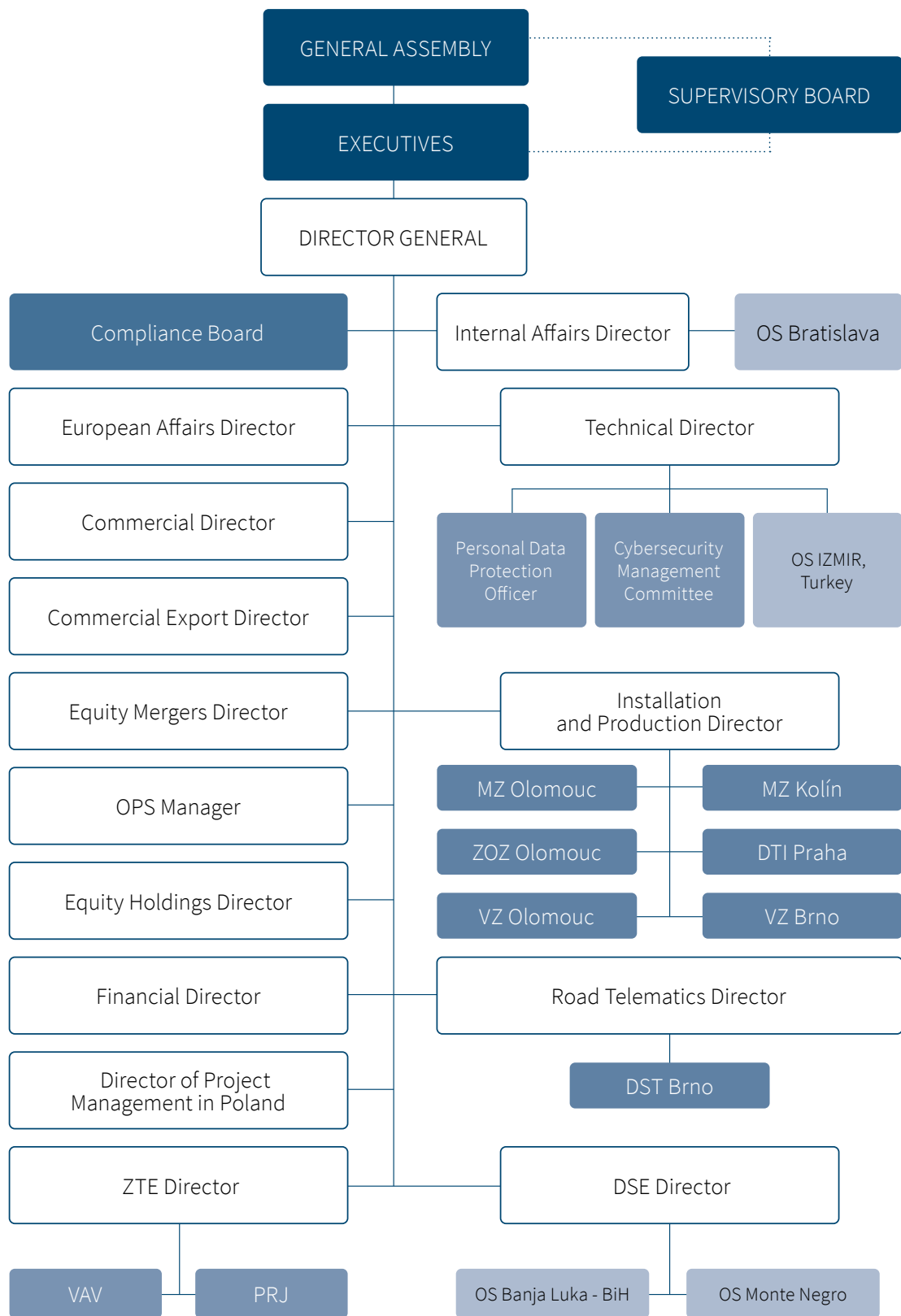
ORGANIZATIONAL STRUCTURE

AS AT 30 SEPTEMBER 2023

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
DSE	Telecommunication and Signalling Technology Service Division
DST	Road Technology Automation Division



**Purpose
of business activity**



Investment projects (railways) - constructions

In the past fiscal year, the company AŽD successfully participated in public tenders for the implementation of construction projects involving the modernization, optimization, and reconstruction of railway infrastructure. These projects included contracts incorporating modern technical trends in railway signalling, using elements of ETCS. Additionally they involved technologies enabling centralized traffic control of station interlocking and line signalling systems from centralized traffic control centers (CTC) and extending and supplementing existing CTC centers with other traffic control technologies.

Other significant contracts included ETCS installations in several track sections. These projects also included data transmission technologies and modifications to existing equipment.

Another group of projects focused on the reconstruction of signalling equipment at small railway stations with minimum tracks and the reconstruction of level crossings, including the supplementing of barriers to enhance their safety.

The company participated in these 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 civil construction companies. The form of participation depended on the composition of the given project, especially on the share of the technological part of the construction, i.e. signalling and telecommunication technology.

The success in winning contracts has confirmed that AŽD Company is able to implement complex projects and provide for a complete set of activities to handle demanding contracts, including providing deliveries from other areas of railway infrastructure.

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 by purchasing of external material and experienced employees to 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 projects - onboard systems

In the current fiscal year, AŽD successfully completed the implementation of onboard system into specialized (yellow fleet) railway vehicles for Railway administration (Správa železnic), including operational approval.



These yellow fleet included MVTV 2, MVTV 2.2, MVTV 2.3, and MTW 100. Additionally, a project for installation of ETCS into specialized work vehicles for company EZ a.s. (Railway Electrification) with the designation OCPD001 has been realized. Following the previously concluded contract for Czech Railway (České dráhy) motor cars of the 841 series, a contract for ETCS installation into vehicles of the 841.2 series was acquired.

In the area of Train Control Systems sales, many LS06 units were sold. AŽD continues to deepen its competence and knowledge in the field of system integration, installation, and approval of ETCS onboard systems. We are preparing ourselves for further activities in the Czech market, where there is a prospect of implementing our systems in additional railway vehicles.

The company intends to apply its previous experience also abroad, where similar projects for „ETCS retrofitting“ into existing railway vehicles are being prepared.

Technology for metro

The main activity of the Metro Department (hereinafter OME) in the fiscal year 2022/2023 was to ensure

the supply of equipment, technologies and services, especially for Prague's Public Transport Company (Dopravní podnik hl. m. Prahy (DPP)). The largest order was the construction of the Comprehensive Signalling System of the Prague Metro, which consists of both signalling systems on all metro lines and a Automatic Train Protection system on the B line. The installation of the VKV digital communication system on the inter-station sections, gradually covering the entire metro network, is nearly complete, with only the final section of C line remaining.

Another significant contract for OME during the observed period was the Reconstruction of the trackside part of the Automatic Train Control system LZA on Line A, along with the newly initiated contract for the Modernization of the signalling equipment, including electronic interlocking systems on part of line C and at the Kačerov depot, currently in the design phase. At the end of the fiscal period 2022/2023, OME initiated the physical installation of a pilot project for platform screen wall and doors at Zličín metro station, with a trial operation planned for the next period.

Among other contracts for DPP, it is worth mentioning the Reconstruction of tunnel lighting in the section between Náměstí Míru and Želivského, which is nearing successful completion, as well as the Reconstruction of Jiřího z Poděbrad station where

following the completion of the station reconstruction, only the commissioning of barrier-free access by elevator to the station remains. In the fiscal year 2022/2023, OME also provided warranty and post-warranty service for LZA (both onboard and trackside parts) on metro lines A and B.

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 telematic system solutions, it provides 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 and maximum cyber security, AŽD provides solutions for public lighting, intersection systems, camera systems as well as technological parts of tunnels. All of this is related to ensuring the entire process for obtaining related subsidies. The preventive safety part is the construction of children's traffic playgrounds in cooperation and coordination with the company BESIP.

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 and provision of subsidy titles. STM successfully develops its activities not only in the Czech Republic but also abroad.

Activities in the field of telematic solutions for road transport

Also in the 2022/2023 fiscal 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 fiscal year. We dedicate significant efforts to recruiting new employees, especially for implementation and design. In this fiscal year, we focused on strategic contracts for the Integrated Rescue System (SSZ) in Prague, significant SSZ installations in Brno, the implementation of tunnel technologies in the Pohůrka Tunnel on the D3, which is an ongoing construction project in this observed period, the service part of the Žabovřeská tunnel, the successful completion of the construction of a polygon for BMW in Sokolov, where additional customer requirements will be implemented. Operational testing of high-speed weighing for the Road and Motorway Directorate (Ředitelství silnic a dálnic) on the D4 was successfully completed. We focus on further development and delivery of camera systems and systems for detecting traffic offenses not only on roads and highways but also at railway crossings. Strategic contracts will include additional tunnel sections on the D8 and D11, with significant contracts for the joint servicing of Prague tunnels. These strategic contracts also include subsequent provision of service for technological units.



In cooperation with our subsidiaries, we have supplied additional system solutions for transport companies (display stop panels, control rooms development, radio networks, including remote management).

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

One of the conditions for our company's success in the market is high-quality in-house research and development. AŽD invests significant financial resources into research and development to ensure it can offer a wide portfolio of products, especially in the areas of signalling and traffic management.

AŽD continually develops modern electronic signalling systems. To meet the requirements of foreign contracts, these systems are customized according to the demands of relevant railway administrations. One of the fundamental developmental activities is the further development and enhancement of systems related to ETCS, both at Level 1 and Level 2. Another significant activity is cooperation in international institutions and international development programs. Additionally, development addresses several forward-looking activities, such as the solution of autonomous rail transport or the use of unconventional elements, such as drones, to support the maintenance of railway infrastructure components.

The state of the purpose 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, BALKAN SAST in Bulgaria and V4SIL in Hungary provide support in the preparation 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 service and installation works.

EU, international cooperation and external relations

In 2023, AŽD was actively involved in international cooperation within the EU. Together with partners in UNISIG, we collaborated with ERA in approving technical specifications for the interoperability of TSI CCS, which includes ETCS specifications. This provides a foundation for further ETCS development and opens the door to interoperable Autonomous Railways.

The individual components of this future system are already being prepared under Europe's Rail program, which is currently the most significant European railway project and research, development, and standardization program in Europe. It began in 2022 and will continue for another 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. 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.

This includes the Production Plant Brno (VZB), which specialises in the production of electronics for station interlocking, 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 (ZOZ) is the main logistic centre of AŽD, which provides full logistic 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 2022/2023 fiscal 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 rail and road transportation. 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. 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. We also offer the new LS06 device, which we install on railway vehicles.

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 mainly in the production of electronic and electromechanical assemblies within its own industrial production.

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. The services provided to this customer include material procurement, supply chain creation and management, installation, testing and development activities.

During the fiscal year 2022/2023, VZB's goal was to ensure production in line with growing customer demands, manage new projects, and prepare for the relocation of production to a new facility in Brno's Černovická terasa industrial zone.



**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 provides services related to repairing defects of equipment during the warranty and post-warranty period in the field of signalling, telecommunication, and information equipment.

It focuses 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

Employment development

The continuously growing potential of our employees, and consequently of the entire company, required a higher degree of employer adaptation to current labor market trends in the past fiscal year, as well as a focus on supporting corporate culture, thereby reinforcing the company's values and attitudes towards employees. The arrangement of employees in the work environment has been maintained at nearly the same gender balance level as in the previous fiscal year.

Work life balance

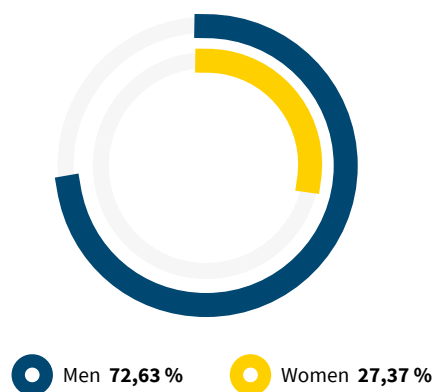
New benefits

In response to the work performed by our employees in the past period, the company has placed greater emphasis on balancing the work and personal lives of our employees. We offer employees the option to take three days of personal leave in addition to their vacation entitlement. Considering the economic situation, our company has also decided to provide regular financial support to employees through anniversary bonuses, increased contributions to pension insurance, granted an extraordinary bonus of 25,000 CZK and distributed special annual bonuses as an appreciation for the hard work and loyalty shown by our employees towards the company.

Day camp

Balancing work life with personal life can be challenging, especially for working parents. Therefore, we decided to assist in filling the free time of our employees' children during the summer holidays. Financial support for the day camp was provided by AŽD together with the labor union. Employees from the HR department organized a program focusing primarily on railway transportation and took care of children.

Structure of employees



To AŽD playfully and healthy

For the second time, we have decided to contribute to the well-being, mental, and physical health of our employees aiming to positively influencing the stability of individual workplaces and foster connections among our employees across the country. A total of 217 employees participated in the sport challenge „To AŽD, playfully and healthy“ collectively covering over 80,000 kilometers during the month of May. We believe that by increasing the level of personal well-being among employees, we can positively influence their engagement and productivity.

AŽD's Football Tournament

In June, the 22nd annual football tournament took place, featuring teams formed by our employees. We consider this traditional and long-standing meeting of our employees to be a symbol of stability and teamwork.



Cooperation with schools

AŽD places great importance not only on the education of its employees but also strives to continuously contribute to the training of competent and pre-trained graduates, aiming to support the regional job market and future personnel provisioning within the company.

We offer internships to university and high school students at our various workplaces, tailored to their fields of study.

Universities

We participated in career days at universities in the Czech Republic and Slovakia, where we established cooperation with one-third of the selected students through the contacts we acquired. AŽD employees at the Czech University of Life Sciences Prague and Palacký University in Olomouc organized professional lectures on railway development and sustainable societal development for students. Additionally, we organized an Open Day at the Central Dispatching Office in Prague for students and participated in the introductory course UZEL, collaborating in the

program alongside first-year students of the Faculty of Transportation at the Czech Technical University.

High schools

For high school students, we again prepared an Open Day at the Plum Railway, celebrating graduation, and introduced the latest technologies with expert lectures from our employees. To get to know the students better, we participated in the Exhibition of Student Works and Meet the Employers event.



As a gesture of support for education, we provided financial donations to high schools for teaching aids and equipment.

Program Erasmus+

This year, as part of the ERASMUS+ program, we established cooperation with foreign students from the Academy of Technical and Artistic Applied Studies Belgrade.

Plum railway's music festival and Třebívlicé vintage 2023

In the past year, we continued this cultural and social tradition and prepared another edition of this popular music festival with a wine celebration, not only for the residents of Třebívlice and the surrounding area of the Plum Railway.

The program was packed with singers and bands, offering music for all age groups alternating between two stages, both in the castle park and on the square. The unusually high number of visitors, including paying attendees and visitors from children's homes who were granted free entry, corresponded to the rich program lineup.

To further increase interest in the Plum Railway, another event during the observed period was the MISS Plum Railway 2023. We searched for her among girls aged 17–35 with a connection to the Plum Railway. After two rounds, 12 finalists were selected, and the winner was the charming Aneta Svárovská from Most.



Compliance program



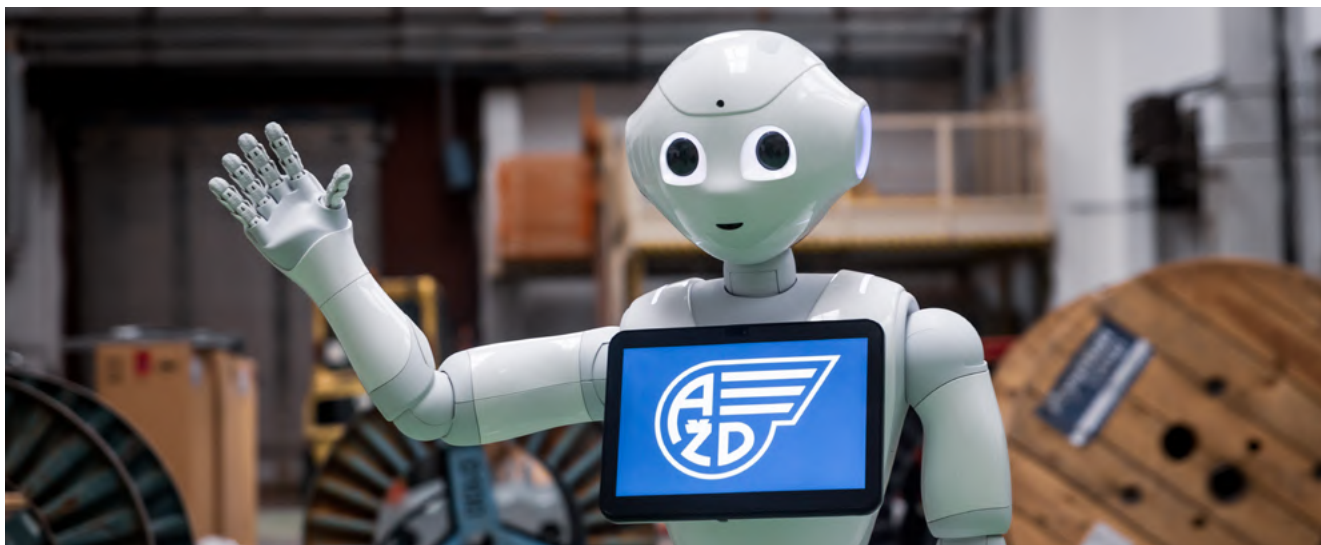
With the awareness of the necessity to comply with the essential processes and procedures outside and inside the company, a Compliance program, based on three main pillars, has been implemented into the company's internal system.

The three main pillars 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.

The issuance of the Whistleblower Protection Act has imposed new legal obligations on the AŽD company, to which our company has actively responded. We introduced an internal reporting system and issued an internal directive as part of the existing compliance program. This directive provides instructions on how to proceed in case of reporting, along with principles for protecting whistleblowers. Its purpose is to create an environment where whistleblowers feel safe to report wrongdoing without fear of sanctions, thereby contributing to the protection of the public interest. Such a system can serve as prevention against unlawful conduct in general.

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 2022/2023, 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 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.

AŽD has acquired the Pepper robot for marketing purposes. The robot is characterized by advanced technology, including voice and facial recognition, as well as the ability to recognize emotions and respond appropriately. Additionally, the robot can be integrated with websites, CRM databases, and combine real-time information provided to employees, visitors, event participants, etc. The robot will be primarily used at the company's headquarters to welcome employees and visitors at the reception desk. Simultaneously, it can be utilized for marketing purposes during company events to provide information based on available sources from websites or preloaded data. An assessment of the impact of Pepper robot activities on personal data protection is being conducted in accordance with Article 35 of the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with

regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation). The purpose of this assessment is to analyze the nature, scope, context, and purposes of personal data processing through the Pepper robot and to evaluate any potential risks to personal data protection. For the purpose of preparing the assessment, the Methodology of Procedures for Impact Assessment on Personal Data Protection, and whether the processing of personal data poses a likelihood of high risks according to the GDPR adopted by Working Group 29 on profiling and automated decision-making, EDPB Guidelines on Virtual Voice Assistants, and EDPB Guidelines on Face Recognition Technologies were used. According to the Office for Personal Data Protection, the assessment is prepared based on ten criteria describing each processing of personal data. The robot will not create a profile of individuals from publicly available information on websites, social media, nor process other sensitive information such as gender, sexual orientation, religion, etc.

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**

In addition to supporting cultural and social events in 2022/2023, our company was also not indifferent to those who need our help.

In this charitable area, AŽD supported Daniel Trdla and enabled him to undergo intensive therapy and occupational therapy at the neurorehabilitation clinic.

We have been interested in Daniel's fate for years and are pleased that our funds to support treatment are leading to a steady reduction in his medical handicap. Our interest also belonged to Kateřina Sokolová's AutTalk Foundation, through which we continued to support the development of the singing talent of the young singer Barbora Brodníčková. Our help was also aimed at people with mental disabilities, the association SPMP CR, the branch association Mladá Boleslav, when our support enabled them to undergo a rehabilitation stay under medical supervision in Croatia.



We are also involved in the fact that the Sokol Vysočany Union was able to send majorettes to the IBTF Majorette World Championship in Great Britain. We are pleased that we supported the dignified representation of Czech Republic in the world by partially contributing to the related expenses. Last but not least, we also think of the little ones, so thanks to the help of our company, today the children's choir from primary school and nursery school in Třebenice can complete singing performances in uniform costumes.



**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 2023 and, in terms of a three-year cycle, the next recertification will take place in 2026.

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-2043/2023, CZ-46/2023 and CZ-47/2023 valid until 19 April 2026. On the basis of the commitment to continuous improvement, the business departments of the company's headquarters, the installation and production department, the R&D 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.

Based on the requirements of system and organizational standards and the requirement to raise awareness in the field of the environment, the so-called green brochure „AŽD – Fast, Safe and Environment Friendly“ was created, which informs about the company's important activities that have an impact on individual areas of the environment.

Financial management of the company

The company's business turnover of almost 13 billion CZK for the fiscal year 2022/2023 is the highest one in the history of our company. The growth in economic results also corresponds to the amount of turnover.

In the period under review, the company employed 1,778 people, a decrease of 13 year-on-year. Our company spent a total of CZK 351 million on research and development.

Sufficient cash allows the company to work without external sources, to keep a higher level of inventory for smooth production and to allow customers longer payment periods required in the construction tender conditions. 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 23 subsidiaries, including 11 subsidiaries abroad: in Slovakia (4), Poland, Hungary, Bulgaria, Serbia, Croatia, Bosnia and Herzegovina and Turkey.

No significant events materially affecting the company's operations have occurred between 30 September 2023 and the time of the report.

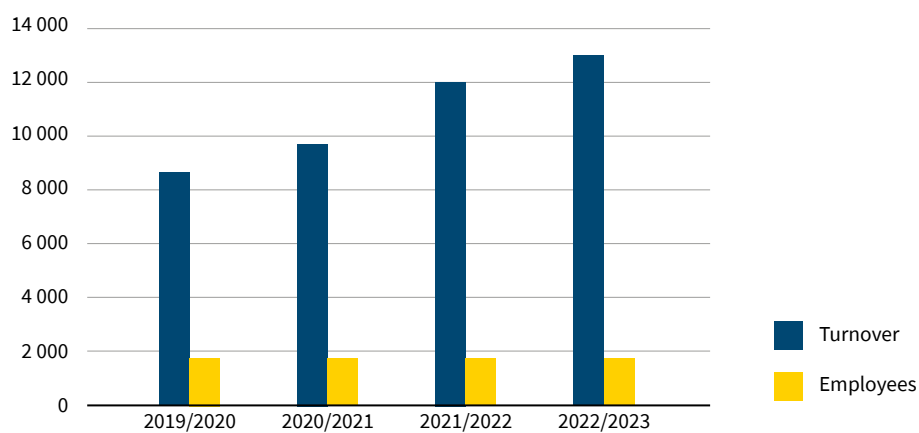
The anticipated development of the company's activity is stable and thus a prerequisite for its further development both domestically and abroad has been created.

MAIN FINANCIAL INDICATORS of AŽD Praha s.r.o. for the period 2022/2023 - from 1 October 2022 to 30 September 2023

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

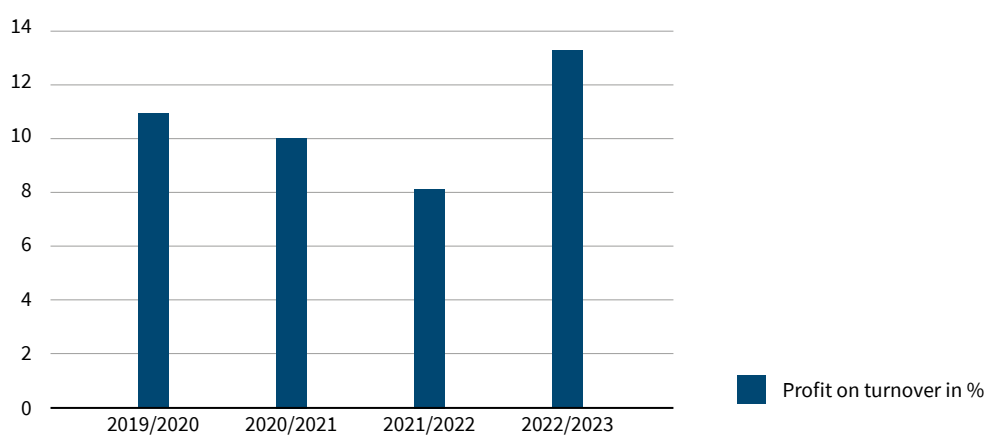
Business turnover and Average number of employees

Indicator/period	2019/2020	2020/2021	2021/2022	2022/2023
Business turnover (thous. CZK)	8,595,662	9,578,423	12,045,748	12,969,622
Average number of employees	1,763	1,755	1,791	1,778



Profitability on turnover in %

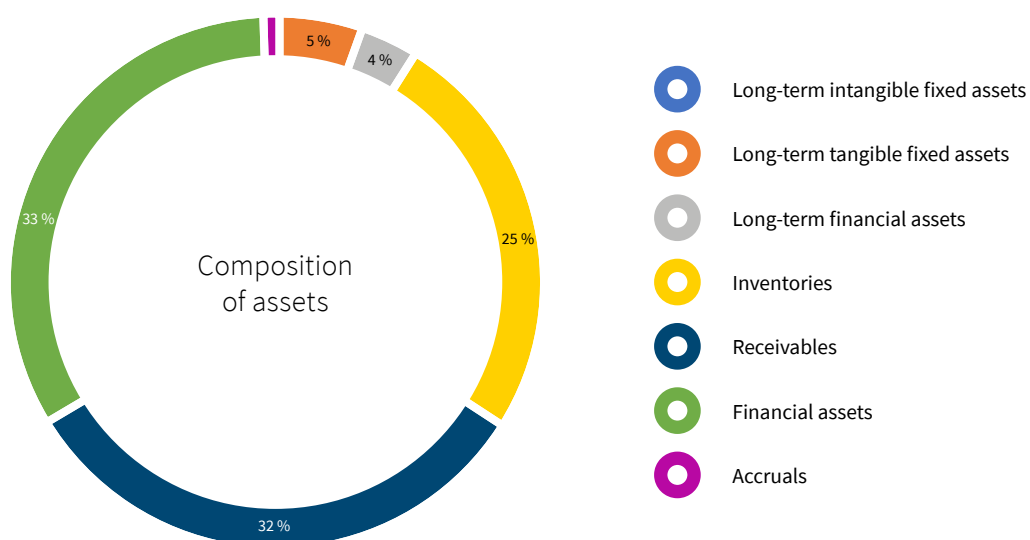
Indicator/period	2019/2020	2020/2021	2021/2022	2022/2023
Profit on turnover in %	10,93	10,01	8,10	13,28



Indicator/period	2019/2020	2020/2021	2021/2022	2022/2023
Business turnover (thous. CZK)	8,595,662	9,578,423	12,045,748	12,969,622
Profit after tax	939,370	958,573	975,805	1,722,164
Profit on turnover in %	10,93	10,01	8,10	13,28
Added value	2,737,264	3,245,804	3,434,996	3,943,888
Bank loans	0	0	0	0
Average number of employees	1,763	1,755	1,791	1,778

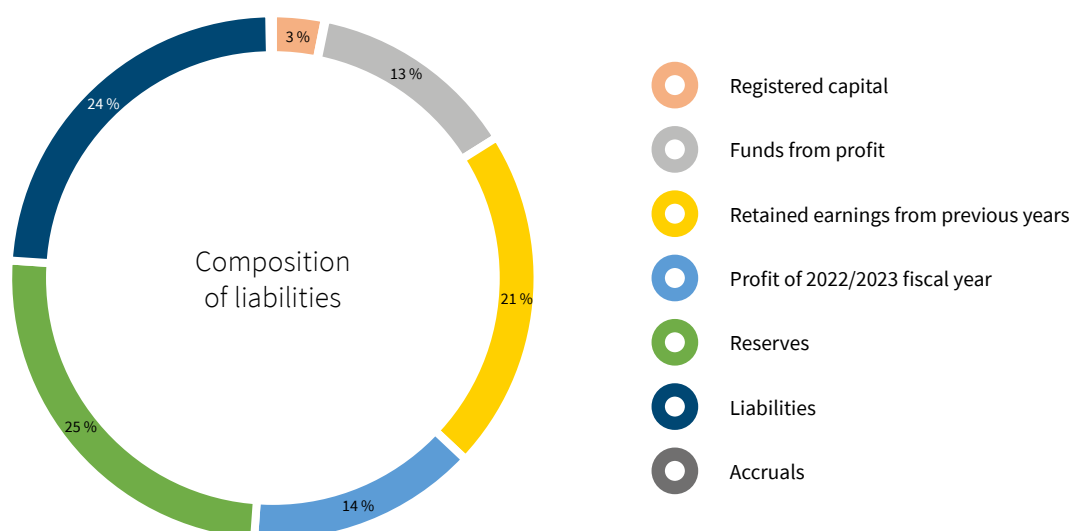
Composition of assets as at 30 September 2023 (thous. CZK)

Assets	
Long-term intangible fixed assets	12,365
Long-term tangible fixed assets	655,361
Long-term financial assets	427,179
Inventories	3,069,503
Receivables	3,929,122
Financial assets	4,021,477
Accruals	59,232
Assets total	12,174,239



Composition of liabilities as at 30 September 2023 (thous. CZK)

Liabilities	
Registered capital	384,436
Capital funds	(8,881)
Funds from profit	1,565,619
Retained earnings from previous years	2,554,489
Profit of 2022/2023 fiscal year	1,722,164
Reserves	3,037,502
Liabilities	2,893,839
Bank loans and other creditors	0
Accruals	25,071
Liabilities total	12,174,239



Financial statement

1. BALANCE SHEET as at 30. 9. 2023

» ASSETS

» LIABILITIES

2. PROFIT / LOSS ACCOUNT

as at 30. 9. 2023

BALANCE SHEET as at 30. 9. 2023 – ASSETS (in thous. CZK)

Identif.	ASSETS	Row no.	Current accounting period			Previous period
			Gross	Adjustement	Net	Net
a	b	c	1	2	3	4
	TOTAL ASSETS (r. 2+3+37+74)	001	14,307,162	2,132,923	12,174,239	10,086,100
A.	Receivables from subscriptions	002				
B.	Fixed assets (r. 4+14+27)	003	2,972,794	1,877,889	1,094,905	1,115,956
B. I.	Intangible fixed assets (r.5+6+9+10+11)	004	183,253	170,888	12,365	18,458
B. I. 1.	Intangible results of research and development	005				
B. I. 2.	Valuable rights	006	175,115	166,823	8,292	13,898
2. 1.	Software	007	172,593	164,329	8,264	13,696
2. 2.	Other valuable rights	008	2,522	2,494	28	202
B. I. 3.	Goodwill	009				
B. I. 4.	Other intangible fixed assets	010	5,664	4,065	1,599	2,422
B. I. 5.	Advance payments for intangible fixed assets and Intangible fixed assets under construction	011	2,474		2,474	2,138
5. 1.	Advance payments for intangible fixed assets	012				
5. 2.	Intangible fixed assets under construction	013	2,474		2,474	2,138
B. II.	Tangible fixed assets (r.15+18+19+20+24)	014	2,220,335	1,564,974	655,361	677,653
B. II. 1.	Lands and Constructions	015	625,226	362,712	262,514	267,018
1. 1.	Lands and Constructions	016	71,521		71,521	71,743
1. 2.	Constructions	017	553,705	362,712	190,993	195,275
B. II. 2.	Fixtures, fittings, plant and machinery	018	1,560,633	1,202,262	358,371	366,560
B. II. 3.	Invaluation difference to acquired assets	019				
B. II. 4.	Other tangible fixed assets	020				
4. 1.	Breeding of permanent crops	021				
4. 2.	Adult animals and their groups	022				
4. 3.	Another tangible fixed assets	023				
B. II. 5.	Advance payments for tangible fixed assets and Tangible fixed assets under construction	024	34,476		34,476	44,075
5. 1.	Advance payments for tangible fixed assets	025	3,084		3,084	2,987
5. 2.	Tangible fixed assets under construction	026	31,392		31,392	41,088

Identif.	ASSETS	Row no.	Current accounting period			Previous period
			Gross	Adjustement	Net	Net
a	b	c	1	2	3	4
B. III.	Long-term financial assets (r.28 to 34)	027	569,206	142,027	427,179	419,845
B. III.1.	Shares – controlled or controlling entity (subsidiaries or associates)	028	462,582	96,004	366,578	365,768
B. III.2.	Loans and credits – controlled or controlling entity (subsidiaries or associates)	029	31,738	25,238	6,500	
B. III.3.	Shares – substantial influence	030	72,886	20,785	52,101	52,077
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 financial assets	036	2,000		2,000	2,000
C.	Current assets (r.38+46+68+71)	037	11,275,136	255,034	11,020,102	8,933,809
C.I.	Inventory (r. 39+40+41+44+45)	038	3,211,818	142,315	3,069,503	3,243,183
C.I. 1.	Materials	039	1,408,310		1,408,310	1,391,905
C.I. 2.	Work in progress and semi-products	040	1,802,848	142,315	1,660,533	1,850,703
C.I. 3.	Products and merchandise	041	660		660	575
3. 1.	Products	042				
3. 2.	Merchandise	043	660		660	575
C.I. 4.	Young and other animals and their groups	044				
C.I. 5.	Advance payments for inventory	045				
C.II.	Receivables (r.47+57)	046	4,041,841	112,719	3,929,122	3,557,019
C.II. 1.	Long-term receivables (r .47 to 51)	047	1,144,526		1,144,526	1,011,770
1. 1.	Trade receivables	048	360,076		360,076	286,805
1. 2.	Receivables – controlled or controlling entity (subsidiaries or associates)	049				
1. 3.	Receivables-substantial influence	050				
1. 4.	Differed tax receivable	051	565,963		565,963	523,600
1. 5.	Other receivables	052	218,487		218,487	201,365
1. 5. 1.	Receivables from partners	053				
1. 5. 2.	Advance payments made	054	37,187		37,187	1,365
1. 5. 3.	Estimated receivable	055				
1. 5. 4.	Other receivables	056	181,300		181,300	200,000

Identif.	ASSETS	Row no.	Current accounting period			Previous period
			Gross	Adjustement	Net	Net
a	b	c	1	2	3	4
C. II. 2.	Short-term receivables (r.58 to 61)	057	2,897,315	112,719	2,784,596	2,545,249
2. 1.	Trade receivables	058	2,550,511	85,503	2,465,008	2,214,839
2. 2.	Receivables from controlled or controlling entity (subsidiaries or associates)	059	56,987	27,216	29,771	34,028
2. 3.	Receivables-substantial influence	060				
2. 4.	Other receivables	061	289,817		289,817	296,382
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	83,219		83,219	137,419
2. 4. 4.	Advance payments made	065	159,133		159,133	153,191
2. 4. 5.	Estimated receivable	066	8,109		8,109	2,966
2. 4. 6.	Other receivables	067	39,356		39,356	2,806
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	4,021,477		4,021,477	2,133,607
C. IV.1.	Cash	072	3,043		3,043	3,393
C. IV.2.	Bank accounts	073	4,018,434		4,018,434	2,130,214
D.	Accruals (r.75 to 77)	074	59,232		59,232	36,335
D. 1.	Deferred expenses	075	49,912		49,912	35,065
D. 2.	Complex deferred costs	076				
D. 3.	Deferred income	077	9,320		9,320	1,270

BALANCE SHEET as at 30. 9. 2023 – LIABILITIES (in thous. CZK)

Identification	LIABILITIES	Row no.	Current period	Previous period
a	b	c	5	6
	TOTAL LIABILITIES (r.79+101+141)	078	12,174,239	10,086,100
A.	Equity (r.80+84+92+95+99+100)	079	6,217,827	4,849,953
A. I.	Registered capital (r.81 to 83)	080	384,436	384,436
A. I. 1.	Registered capital	081	384,436	384,436
A. I. 2.	Own shares (-)	082		
A. I. 3.	Changes of registered capital	083		
A. II.	Premium and capital funds (r.84+85)	084	(8,881)	(8,051)
A. II. 1.	Premium	085		
A. II. 2.	Capital funds (r.87 to 91)	086	(8,881)	(8,051)
2. 1.	Other capital funds	087	310	310
2. 2.	Differences from assets and liabilities revaluation (+/-)	088	(9,191)	(8,361)
2. 3.	Differences from revaluation at mergers (+/-)	089		
2. 4.	Differences from mergers (+/-)	090		
2. 5.	Differences from valuation at mergers (+/-)	091		
A. III.	Funds from earnings (r.93+94)	092	1,565,619	1,564,538
A. III. 1.	Other reserve funds	093	1,558,732	1,558,732
A. III. 2.	Statutory and other funds	094	6,887	5,806
A. IV.	Profit / loss - previous year (r.96 to 98)	095	2,554,489	1,933,225
A. IV. 1.	Retained earnings from previous years	096	2,554,489	1,933,225
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	1,722,164	975,805
A. VI.	Decided on advance payment of dividends (-)	100		
B. + C.	Other sources (r.102+107)	101	5,931,341	5,219,108
B.	Reserves (r.103 to 106)	102	3,037,502	2,831,469
B. 1.	Reserves for pension and similar payables	103		
B. 2.	Income tax reserves	104	125,480	65,120
B. 3.	Reserves under special statutory regulations	105		
B. 4.	Other reserves	106	2,912,022	2,766,349

Identification		LIABILITIES	Row no.	Current period	Previous period
a	b	c		5	6
C.	Payables (r.108+123)	107		2,893,839	2,387,639
C.I.	Long-term payables (r.109+112 to 119)	108		244,098	205,778
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		293	300
C.I. 4.	Trade payables	114		243,805	205,478
C.I. 5.	Long-term notes payable	115			
C.I. 6.	Payables – controlled or controlling entity (subsidiaries or associates)	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		2,649,741	2,181,861
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		502,496	180,606
C.II.4.	Trade payables	129		1,549,360	1,524,412
C.II.5.	Short- term notes payables	130			
C.II.6.	Payables – controlled or controlling entity (subsidiaries or associates)	131			
C.II.7.	Payables - substantial influence	132			
C.II.8.	Payables - others (r.134 to 140)	133		597,885	476,843
8. 1.	Payables from partners	134		150,020	100,020
8. 2.	Current financial assistance	135			
8. 3.	Payables to employees	136		193,119	178,578
8. 4.	Payables to social securities and health insurance	137		112,229	104,064
8. 5.	Due from state - tax liabilities and subsidies	138		46,516	31,899
8. 6.	Estimated payables	139		95,845	62,019
8. 7.	Other payables	140		156	263
D.	Accruals (r.142+143)	141		25,071	17,039
D.1.	Accrued expenses	142		24,532	16,580
D.2.	Deferred revenues	143		539	459

PROFIT / LOSS ACCOUNT as at 30. 9. 202 (in thous. CZK)

Identification	Text	Row no.	Fiscal period	
			Current	Previous
a	b	c	1	2
I.	Revenues from sold products and services	01	10,986,605	10,309,227
II.	Revenues from sold goods	02	846,475	836,674
A.	Performance consumption (r.4 to 6)	03	8,768,386	9,321,324
A. 1.	Expenses on sold goods	04	720,256	679,943
A. 2.	Consumption of material and energy	05	5,534,698	6,495,543
A. 3.	Services	06	2,513,432	2,145,838
B.	Change in inventory of own products (+/-)	07	120,919	(228,915)
C.	Capitalization (-)	08	(1,000,113)	(1,381,504)
D.	Personnel expenses	09	2,003,506	1,862,545
D. 1.	Wages	10	1,480,555	1,381,954
D. 2.	Social security expenses and health insurance and other expenses (r.12+13)	11	522,951	480,591
2. 1.	Social security expenses and health insurance	12	464,613	443,470
2. 2.	Other expenses	13	58,338	37,121
E.	Depreciations in operating area (r.15+18+19)	14	244,424	102,751
E. 1.	Depreciations of intangible and tangible fixed assets (r.16+17)	15	147,714	132,043
1. 1.	Depreciations of intangible and tangible assets - permanent	16	147,714	132,043
1. 2.	Depreciations of intangible and tangible assets - temporary	17		
E. 2.	Depreciations of inventory	18	77,328	(10,013)
E. 3.	Depreciations of receivables	19	19,382	(19,279)
III.	Other operating revenues (r.21 to 23)	20	746,497	694,662
III.1.	Revenues from disposals of fixed assets	21	5,026	2,219
III.2.	Revenues from disposals of materials	22	583,447	578,676
III.3.	Another operating revenues	23	158,024	113,767
F.	Other operating expenses (r.25 to 29)	24	627,507	1,048,848
F. 1.	Net book value of sold fixed assets	25	294	227
F. 2.	Net book value of sold material	26	370,554	347,765
F. 3.	Taxes and fees	27	5,765	5,376
F. 4.	Reserves in operating area and complex deferred costs	28	148,577	617,277
F. 5.	Other operating expenses	29	102,317	78,203
*	Operating profit / loss (+/-) (r.1+2-3-7-8-9-14+20-24)	30	1,814,948	1,115,514

Identification	Text	Row no.	Fiscal period	
			Current	Previous
a	b	c	1	2
IV.	"Revenues from long-term financial assets - shares (r.32+33)"	31	95,786	93,168
IV. 1.	Revenues from shares - controlled or controlling entity (subsidiaries)	32	77,115	75,099
IV. 2.	Other revenues from shares	33	18,671	18,069
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 controlling entity (subsidiaries)	36		
V. 2.	Other revenues from other long-term financial assets	37		
H.	Expenses associated with other long-term financial assets	38		
VI.	Interest revenues and similar revenues (r.40+41)	39	223,802	69,295
VI. 1.	Interest revenues and similar revenues -controlled or controlling entity (subsidiaries)	40	150	268
VI. 2.	Other interest revenues and similar revenues	41	223,652	69,027
I.	Depreciations and reserves in financial area	42	8,473	(15,634)
J.	Interest expenses and similar expenses (r.44+45)	43	11	3
J. 1.	Interest expenses and similar expenses - controlled or controlling entity (subsidiaries)	44		
J. 2.	Other Interest expenses and similar expenses	45	11	3
VII.	Other financial revenues	46	70,457	42,722
K.	Other financial expenses	47	100,322	163,269
*	Profit / loss from financial operations (transactions (+/-) (r.31-34+35-38+39-42-43+46-47)	48	281,239	57,547
**	Profit/loss before taxation (+/-) (r.30+48)	49	2,096,187	1,173,061
L.	Income tax (r.51+52)	50	374,023	197,256
L. 1.	Due income tax	51	416,386	309,748
L. 2.	Income tax deferred (+/-)	52	(42,363)	(112,492)
**	Profit/loss after taxation (r.49-50)	53	1,722,164	975,805
M.	Transfer of dividends to partners (+/-)	54		
***	Profit /loss of current accounting period (+/-) (r.53-54)	55	1,722,164	975,805
*	Net sales for current accounting period = I.+II.+III.+IV.+V.+VI.+VII. (r.1+2+20+31+35+39+46)	56	12,969,622	12,045,748

Supervisory's board report

Supervisory's board report of AŽD Praha s.r.o. for business results of company for the 2022-2023 fiscal year

During the evaluated period, the Supervisory Board provided activities pursuant to the Commercial Code, Partnership Deed (Memorandum of Association), and observed General Assembly resolutions.

At its regular meetings with Executives, the Supervisory Board was informed on fulfilment of accepted intentions of Executive Plan, on company's business results, the company's financial situation, the organizational changes, and company's activities implementation at domestic market and abroad.

The Supervisory Board therefore, after discussion with Executives, advises the General Assembly to approve the business results of the AŽD Praha s.r.o. company as at September 30 2023 including the final accounts and profit distribution proposal.

Ing. Alice Dicková

Petr Rott

Ing. Miroslav Kozák

In Prague, on 20. 12. 2023

This annual report is prepared in accordance with the current Accounting Act
and captures the situation as at 30 September 2023.

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