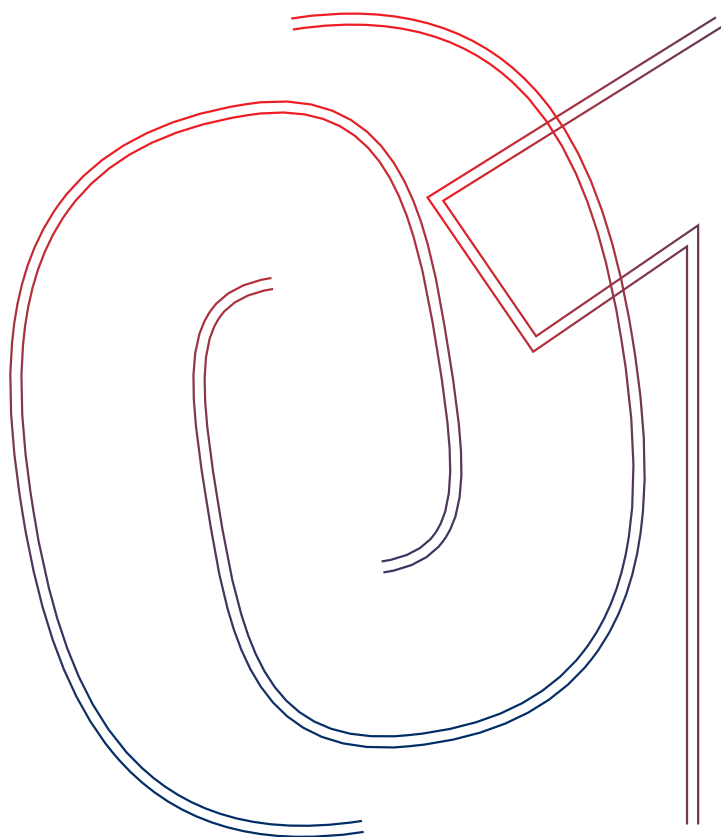


2023

ANNUAL REPORT 2023

# THE COMPANY'S VISION AND MISSION



## **Vision**

We want to be the first choice for communications infrastructure services and transport telematics solutions.

## **Mission**

ČD-Telematika aims to be the “go-to” choice for solutions in the field of transport telematics, provision of telecommunication and IT infrastructure services, data services and telemetry, as well as communication centre services.

We want to achieve these goals by continuously developing our competencies in intelligent transport systems and ICT solutions, as well as by constructing and managing our own network infrastructure. As our company is present in all regions, we provide high-quality services throughout the Czech Republic.

The key customers of ČD-Telematika are member companies of the České dráhy Group and Správa železnic. However, we utilise our competence and infrastructure to provide services to other segments in both the public and the private sectors.

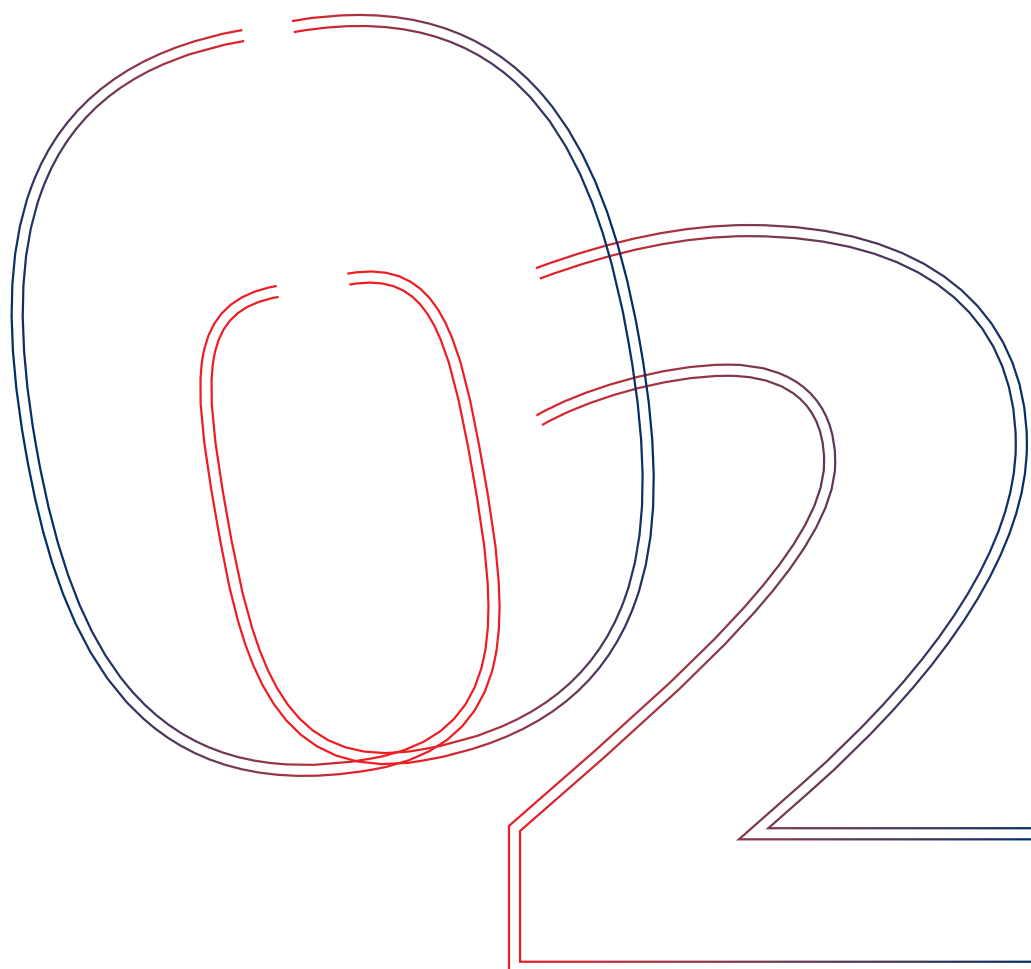
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# OVERVIEW

## OF SELECTED FIGURES



<b>(CZK thousand)</b>	<b>Balance at 31 Dec 2023</b>	<b>Balance at 31 Dec 2022</b>
Total assets	3,564,271	3,465,074
of which: fixed assets	1,521,172	1,464,824
Current assets	1,947,222	1,936,143
Equity	1,954,339	1,900,796
Liabilities	1,436,651	1,422,158

<b>(CZK thousand)</b>	<b>Year ended 31 Dec 2023</b>	<b>Year ended 31 Dec 2022</b>
Sales of products and services	2,807,318	2,372,464
Sales of goods	52,365	25,747
Sales of fixed assets	2,863	2,667
Sundry operating income	9,655	24,581
EBITDA <sup>*)</sup>	244,273	210,206

<sup>\*)</sup> EBITDA is defined as earnings before taxes (net of financial result), depreciation and amortisation but after reflecting extraordinary expenses.

# INTRODUCTION

## BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

Ladies and gentlemen,

The saying that history repeats itself rings truer in our case than in most. When I wrote last year that we had achieved an all-time high in sales for 2022, I had no idea that we would be breaking records again just one year later. Our sales for 2023 grew by almost a fifth year-on-year, and other financial indicators also reached record highs. What is the reason behind this success, and what challenges did we face last year?

Since 2022, we have begun to establish ourselves in customer protection against ever-increasing cyber threats. Last year, we significantly expanded our new core service, ČDT-NET, which was launched at that time. In 2023, we started offering comprehensive network and server infrastructure security solutions in the form of an IaaS service and security monitoring. Consequently, we launched our own Security Oversight Centre (SOC) in November. ČDT-NET services fully leverage the potential of our extensive fibre-optic network and our role as an internet provider. Furthermore, we have successfully retained expert know-how within our company in this area as well – we have expanded our technical teams to include a number of new specialists and have built an entirely new department. The positive customer feedback confirms that this is the right step towards further development.

Just like last year, one of the key pillars of the services provided in 2023 was the delivery of the mobile part of the European Train Control System (ETCS). We successfully homologated the previously completed retrofits of the ČD Cargo 163 and 363 locomotive series for all required countries of operation. We also maintained our commitment to other ETCS orders – in December, we handed over to České dráhy the last of a total of 103 locomotives from the 162 WTB, 362 WTB, and 362 series, thus successfully completing the installation of the largest order of its kind. ETCS installations are at various stages on the popular electric units of the 680 series, known to the general public as “Pendolino”, on the electric sets of the 471 series known as “CityElefant”, and on the control cars of the 961 series nicknamed “Sysel”.

Of course, cybersecurity and ETCS are not the only services we provide. For example, in addition to supplying transmission technologies to our academic partner CESNET, we have also connected the universities in Brno and Vienna with a new optical network. We will continue to provide CESNET with connectivity to colleges and universities across the Czech Republic for the next eight years. We built a unique fibre-optic route from Poland via Prague to Frankfurt for GÉANT, a pan-European data network for research and education. Additionally, we upgraded the technology network of Správa železnic for over half a billion Czech crowns.



This customer, however, deserves special attention. Since 2020, when Správa železnic decided to at least partially operate and maintain its railway telecommunications assets itself, we have been engaged in discussions about the intended sale of part of our business. Despite the fact that the pre-notification process regarding the divestment has not been completed with the European Commission for several years, we have explored alternative options for continuing to provide telematic services to Správa železnic. Although the agreement has not yet been finalised, it appears that a significantly smaller portion of our company than originally planned will eventually be allocated to Správa železnic, with only a few dozen employees expected to make the move. This arrangement is expected to deliver better value to all parties involved and to the state. Completing this process will be a strategic task in 2024, and we should continue to execute the individual activities within the framework of so called vertical cooperation.

The forthcoming agreement with Správa železnic also signifies a shift in our business strategy. Having successfully completed all the steps required by legislation, we can now fully leverage vertical cooperation under the Public Procurement Act. This implementation has simplified and streamlined our access to all government entities, where we see significant potential for growth. In fact, we aim to expand our reach not only within the České dráhy Group or throughout the transport sector.

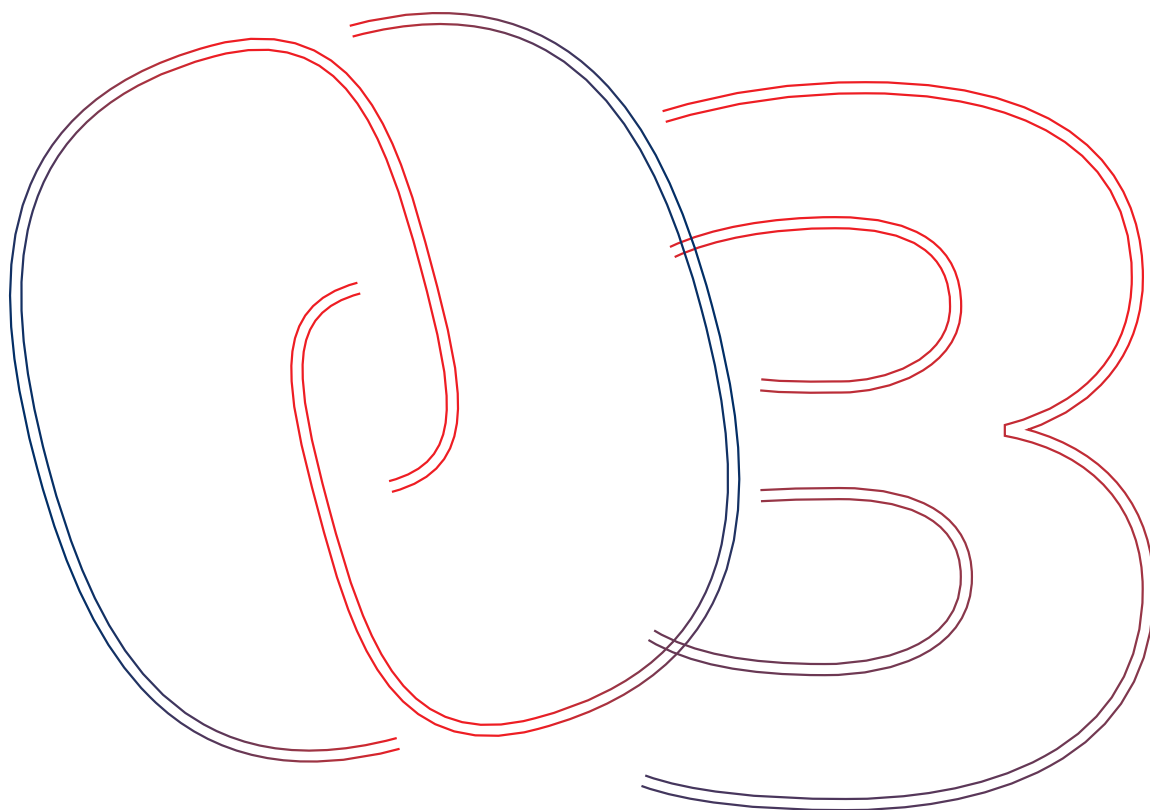
Looking back at the past year, it is clear that ČD-Telematika is on the right track for further development. The year 2023 has been truly exceptional for us, and it is an honour to thank both our employees and our customers for this. Some have invested their energy and knowledge in us, others their trust. Thank you all. I believe that we will continue to work together to keep the company stable and successful. This is particularly significant not only in the upcoming jubilee year in 2024, when ČD-Telematika celebrates 30 years since its foundation, but also in the many years to come.

A handwritten signature in blue ink, which appears to be 'Jan Hobza'.

Jan Hobza  
Chairman of the Board of Directors

# COMPANY PROFILE

## ČD-TELEMATIKA



ČD - Telematika a.s. ("ČD - Telematika" or "ČD-T") is a major provider of wholesale telecommunications services and a supplier to the railway environment in the areas of telecommunications, measurement, and security.

As part of its activities, it provides internet, data and voice services, including services in the area of administration, maintenance, and construction of optical and telecommunication infrastructures. Significant activities in the Company's portfolio are complex projects in the railway environment. With the development in the area of ETCS (European Train Control System), the Company has become one of the leading suppliers in this field and, together with its partners, equips trains with modern security technologies that use, beside others, the European GSM-R standard. Furthermore, the portfolio of its activities contains value added services including contact centre servicing, system integration, data diagnostics and analysis, and cyber security. ČD - Telematika also provides a number of telematics solutions for the road transport segment, such as tunnel security and smart parking systems. ČD-T has geographically independent data centres with a high degree of security and provides 24/7/365 monitoring and customer support.

ČD-T owns one of the largest fibre-optic infrastructures in the Czech Republic, which is 3,500 kilometres long. Through this infrastructure, the Company runs metropolitan networks in 26 cities, 500 connection points and 25 specialised

departments. The added value of ČD - Telematika is its employees with unique qualifications and know-how.

ČD-T is a holder of numerous ISO quality certificates, AQAP2110 certificates, and National Security Authority (NSA) authorisations. ČD - Telematika has become a member of various professional organisations, such as the CZ.NIC association, the NIX.CZ association and others. It participates in the FENIX project, which aims to ensure a safe internet in the Czech Republic. Together with ČEZ Group and Severočeská vodárenská společnost, ČD - Telematika became a founding member of the Association of Critical Infrastructure of the Czech Republic. One of the main goals of the Association is to create optimal conditions for the operation and protection of critical infrastructure in the Czech Republic.

Since 1994, in almost 30 years of operation on the Czech ICT market, ČD-T has established itself as a significant provider of wholesale telecommunications services. Customers ranging from public administration, private companies, national operators, and local providers of internet connectivity have proven our services, delivered with an SLA guarantee.

### **Infrastructure**

ČD - Telematika uses extensive experience in providing maintenance (regular preventive inspections) and servicing (repairs after failures) of the ICT infrastructure elements.

As part of the provision of additional services, it also plans, designs, and builds various kinds of ICT infrastructure. An important part of this has become the area of equipping rail vehicles with the ETCS security system and communication technologies for mobile signal repeating, where ČD-T has full competence for the integration, revitalization, and servicing of the given technology. ČD-T provides strong application support both for the record-keeping of individual ICT elements in the network and for comprehensive supervision, assuring the workflow and direct management of technicians in the field. Within this support, all customer requests, service calls, and maintenance activities are recorded, and can be searched and reviewed retrospectively. Services are provided in 24/7/365 mode. Experienced teams spread throughout 25 locations throughout the Czech Republic allowing high flexibility and quick accessibility carry out repairs, maintenance, and the construction of infrastructure.

### Telecommunications

ČD-T customers can use a wide range of internet, data, and voice services with high reliability guaranteed by SLA (Service Level Agreement). These services are intended in particular for local internet providers and telecommunications operators, but also for other large companies and state administration bodies that require high reliability, flexibility, and quality. A new area of telecommunication services are systems for the protection of internet perimeters and SOC (Security Operations Centre) services under the name of ČDT - NET. The Company's goal in this segment is to secure and actively provide high quality, high-speed internet connections, and interconnection of various sites throughout the Czech Republic. The Company makes long-term investments in the development of its own telecommunication infrastructure. It has a backbone network with a transmission capacity of up to 96×100 Gbps and more than 500 connection points.

### Technical Facilities and Expertise

ČD-Telematika has top-quality technical facilities as well as the relevant expertise. The backbone of the telecommunication infrastructure network consists of 144-, 96-, 72- and 36-strand fibre-optic cables, approximately 3,200 km of which is underground and roughly 300 km is overhead, suspended from railroad traction poles. In total, the network has over 125 thousand km of optical fibres. The fibre cables lead through 239 municipalities and 158 city districts, and ČD-T is ready to make additional distribution points operational. To transmit data within the network, the Company utilises several transmission platforms: DWDM, L2/L3 with IP protocol support, and SDH. The DWDM transmission network enables up to 96 channels to be transmitted with a transmission capacity of up to 100 Gb/s. The network is equipped to carry links with a capacity of up to 96 wavelengths. The L2/L3 backbone data network, with a transmission capacity of N×100 Gb/s, has over 150 nodes and consists of eight back-up circuits. The L2/L3 data network of ČD-T is linked redundantly to the important national internet node NIX.CZ and is connected to the international internet network to the extent adequate to its capacity in the form of direct internet peering. The total capacity for connecting to international and national internet is 310 Gb/s. The internet part of the ČD-T network has

successfully operated its own scrubbing centre (cleaning platform) for several years, which serves as protection against internet DDoS attacks. Since 2022, technologies for filtering and protection against application attacks have been successfully implemented. ČD-Telematika is an operator of three fully equipped data centres providing professional housing services with a strong emphasis on high quality and security.

### Locations

ČD-Telematika has its registered office in Prague and has branches in eleven regional cities of the Czech Republic – Brno, Ostrava, Plzeň, Ústí nad Labem, České Budějovice, Pardubice, Hradec Králové, Jihlava, Karlovy Vary, Liberec, and Olomouc. These cities, together with service centres located in smaller cities throughout the Czech Republic, build a network of 25 service centres, which provide client services. The Company has no branch or other representative office abroad.

### Systems Certification

- | ČSN EN ISO 9001 Quality Management Systems,
- | ČOS 051672 (AQAP 2110) Requirements of NATO for the Assurance of Quality in Design, Development and Production,
- | ČSN EN ISO 14001 Environmental Management Systems,
- | ČSN ISO 45001 Occupational Health and Safety Management Systems,
- | ČSN ISO/IEC 20000-1 Information Technology Service Management Systems,
- | ČSN ISO 21500 Project Management Systems of the Organisation, and
- | ČSN ISO/IEC 27001 Information Security Management Systems.

### NSA Certifications and Clearances

- | Business certificate for the provision or creation of classified information up to the "Secret" security clearance, and
- | Business Information System – "Secret" security clearance.

### Membership in Professional Organisations

- | ACRI – Association of Companies of the Czech Railway Industry,
- | AKI ČR – Association of Critical Infrastructure of the Czech Republic,
- | CZ.NIC – Association of Internet Service Providers,
- | Czech Parking Association – a base for dealing with immobile traffic,
- | ČAMB – Czech Association of Security Managers,
- | FENIX.CZ – safe internet in the Czech Republic,
- | ICT UNION – Association for Information Technology and Telecommunications,
- | NIX.CZ – Association of Internet Service Providers,
- | Association of Transport Enterprises – enterprises and organisations cooperating with them,
- | SDT – Association for Transport Telematics,
- | UPP ČR – Union of Corporate Lawyers of the Czech Republic, and
- | VNICTP – Committee of the Independent ICT Industry.

# STATUTORY BODIES OF THE COMPANY AND COMPANY MANAGEMENT



## General Meeting

The General Meeting, consisting of the shareholders, is the Company's supreme body, which decides on the financial, organisational, and operational matters of fundamental importance and determines the Company's strategic focus. The General Meeting elects and removes members of the Supervisory Board and Board of Directors. The Business Corporations Act and the Articles of Association define its powers and authority. The Board of Directors convenes the General Meeting once per year, as a rule.

## Supervisory Board

The Supervisory Board, comprising six members, oversees the Board of Directors' exercise of its powers and the implementation of Company strategy, including all business activities. The Business Corporations Act and the Articles of

Association define the composition, powers, and authority of the Supervisory Board. The Supervisory Board generally meets once per calendar month. As of 31 December 2023, the Supervisory Board had five members. By 31 December 2023, the shareholder had not completed the sixth member of the Supervisory Board.

## Members of the Supervisory Board

- Michal Krapinec – Chairman of the Supervisory Board since 1 May 2022;
- Michal Kraus – Member of the Supervisory Board since 1 April 2022;



- | Milan Gajdoš – Member of the Supervisory Board from 1 January 2011 to 13 January 2019, re-elected as Member of the Supervisory Board on 14 January 2019 for the term until 14 January 2024 and subsequently re-elected as Member of the Supervisory Board from 15 January 2024;
- | Dana Putnová – Member of the Supervisory Board from 14 January 2019 to 14 January 2024, on 15 January 2024 re-elected as Member of the Supervisory Board;
- | Vít Steklý – Member of the Supervisory Board since 1 June 2023.

### **List of Members of the Supervisory Board Who Ceased To Be in Their Position in 2023, or before the Closing Date of the Annual Report**

- | Emanuel Šíp – Member of the Supervisory Board from 20 November 2018 – death (died on 29 July 2023).

### **Board of Directors**

The Board of Directors is the statutory body that consists of three members and manages the Company's operations and acts on its behalf. The statutory body, according to the Company's Articles of Association, is elected by the General Meeting and, as a rule, is composed of members of the Company's senior management.

The Board of Directors decides on all Company matters not regulated by legislation or the Articles of Association, and not included in powers of the General Meeting or the Supervisory Board. The Board of Directors meets once every two weeks, as a rule. The Articles of Association contain basic information concerning the Board of Directors and its powers.

### **Members of the Board of Directors**

- | Jan Hobza – Chairman of the Board of Directors since 1 August 2022,
- | David Wolski – Member of the Board of Directors since 1 September 2021,
- | Tomáš Businský – Member of the Board of Directors since 1 September 2021.

### **List of the Board of Directors Members Who Ceased To Be in Their Position in 2023**

– none

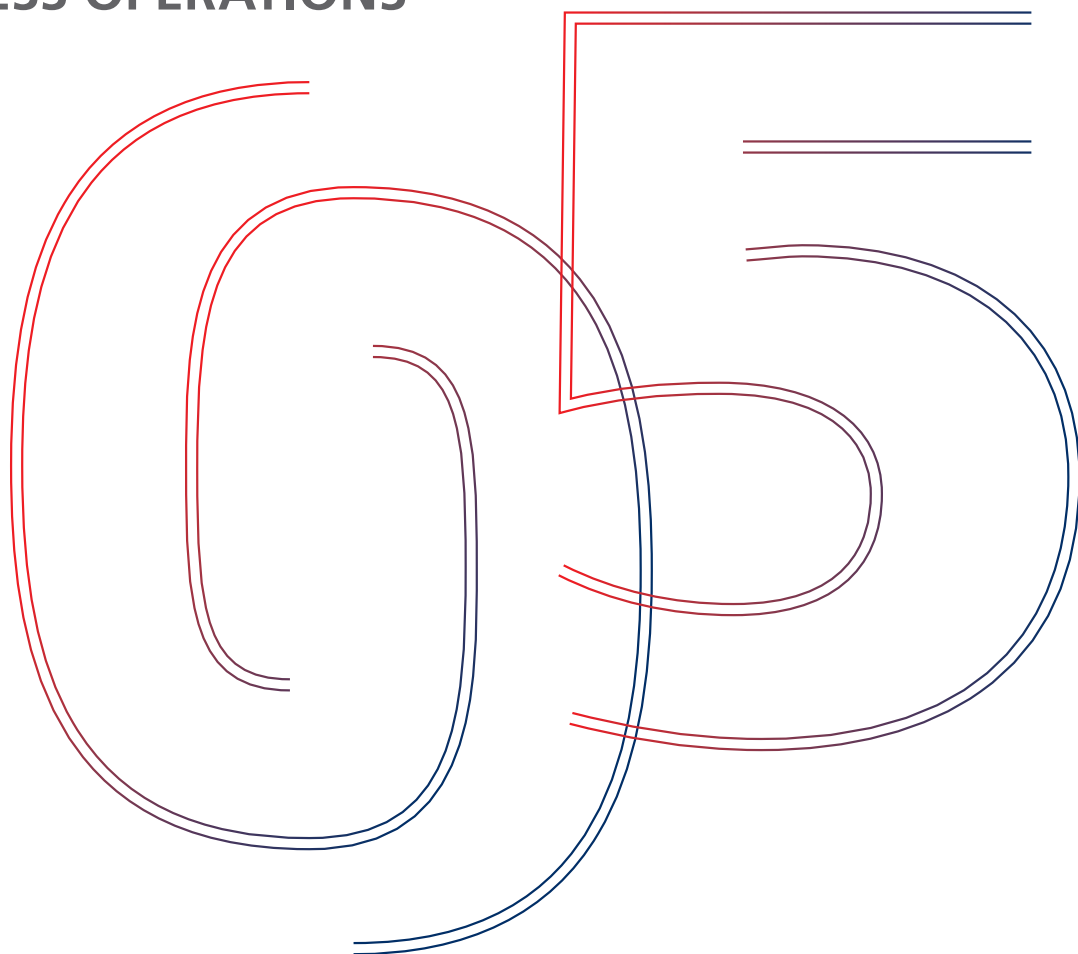
### **Senior Management**

- | Jan Hobza – Director of Sales and Marketing section since 1 October 2022, since 1 August 2022 Chairman of the Board of Directors;
- | Tomáš Businský – Director of Telecommunication and Infrastructure Services section since 1 January 2022, also Member of the Board of Directors;
- | David Wolski – Director of the Economics and Shared Services section since 1 May 2022, also Member of the Board of Directors;
- | Vladimír Jedlička – IT Director since 1 March 2021;
- | Jaroslav Hercok – Director of INFRA SŽ section since 1 January 2022;
- | Iva Smíšková – HR Manager since 1 July 2022.

### **List of Members of Senior Management Who Ceased To Be in Their Position in 2023 or before the Closing Date of the Annual Report**

– none

# REPORT OF THE BOARD OF DIRECTORS ON BUSINESS OPERATIONS



## Brief Assessment of the Past Year

Looking back at 2023, ČD-T is humbled and aware that the better-than-expected result for the entire year was also due to favourable external circumstances (lower energy market prices), which helped to exceed the projected figures, but at the same time these factors did not allow the Company to profit in all areas, e.g. due to the freezing of funds deposited in Sberbank CZ as part of pending insolvency proceedings.

From a supplier-customer relations perspective, unprecedented inflation-driven input price increases have clearly come to the fore, rising by a full quarter in 2022 and 2023. The clearly negative impact of input prices and commodities that the Company had to purchase at higher prices was evident for previously tendered construction contracts and also for the ETCS retrofit, with a deadline in 2023. However, despite these difficulties, ČD-T managed to deliver the planned economic figures through increased efforts.

In 2023, the key business activities of our Company continued to include the servicing and maintenance of ŽTM for Správa železnic ("SŽ"). Simultaneously, the sale of the part of the ČD-T plant providing this service to SŽ was in progress as part of the original prenotification approval process with the European Commission (starting in 2020). However, in view of

the change in ČD-T's business strategy to deal directly with state institutions across all departments (within the context of vertical cooperation), the Company has now offered a new smaller perimeter for the sale of part of the plant to Správa železnic, while still maintaining its functional integrity. In both cases, nothing has happened by the end of 2023 that would bring the intended sale any closer to a binding agreement. The implementation of the new, smaller part of the sale of the plant is thus again postponed to the next calendar period, but in addition, steps have been initiated to conclude a new servicing and maintenance contract for ŽTM with SŽ on the basis of vertical cooperation.

As part of its business strategy, last year ČD-Telematika continued to implement its unique competence of retrofitting railway rolling stock with ETCS mobile equipment. For the first order for partner ČD Cargo for locomotives of the 163 and 363 series, the Company completed homologation activities in 2023 and obtained type approval for all countries of operation required by the client. Alongside this, the retrofitting of 162 WTB, 362 and 362 WTB locomotives series with ETCS technology for the ČD customer was underway. Unfortunately, since the beginning of this project, ČD-T has been facing problems with the supply of the mobile signalling components from Alstom for the already started

serial installation of the vehicles, and this was also the case last year. Of course, these problems have a negative impact on the planned project schedule, but in December 2023, the last vehicle of this fleet was physically handed over to the customer. In addition to the completion of the prototype of the 961 series (Sysel) and the start of its series build for ČD, the ETCS retrofit activities with Alstom technology have now started on the prototype for the electric units of the 680 series (Pendolino) and 471 series (Elefant) for ČD. In addition, a prototype retrofit of 363.5 series units with Siemens technology is in preparation for ČD Cargo.

ČD-Telematika, together with its partner TTC Marconi, has successfully completed the Reconstruction and Segmentation of the Technology Network of the Railways Administration (RSTS) project. The project was launched in 2022 and completed in November 2023. More than 40 new nodes of CISCO transmission and IP technology were delivered within the construction.

In 2023, ČD-Telematika, together with its partner AŽD, completed the Modernisation of the Pardubice Railway Junction, where Správa železnic was the contracting authority. As part of the partnership, ČD-T implemented two operational files concerning the relocation of metallic and fibre optic cables, which are part of the railway infrastructure. At the same time, the implementation of a number of other contracts for the modernisation and reconstruction of line sections and infrastructure continued, both for the customer, Správa železnic, and within the Company's own optical infrastructure.

In the field of telecommunication services, we successfully implemented a contract to connect universities in Brno and Vienna by a fibre-optic network for our academic partner CESNET. The delivery also included the provision of technological premises for the placement of equipment both in the Czech Republic and Austria. Last year, ČD-T also supplied this partner with the technology for transmission of hundreds of Gbps (DWDM) and at the same time, ČD-T will provide CESNET with the connection of colleges and universities across the Czech Republic for a period of 8 years. Last year, we also successfully implemented the GÉANT network interconnection contract between the Czech Republic and Poland. The project represents a pan-European data network for the research and education community.

Other successes in the field of telecommunications services include the implementation of fibre-optic routes for the Pardubice Region and closer cooperation with our major customers such as Vodafone and Türk Telecom. This closer cooperation has resulted in the implementation of new services mainly based on DWDM technology or long-term lease of optical fibres. At the same time, we managed to expand our cooperation with the research community in the field of QKD. The decision to invest in the construction of a new data centre was also an important milestone.

In 2023, ČD-T started separating the ČD Group from the SŽ intranet network and transferred the key transition to the internet under its management within the security network

perimeter. At the same time, as part of the development of new types of services on its own fibre-optic network, ČD-T made a significant move into the ČD Group in late 2023 by launching SOC/SIEM cyber protection services, including log management, for the parent company. From 2024 onwards, ČD-T intends to extend the portfolio of services offered further to the ČD Group, and at the same time to the transport resort (Road and Motorway Directorate, Directorate of Waterways, Ministry of Transport). The strategic intention is to offer this type of services, including the building of new innovative network services, to other government entities within the framework of vertical cooperation.

In 2023, the Company continued its GSM-R construction projects and the system integration contract for the new Technology Passport Infrastructure (TPI) for the customer Správa železnic.

In the area of road telematics, the Company made a strategic decision at the end of 2023 not to continue with the provision of services to existing customers in the future.

In terms of figures in 2023, ČD-Telematika achieved sales of products, goods, and services of CZK 2,860 million (2022: CZK 2,398 million). This was an increase of 19% year-on-year, mainly due to the implementation of ETCS contracts and infrastructure construction contracts.

In terms of the key performance indicators, sales per employee increased from CZK 4.39 million to CZK 5.19 million. In terms of profitability, ČD-Telematika achieved EBIT of CZK 131.5 million (2022: CZK 108.5 million) and EBT of CZK 169.6 million (2022: CZK 125.5 million). The pre-tax profit plan has been set at CZK 80 million. ČD-T achieved a significantly better result due to higher than planned sales, significant savings mainly in fixed costs, and improved margins on some contracts. EBITDA for 2023 reached CZK 244 million (2022: CZK 210 million).

Regarding investments, ČD-T acquired fixed assets (i.e., additions to the account for the acquisition of tangible fixed assets) of CZK 169.3 million (2022: CZK 111.9 million). The most significant items were investments in buildings (purchases and renovations), purchases of IT technologies (HW and licenses, building new WDM and DWDM optical channels, strengthening the existing or building new optical links to support internal projects and customer solutions), and purchases of special technology for transmission of encrypted data using quantum keys. The construction of a new data centre at the Pod Táborem branch also started towards the end of 2023.

The balance of current financial assets and cash (including cash-pool balances) at the end of 2023 amounted to CZK 894.6 million (2022: CZK 545.4 million). In 2023, ČD-Telematika managed its operations without any debt once again.

## Balance of the Company's Assets

In the area of intangible assets in the software category, the total increase amounted to CZK 28.8 million. The most significant additions in the area of intangible assets in 2023 included expenses for the purchase of software licences and own work capitalised to the already completed internal projects in the total amount of CZK 10.5 million. Within the projects of separation of České dráhy, a.s., Group from network of Správa železnic, státní organizace, and building its own network infrastructure, special software was purchased in the total amount of CZK 12.2 million. New Microsoft software licences were secured by regular renewal in the total amount of CZK 5.1 million.

The total balance of intangible fixed assets under construction amounted to CZK 6.5 million. It consisted mainly of the purchase of software licenses and own work capitalised to the already completed internal projects. The total net value of intangible fixed assets at the end of 2023 was CZK 39.4 million.

In the category of buildings, tangible fixed assets in 2023 included the purchase and subsequent renovation of buildings in České Budějovice and Olomouc in the total amount of CZK 56.2 million. In connection with the purchase of buildings in these locations, related land was also acquired in the total amount of CZK 7.1 million. In 2023, investments were also made in new links or in strengthening of existing fibre optic links throughout the Czech Republic in the total amount of approximately CZK 14.2 million.

The additions in the category of tangible movable assets and their sets consisted mainly of purchases of components for the construction of the Company's own network infrastructure in the total amount of CZK 33.7 million. For the maintenance of the customer network, special measuring instruments, fibre optic welders, and hand tools were purchased in the amount of CZK 8.9 million. Laptops, desktops, and monitors were purchased as part of the regular computer equipment renewal programme in the total amount of CZK 5.5 million. Technology rooms across the country were equipped with masts, air conditioners, battery backup, power supplies, and racks in the amount of CZK 5.2 million. Replacement of end-of-life elements for data centres in Prague and Pardubice represented a total expenditure of CZK 4.2 million. Within the framework of strengthening the capacity of WDM optical transport networks, components in the amount of CZK 2.0 million were installed.

In 2023, obsolete non-saleable assets in the category of tangible movable assets and their sets were removed and disposed of. This mainly involved the disposal of a disk array at the Pardubice site worth a total of CZK 3.3 million, the disposal of measuring instruments, testers, and hand tools with a total value of CZK 5.7 million and the disposal of obsolete and non-saleable air conditioners and diesel generator sets with a total value of CZK 1.2 million.

Other property disposals were mainly sales of passenger cars to the Company's employees or other customers through the car dealership with a purchase value of CZK 3.6 million.

These sales generated CZK 2.1 million. In addition, computer equipment and mobile phones were sold to the Company's employees with an aggregate purchase value of CZK 3.9 million, with sales of CZK 0.4 million.

The total balance of tangible fixed assets under construction amounted to CZK 56.3 million. It consisted mainly of expenditures on the renovation of the newly purchased building in České Budějovice, investments in the construction of new DWDM optical channels, and the strengthening of the current or construction of new optical interconnections throughout the Czech Republic.

The total net value of tangible fixed assets at the end of 2023 was CZK 1.480 billion. Investments in tangible fixed assets (i.e., additions to the account for the acquisition of tangible fixed assets) amounted to CZK 141.2 million in 2023.

## Risk Management System

ČD-Telematika has implemented an integrated risk management system with the objective of limiting the impact of risks on the financial performance of the Company.

ČD-T risk management system is linked to the risk management system of České dráhy Group. The principal risks categories are strategic, operational (i.e., technological, information, asset, environmental, personnel, etc.), financial (i.e., liquidity, foreign currency, market, etc.), and compliance. Internal directives stipulate the roles of the owners and analysts who, under the supervision of the risk manager, implement risk processes in a defined series of steps (risk identification, analysis, assessment, addressing, monitoring and communication). Risk management uses 4T methods: Take (risk acceptance), Treat (risk reduction), Transfer (risk transfer), and Terminate (risk cessation).

The risk management system is the responsibility of the Economics and Shared Services section, and cooperates with the Security department, which performs the following activities to ensure the described risk management system of the Company, and it:

- performs internal audits on an ongoing basis;
- prepares analyses of audit results and submits proposals to the Chairman of the Board of Directors for measures to eliminate deficiencies in management practice;
- performs risk identification and evaluation in cooperation with owners and risk analysts;
- participates in the design and implementation of risk management measures;
- assesses the usefulness and effectiveness of the strategy and structure of the internal management and control system;
- provides standard control activities as instructed by the Chairman of the Board of Directors or by the Board of Directors and on request of the Supervisory Board;
- analyses on an ongoing basis any shortcomings in financial practice and monitors the effectiveness of internal measures in cooperation with other units; and
- plays a role in improving the Company's methodical guidelines.

Analyses of deficiencies identified during inspections and audits are translated into proposals for preventive action to reduce threats and proposals for follow-up action to minimise impacts.

### Human Resources Policy and Social Programme

In the area of human resources, the management of ČD-T tries to reflect changes in the labour market and in the Company's strategic decisions as much as possible. The Company's management always attempts to approach not only from an economic point of view, but also with the aim of maintaining employee satisfaction and motivation. That is why the Company pays great attention to the selection of appropriate colleagues, motivation, and further professional development of our employees. We create a pleasant working environment, cooperate with secondary schools, and welcome students for internships in Prague and the regions.

### Workforce Figures in 2023

Number of employees at 31 December	560
Average number of employees	551
Number of new employees	58
Number of terminations	50

### Workforce Age Structure as of 31 December 2023

Under 30	68
31–40	76
41–50	180
51–60	163
Over 60	73

### Employee Training and Development

In 2023, further investment in employee training and development continued. The volume of resources spent exceeded a record amount of CZK 7.5 million. Training was provided in soft skills (with a significant increase compared to 2022) and hard skills (the long-term dominant area of development at ČD-T), mandatory/legal training, e-learning courses and, to a lesser extent, language training. Total training and development costs in 2023 amounted to CZK 7.53 million.

### Social Policy

ČD-Telematika is also very supportive in the social area. The ČD-Telematika collective agreement, valid from 1 January 2022 to 31 December 2024, regulates the entitlement of employees to the following additional benefits in addition to the legal requirements set out in the Labour Code:

- reduced 37.5-hour work week,
- five weeks of paid vacation per year, and
- increased severance payments beyond the legal requirement when an employee's employment is terminated for organisational reasons.

The collective agreement and ČD-T's benefits programme guarantee various packages of legal entitlements, wage,

and social benefits for employees. These enhance employee motivation and at the same time allow them to choose according to their individual needs.

As part of these benefits, life anniversary (50th anniversary) bonuses of CZK 270 thousand were paid to employees in 2023 as well as work anniversary bonuses (retirement) in the amount of CZK 255 thousand. The maximum amount of the meal allowance exempt from personal income tax was CZK 10,357 thousand.

In the Cafeteria benefit system, employees can choose from a wide range of benefits according to their individual preferences. In 2023, employees received benefits such as a pension contribution of CZK 4,933 thousand and life insurance in the total amount of CZK 1,825 thousand. In total, the Cafeteria system paid benefits at the employees' choice in the amount of CZK 5,056 thousand.

The social fund provided other benefits to employees, including contributions to children's camps, dry cleaning, health care, recreation, company social events, etc. Employees also received various small gifts such as vitamin packages to boost immunity, advent calendars for them and their younger children. In 2023, the amount of CZK 4,102 thousand was drawn from the social fund.

### Charitable Activities and Sponsorship

ČD-Telematika is aware of the social responsibility that results from its position on the market. For this reason, the Company has long been involved in charitable activities and supports social projects.

In 2023, the Company continued its cooperation with Dětské centrum Chocerady (Children's Centre Chocerady) – comprehensive care centre, which was supported with financial donations in the amount CZK 50,000.

The eighth edition of the social responsibility programme "Společně pro druhé" distributed CZK 200,000 in a company-wide vote. In this programme, employees propose charitable projects in the field of social care or help for the disabled or other disadvantaged people in which they are personally involved and for which they would like to receive contributions from the employer. In 2023, employees voted to support two disabled children and the organisation Dobré víly dětem (Good Fairies to Children), which helps children from children's homes.

In addition, an organisation helping single parents was selected in a company-wide vote. Diakonie Českobratrské církve evangelické (Diaconia of the Evangelical Church of the Czech Brethren) was supported with CZK 50,000 to help children and families in a difficult social situation, single parents living alone or in an asylum.

For the fourth time, ČD-Telematika has become a financial partner of the Nadace Partnerství (Partnerství Foundation), which is responsible for the nationwide project Sázíme budoucnost (We Plant the Future), which focuses on planting and caring for trees. This year, the planting of Alej svobody

(Freedom Avenue) in Kujavy was supported with a contribution of CZK 50,000.

In 2023, ČD-Telematika decided to contribute CZK 250 thousand to the ČD Group Endowment Fund – ŽELEZNICE SRDCEM (RAILWAY FROM THE HEART).

At the end of the year, employees joined the annual Christmas collection organised by the non-profit organisation Dobré víly dětem (Good Fairies to Children), which supports children from children's homes. CZK 23,503 was raised. The money was used for activities of the children – tutoring, camps, or ski training.

As part of the Company's compliance management, a whistleblowing hotline is available to employees. The ethics hotline is designed to ensure the anonymity of the whistleblower and to protect the whistleblower from sanctions, discrimination, or other retaliation.

### **Management of Quality, Occupational Health & Safety and Fire Safety, and Environmental Protection**

The quality, occupational health and safety (OHS), fire protection (FP), and environmental protection (EP) management system is an integral part of the Company's management. ČD-Telematika pays great attention to compliance with and fulfilment of not only the requirements of the Czech legislation but also the requirements of the European Union.

#### **Environment**

Work processes in the Company are designed to minimise adverse effects on the environment. To ensure environmental protection, the Company introduced EMS (Environmental Management System) in line with ČSN EN ISO 14001, based on the principle of continuous environmental protection and prevention.

#### **Air Protection**

As of 31 December 2023, ČD-Telematika operated 13 sources of air pollution not listed in Annex 2 of Act No. 201/2012 Coll., on Air Protection, and one listed source of air pollution with a thermal input exceeding 5 MW according to Annex 2 of Act No. 201/2012 Coll., on Air Protection. In the case of unlisted sources, these are ten gas-fired central heating boilers and three diesel generators - two backup sources of electricity for the ČD-T site in Pardubice and one diesel generator - a backup source of electricity for the site in Plzeň. The above-stated listed source of air pollution consists of three diesel generators - backup power sources for the data centres in Prague 9, Pod Tábořem 369/8a with a rated thermal input of 7.839 MW.

#### **Waste Management**

ČD-Telematika handles the produced waste in accordance with the applicable legislation, registers the produced waste, and ensures its disposal only with companies that have the approval of the relevant state administration authorities to operate facilities for the collection, purchase, and use of such waste in accordance with their operating rules. In 2023,

ČD-Telematika managed 92.15 tonnes of waste in total, of which 27.6 tonnes were hazardous waste and 64.55 tonnes were other waste. 18.24 tonnes of electrical and electronic equipment were handed over for take-back therefore reducing the amount of waste generated.

#### **Water Protection and Management**

The Company draws water from the public water supply network and discharges wastewater and rainwater into the public sewerage system in accordance with a contract concluded with the relevant operator. At the ČD-T premises at Pod Tábořem 369/8a, Prague 9, an oil separator is part of the local sewerage system, which prevents any leakage of these substances into the public sewerage system. Internal procedures and measures have been developed to minimise the risk of contamination of surface and ground water. The oil separator, which is regularly inspected and cleaned, is used to minimise damage from oil leaking from car parks into the public sewerage system.

#### **Fire Safety**

The consistent implementation of accident prevention tasks and measures at all levels of management ensured that there were no incidents; therefore, no damage was caused to property owned or managed by ČD-Telematika.

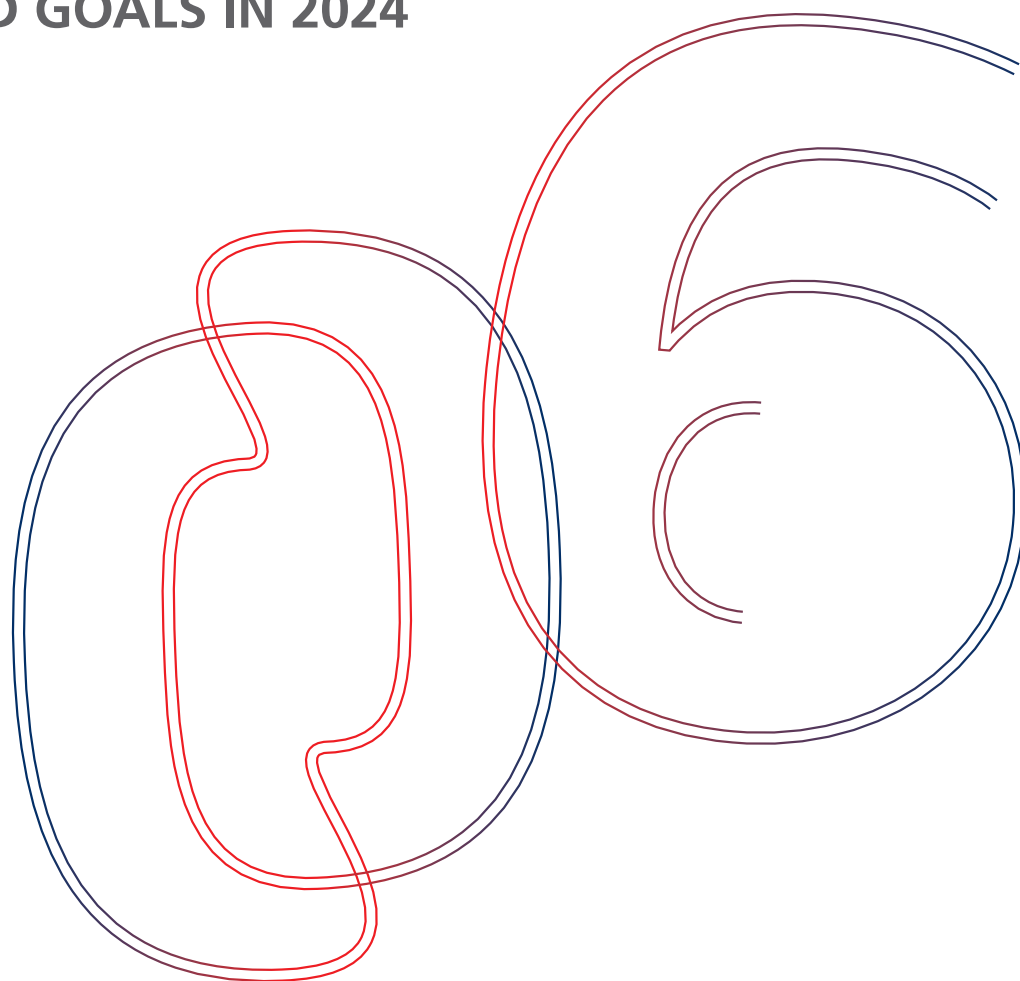
#### **Environmental Protection, OHS and Fire Safety Internal Documentation**

The internal documentation in the area of environmental protection, occupational health and safety, and fire safety has been prepared for the conditions of ČD-T, is part of the Company's managed documentation, and is based on valid legislation issued in the area of environmental protection, occupational health and safety, and fire safety. Changes in the applicable legislation are continuously monitored, documented in the register of legal requirements and, based on their evaluation, the document manager determines the need and scope for updating the management documents in the relevant area.

#### **Occupational Health and Safety**

In order to ensure more effective OHS requirements, a management system according to ISO 45001 is in place. In 2023, OHS inspections were carried out to assess the physical state of OHS at workplaces and technical equipment. During the inspections, no major non-conformities were identified that would put the life and health of employees at risk. To prevent and minimise OHS risks, regular training of employees in OHS and the risks arising from the specific conditions of the work activities performed is carried out. Emphasis is placed on compliance with work procedures and the use of personal protective equipment (PPE). Regular monitoring of compliance with OHS is ensured by managers according to internal requirements and applicable legislation. In 2023, a total of 10 occupational accidents were registered. Of these, 4 work accidents were incapacitating for more than 3 working days for a total duration of 103 days and 1 accident was fatal (the employer was exonerated from liability for the injury caused by the work accident due to the employee's violation of legal regulations).

# EXPECTED EVENTS, PLANS, AND GOALS IN 2024



## Anticipated Development in 2024

In 2024, ČD-T plans to actively develop vertical cooperation as a method of simplified public procurement in relation to state administration customers. Another important task still remains not only to resolve the issue of the transfer of the part of the plant ensuring the fulfilment of the ŽTM service contract for Správa železnic in a modified form (engineering), but also to enter into a new form of the contract for the management and maintenance of the ŽTM transmission network (service) with the same customer.

As part of the development of the ČDT-NET network, the Company will focus on providing connectivity on the ČD-T optical network for the ČD Group, including the provision of cyber security services. ČD-T would like to offer these services not only within the group, but also to the Ministry of Transport and, where appropriate, to customers of other government departments. The Company continues to focus on higher value-added services, building internal

competencies, and revenue growth beyond the railway infrastructure and transport sector. The main growth opportunities in 2024 will continue to be in the areas of ETCS, the construction of fibre-optic networks, the expansion of management and maintenance capabilities in the provision of services on fibre-optic networks, and the provision of cybersecurity on these networks.

In the business area of railway transport and the rail sector, ČD-T is a leader in the implementation of the mobile part of the European Train Control System (ETCS) in the Czech Republic. In this area, it cooperates with technological partners, namely ALSTOM and Siemens. In 2024, the ETCS order for the ČD customer will be fully completed within the 362, 362 WTB, 162 WTB rolling stock series. At the same time, ČD-T will continue the installation of ETCS technology on the serial retrofit of the 961 vehicles series for the same customer, as well as work related to the production of a prototype ETCS retrofit on the 680 and 471 vehicles series.

At the same time, work will also be carried out on the ETCS retrofit of the 363.5 series for the customer ČD Cargo. In addition to the above- stated ETCS projects, ČD- Telematika will complete the project of application delivery of SW - Technical Infrastructure Passport for the Správa železnic, which could not be completed in 2023 due to the necessity to broaden the original assignment. Also in 2024, ČD-T will continue the projects of expanding the GSM-R infrastructure, will try to follow up on the pilot project of equipping the LCU with a mobile signal repeater inside trains, and will implement the retrofitting of passenger rail cars with Wi-Fi technology. In 2024, ČD-T plans to end its activities in road contracts (Brno Tunnels, Brno and České Budějovice parking meters).

In the area of telecommunications services, ČD- Telematika will continue to pursue business opportunities in the provision of wholesale services on its own fibre-optic network, in the areas of data centre services and in the provision of mobile and data services to the railway sector and to customers from the state administration.

### **Economic Goals for 2024**

In 2024, ČD- Telematika plans to achieve sales of goods and services of CZK 2,973 million and an operating profit of CZK 185.7 million.

### **Planned Investments**

In 2024, ČD-T plans to invest a total of CZK 195.3 million in the acquisition of fixed assets. The largest part of the investments will be directed to the expansion and renewal of its own optical network, to the strengthening and renewal of the technological infrastructure above the optical network to a capacity of 100 Gbps, and to the expansion, renovation, and improvement of real estate owned by ČD-T. Investments in internal IT will also continue, both in the area of application support and in the renewal of HW and SW to further streamline internal processes. In the case of infrastructure servicing, renewal investments in a set of specialised measuring instruments and equipment will continue.

### **Post Balance Sheet Date Events**

In connection with the insolvency proceedings conducted on behalf of Sberbank CZ and as part of the settlement of the receivable from Sberbank CZ in the recorded amount of assets, the Company received the first settlement of amount in April 2024.



# REPORT OF THE SUPERVISORY BOARD FOR 2023

In 2023, the Supervisory Board of ČD-Telematika a.s. ("ČD-T") continuously supervised the activities of the Board of Directors and the operation of the entire company, with 7 regular meetings of the Supervisory Board taking place during the year. In the course of its work, the Supervisory Board followed the principles and instructions approved by the General Meeting, the Company's Articles of Association, and generally binding legal regulations.

The Board of Directors continuously presented to the Supervisory Board partial financial results of the Company, including a detailed analysis of sales, cash flows, receivables and payables, working capital, updated forecasts of the Company's annual performance, plans for organisational changes, and information on important ongoing and upcoming customer projects or tenders. After discussion and supplementary questions, the Supervisory Board acknowledged the above.

The Board of Directors has always duly sought the prior approval of the Supervisory Board for proposed operating transactions and investments exceeding the values set by the Articles of Association or the Board's own regulations. The Supervisory Board discussed and approved the proposed transactions. These were mainly investments in the Company's own fibre-optic network, as well as large customer projects with an investment volume exceeding CZK 50 million. This included the approval of a short-term financial investment programme for 2023 and other matters.

The Supervisory Board was continuously informed about the Board of Directors' progress in the negotiations regarding the "Large Contract" (Contract for the operation and servicing of railway telecommunications assets) with the customer Správa železnic, and about the current developments in the insolvency proceedings concerning ČD-T's claim against Sberbank CZ. The Supervisory Board reviewed the Annual Report of ČD-T for 2022 including its annex, the report on relations between related parties and the auditor's report on the verification of the Company's financial statements for 2022 including its annex, the Board of Directors' report on the Company's business activities and the proposal for the distribution of the Company's profit for 2022. After reviewing all the above-stated documents, the Supervisory Board informed the General Meeting of its approval of the above-stated documents and recommended that the General Meeting approve the Company's annual financial statements for 2022. The Supervisory Board approved the Board of Directors' proposal for the distribution of profit for 2022 and recommended that the General Meeting approve the proposal.

In Prague on 29 February 2024



Michal Krapinec  
Chairman of the Supervisory Board  
ČD-Telematika a.s.

# FINANCIAL PART



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## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of  
ČD-Telematika a.s.  
Having its registered office at:  
Pernerova 28 19/2a, 130 00 Prague 3

### Opinion

We have audited the accompanying financial statements of ČD-Telematika a.s. (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as at 31 December 2023, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of ČD-Telematika a.s. as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

### Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Matter

The financial statements of ČD-Telematika a.s. for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 27 April 2023.

### Other Information in the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- | The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- | The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

## Responsibilities of the Company's Board of Directors and Supervisory Board for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with accounting regulations applicable in the Czech Republic and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors and the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Prague on 15 May 2024



Audit firm:

Deloitte Audit s.r.o.  
registration no. 079



Statutory auditor:

Ladislav Šauer  
registration no. 2261

# FINANCIAL STATEMENTS

for the year ended 31 december 2023

Name of the Company: ČD-Telematika a.s.  
Registered Office: Pernerova 2819/2a, 130 00 Praha 3  
Legal Status: Joint Stock Company  
Corporate ID: 614 59 445

## Components of the Financial Statements:

Balance Sheet  
Profit and Loss Account  
Statement of Changes in Equity  
Cash Flow Statement  
Notes to the Financial Statements

These financial statements were prepared on 15 May 2024.

Statutory body of the reporting entity:



Jan Hobza  
Chairman of the Board of Directors



David Wolski  
Member of the Board of Directors



# BALANCE SHEET

full version as of 31. 12. 2023 (in CZK thousand)

		31. 12. 2023		31. 12. 2022	
		Gross	Adjustment	Net	Net
	<b>TOTAL ASSETS</b>	<b>6,031,671</b>	<b>2,467,400</b>	<b>3,564,271</b>	<b>3,465,074</b>
<b>B.</b>	<b>Fixed assets</b>	<b>3,931,459</b>	<b>2,410,287</b>	<b>1,521,172</b>	<b>1,464,824</b>
<b>B.I.</b>	<b>Intangible fixed assets</b>	<b>403,975</b>	<b>364,561</b>	<b>39,414</b>	<b>21,355</b>
B.I.2.	Valuable rights	396,535	363,699	32,836	13,950
B.I.2.1.	Software	141,127	108,326	32,801	13,906
B.I.2.2.	Other valuable rights	255,408	255,373	35	44
B.I.4.	Other intangible fixed assets	985	862	123	246
B.I.5.	Prepayments for intangible fixed assets and intangible fixed assets under construction	6,455		6,455	7,159
B.I.5.2.	Intangible fixed assets under construction	6,455		6,455	7,159
<b>B.II.</b>	<b>Tangible fixed assets</b>	<b>3,525,737</b>	<b>2,045,726</b>	<b>1,480,011</b>	<b>1,441,700</b>
B.II.1.	Land and structures	2,662,239	1,453,164	1,209,075	1,173,252
B.II.1.1.	Land	61,330		61,330	54,254
B.II.1.2.	Structures	2,600,909	1,453,164	1,147,745	1,118,998
B.II.2.	Tangible movable assets and	806,480	592,562	213,918	206,704
B.II.5.	Prepayments for tangible fixed assets and tangible fixed assets under construction	57,018		57,018	61,744
B.II.5.1.	Prepayments for tangible fixed assets	680		680	747
B.II.5.2.	Tangible fixed assets under construction	56,338		56,338	60,997
<b>B.III.</b>	<b>Non-current financial assets</b>	<b>1,747</b>		<b>1,747</b>	<b>1,769</b>
B.III.1.	Equity investments - controlled or controlling entity	1,747		1,747	1,769
<b>C.</b>	<b>Current assets</b>	<b>2,004,335</b>	<b>57,113</b>	<b>1,947,222</b>	<b>1,936,143</b>
<b>C.I.</b>	<b>Inventories</b>	<b>141,601</b>	<b>6,716</b>	<b>134,885</b>	<b>260,074</b>
C.I.1.	Material	34,178	6,716	27,462	22,001
C.I.2.	Work in progress and semifinished goods	107,423		107,423	238,073
<b>C.II.</b>	<b>Receivables</b>	<b>1,218,308</b>	<b>50,397</b>	<b>1,167,911</b>	<b>1,180,974</b>
C.II.1.	Long-term receivables	100,643		100,643	135,245
C.II.1.1.	Trade receivables	7,838		7,838	7,183
C.II.1.5.	Receivables - other	92,805		92,805	128,062
C.II.1.5.2.	Long-term prepayments made	92,805		92,805	128,062
C.II.2.	Short-term receivables	1,117,665	50,397	1,067,268	1,045,729
C.II.2.1.	Trade receivables	387,902	7,298	380,604	696,783
C.II.2.2.	Receivables - controlled or controlling entity	250,212		250,212	50,341
C.II.2.4.	Receivables - other	479,551	43,099	436,452	298,605
C.II.2.4.3.	State - tax receivables	14,325		14,325	1
C.II.2.4.4.	Short-term prepayments made	173,960		173,960	17,814
C.II.2.4.5.	Estimated receivables	17,109		17,109	71,725
C.II.2.4.6.	Sundry receivables	274,157	43,099	231,058	209,065
<b>C.IV.</b>	<b>Cash</b>	<b>644,426</b>		<b>644,426</b>	<b>495,095</b>
C.IV.1.	Cash on hand	268		268	267
C.IV.2.	Cash at bank	644,158		644,158	494,828
<b>D.</b>	<b>Other assets</b>	<b>95,877</b>		<b>95,877</b>	<b>64,107</b>
D.1.	Deferred expenses	94,793		94,793	63,829
D.3.	Accrued income	1,084		1,084	278

	31. 12. 2023	31. 12. 2022
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3,564,271</b>	<b>3,465,074</b>
<b>A. Equity</b>	<b>1,954,339</b>	<b>1,900,796</b>
<b>A.I. Share capital</b>	<b>1,633,684</b>	<b>1,633,684</b>
A.I.1. Share capital	1,633,684	1,633,684
<b>A.II. Share premium and capital funds</b>	<b>(253)</b>	<b>(231)</b>
A.II.2. Capital funds	(253)	(231)
A.II.2.2. Gains or losses from the revaluation of assets and liabilities (+/-)	(253)	(231)
<b>A.III. Funds from profit</b>	<b>49,548</b>	<b>45,162</b>
A.III.1. Other reserve funds	46,003	41,518
A.III.2. Statutory and other funds	3,545	3,644
<b>A.IV. Retained earnings (+/-)</b>	<b>148,693</b>	<b>132,446</b>
A.IV.1. Accumulated profits or losses brought forward (+/-)	148,693	132,446
<b>A.V. Profit or loss for the current period (+/-)</b>	<b>122,667</b>	<b>89,735</b>
<b>B.+C. Liabilities</b>	<b>1,436,651</b>	<b>1,422,158</b>
<b>B. Reserves</b>	<b>157,099</b>	<b>81,099</b>
B.IV. Other reserves	157,099	81,099
<b>C. Payables</b>	<b>1,279,552</b>	<b>1,341,059</b>
<b>C.I. Long-term payables</b>	<b>378,798</b>	<b>667,997</b>
C.I.3. Long-term prepayments received	292,389	576,109
C.I.4. Trade payables	3,246	14,070
C.I.8. Deferred tax liability	83,163	77,818
<b>C.II. Short-term payables</b>	<b>900,754</b>	<b>673,062</b>
C.II.3. Short-term prepayments received	278,971	21,033
C.II.4. Trade payables	461,988	297,237
C.II.8. Other payables	159,795	354,792
C.II.8.3. Payables to employees	22,330	22,227
C.II.8.4. Social security and health insurance payables	11,763	11,676
C.II.8.5. State - tax payables and subsidies	18,803	26,335
C.II.8.6. Estimated payables	106,725	294,538
C.II.8.7. Sundry payables	174	16
<b>D. Other liabilities</b>	<b>173,281</b>	<b>142,120</b>
D.2. Deferred income	173,281	142,120



# PROFIT AND LOSS ACCOUNT

structured by the nature of expense method

Year ended 31. 12. 2023 (in CZK thousand)

	Year ended 31. 12. 2023	Year ended 31. 12. 2022
I. Sales of products and services	2,807,318	2,372,464
II. Sales of goods	52,365	25,747
A. Purchased consumables and services	1,931,716	1,501,582
A.1. Costs of goods sold	46,943	25,144
A.2. Consumed material and energy	256,704	179,566
A.3. Services	1,628,069	1,296,872
B. Change in internally produced inventory (+/-)	130,650	126,548
C. Own work capitalised (-)	(10,923)	(5,787)
D. Staff costs	512,344	495,022
D.1. Payroll costs	366,900	355,992
D.2. Social security and health insurance costs and other charges	145,444	139,030
D.2.1. Social security and health insurance costs	122,717	119,066
D.2.2. Other charges	22,727	19,964
E. Adjustments to values in operating activities	90,885	167,533
E.1. Adjustments to values of intangible and tangible fixed assets	112,784	101,739
E.1.1. Adjustments to values of intangible and tangible fixed assets - permanent	112,784	101,739
E.2. Adjustments to values of inventories	(245)	401
E.3. Adjustments to values of receivables	(21,654)	65,393
III. Other operating income	12,518	27,248
III.1. Sales of fixed assets	2,863	2,667
III.3. Sundry operating income	9,655	24,581
F. Other operating expenses	86,040	32,094
F.1. Net book value of sold fixed assets	66	2,411
F.3. Taxes and charges	559	570
F.4. Reserves relating to operating activities and complex deferred expenses	76,001	12,755
F.5. Sundry operating expenses	9,414	16,358
<b>* Operating profit or loss (+/-)</b>	<b>131,489</b>	<b>108,467</b>
VI. Interest income and similar income	43,438	22,795
VI.1. Interest income and similar income - controlled or controlling entity	7,432	2,437
VI.2. Other interest income and similar income	36,006	20,358
J. Interest expenses and similar expenses		4
J.1. Interest expenses and similar expenses - controlled or controlling entity		4
VII. Other financial income	19,315	21,934
K. Other financial expenses	24,668	27,649
<b>* Financial profit or loss (+/-)</b>	<b>38,085</b>	<b>17,076</b>
<b>** Profit or loss before tax (+/-)</b>	<b>169,574</b>	<b>125,543</b>
L. Income tax	46,907	35,808
L.1. Due income tax	41,562	34,364
L.2. Deferred income tax (+/-)	5,345	1,444
<b>** Profit or loss net of tax (+/-)</b>	<b>122,667</b>	<b>89,735</b>
<b>*** Profit or loss for the current period (+/-)</b>	<b>122,667</b>	<b>89,735</b>
<b>* Net turnover for the current period</b>	<b>2,934,954</b>	<b>2,470,188</b>

# STATEMENT OF CHANGES IN EQUITY

Year ended 31. 12. 2023 (in CZK thousand)

	Share capital	Capital funds	Funds from profit, reserve fund	Accumulated profits brought forward	Profit or loss for the current period	Total Equity
Balance at 31 December 2021	1,633,684	(210)	39,995	152,215	87,611	1,913,295
Distribution of profit or loss			7,380	80,231	(87,611)	
Revaluation of assets and liabilities		(21)				
Profit shares paid				(100,000)		(100,000)
Payments from capital funds			(2,213)			(2,213)
Profit or loss for the current period					89,735	89,735
Balance at 31 December 2022	1,633,684	(231)	45,162	132,446	89,735	1,900,796
Distribution of profit or loss			8,485	81,247	(89,735)	(3)
Revaluation of assets and liabilities		(22)				
Profit shares paid				(65,000)		(65,000)
Payments from capital funds			(4,099)			(4,099)
Profit or loss for the current period					122,667	122,667
Balance at 31 December 2023	1,633,684	(253)	49,548	148,693	122,667	1,954,339

# CASH FLOW STATEMENT

Year ended 31. 12. 2023 (in CZK thousand)

	Year ended 31. 12. 2023	Year ended 31. 12. 2022	
P.	Opening balance of cash and cash equivalents	545,436	618,872
	<b>Cash flows from ordinary activities (operating activities)</b>		
Z.	Profit or loss before tax	169,574	125,543
A.1.	Adjustments for non-cash transactions	121,289	165,734
A.1.1.	Depreciation of fixed assets	112,784	101,739
A.1.2.	Change in provisions and reserves	54,101	78,550
A.1.3.	Profit/(loss) on the sale of fixed assets	(2,797)	(256)
A.1.5.	Interest expense and interest income	(43,438)	(22,791)
A.1.6.	Adjustments for other non-cash transactions	639	
A.*	Net operating cash flow before changes in working capital	290,863	291,277
A.2.	<b>Change in working capital</b>	<b>252,300</b>	<b>(152,432)</b>
A.2.1.	Change in operating receivables and other assets	201,197	(730,066)
A.2.2.	Change in operating payables and other liabilities	(74,331)	456,865
A.2.3.	Change in inventories	125,434	120,769
A.**	Net cash flow from operations before tax	543,163	138,845
A.3.	Interest paid		(4)
A.4.	<b>Interest received</b>	<b>42,903</b>	<b>20,504</b>
A.5.	Income tax paid from ordinary operations	(45,271)	(17,315)
A.***	Net operating cash flows	540,795	142,030
	<b>Cash flows from investing activities</b>		
B.1.	Fixed assets expenditures	(127,433)	(113,970)
B.2.	<b>Proceeds from fixed assets sold</b>	<b>4,942</b>	<b>717</b>
B.***	Net investment cash flows	(122,491)	(113,253)
	<b>Cash flow from financial activities</b>		
C.2.	Impact of changes in equity	(69,102)	(102,213)
C.2.5.	Payments from capital funds	(4,102)	(2,213)
C.2.6.	<b>Profit shares paid</b>	<b>(65,000)</b>	<b>(100,000)</b>
C.***	Net financial cash flows	(69,102)	(102,213)
F.	Net increase or decrease in cash and cash equivalents	349,202	(73,436)
R.	Closing balance of cash and cash equivalents	894,638	545,436

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## 1. GENERAL INFORMATION

### 1.1. Incorporation and Description of the Business

ČD-Telematika a.s. (the "Company" or "ČDT") is a legal entity, a joint-stock company, that was incorporated on 18 April 1994. Originally, the Company was incorporated as a limited liability company and its legal status was changed to a joint-stock company on 6 October 2003. In addition, as of 11 May 2005, the Company's name, ČD-Telekomunikace a.s., was changed to ČD-Telematika a.s. The Company is registered in the Register of Companies kept by the Municipal Court in Prague, Section B, Insert 8938.

The principal business activities of the Company are as follows:

- ▮ provision of telecommunication services;
- ▮ construction project design;
- ▮ provision of technical services aimed at protection of assets and persons;
- ▮ inspections, checks and tests in determined technical facilities in operations;
- ▮ activities of accounting advisors, bookkeeping, tax records;
- ▮ assembly, repairs, inspections and tests of electrical equipment;
- ▮ manufacturing, installation, repairs of electrical machines and appliances, electronic and telecommunications equipment;
- ▮ communication activities in the territory of the Czech Republic;
- ▮ building construction, alterations and removal;
- ▮ lease of real estate, apartments and non-residential premises;
- ▮ electricity generation; and
- ▮ production, trade and services not listed in appendices 1 to 3 to the Trade Licensing Act, specifically in:
  - publishing, polygraphy production, bookbinding and copying work;
  - manufacturing of railway traction vehicles and tramways, trolleybuses and cable railway;
  - preparatory and finishing construction work, specialised construction activities;
  - wholesale and retail;
  - providing software, information technology consulting, data processing, hosting and related activities, web portals;
  - purchase, sale, administration and maintenance of real estate,
  - rental and lending of movable property;
  - advisory and consulting activities, preparation of professional studies and assessments;
  - landscape design;
  - preparation and elaboration of technical designs, graphic and drawing work;
  - design of electrical equipment;
  - research and development in natural and technical sciences or social sciences;
  - testing, measurement, analysis and inspections;
  - advertising, marketing, media representation;
  - administrative and organisational services;
  - non-school education and training, organisation of courses, training; including lecturing activities; and
  - provision of technical services.

The Company's registered office is located in Prague 3, Pernerova 2819/2a, 130 00, and its place of business is Prague 9, Pod Táborem 369/8a, 190 00.

The Company's share capital amounts to CZK 1,633,684 thousand.

The Company's financial statements have been prepared as at 31 December 2023. The reporting period is the calendar year from 1 January 2023 to 31 December 2023.

The following table shows individuals and legal entities with an equity interest in the Company and the amount of their equity interest:

Shareholder	Ownership percentage
České dráhy, a.s.	100.00
Total	100.00

### 1.2. Year-on-Year Changes and Amendments to the Register of Companies

On 28 July 2023, the following change was recorded in the Register of Companies:

- ▮ the membership of Vít Steklý in the Supervisory Board originated as of 1 June 2023

On 11 August 2023, the following change was recorded in the Register of Companies:

- ▮ the membership of Emanuel Šíp in the Supervisory Board expired as of 29 July 2023

On 28 November 2023, a new business activity, electricity generation, was recorded in the Register of Companies.

### 1.3. The Company's Organisational Structure

The Company is organised into the following sections:

- | Telecommunication and Infrastructure Services (ÚTIS)
- | INFRA SŽ
- | IT
- | Economics and Shared Services
- | Sales and Marketing

### 1.4. Board of Directors and Supervisory Board as of the Balance Sheet Date

	Position	Name
Board of Directors	Chairman	Jan Hobza
	Member	David Wolski
	Member	Tomáš Businský
Supervisory Board	Chairman	Michal Krapinec
	Member	Michal Kraus
	Member	Vít Steklý
	Member	Dana Putnová
	Member	Milan Gajdoš

### 1.5. Group Identification

ČD-Telematika a.s. is part of the České dráhy consolidation group.

The structure of the consolidation group as of 31 December 2023 is as follows:

Parent company	Related parties	
České dráhy, a.s.	ČD-Telematika a.s.	ECHIS a.s.
	ČD-Informační Systémy, a.s.	ODP-software, spol. s r.o.
		CHAPS spol. s r.o.
		XT-Card a.s.
		ČSAD SVT Praha, s.r.o.
		SVT Slovakia s.r.o.
		Introp, s.r.o.
		Tramex Rail s.r.o.
		VUZ Slovakia, s.r.o.
		Výzkumný Ústav Železniční, a.s.
		Smíchov Station Development, a.s.
		Žižkov Station Development, a.s.
		Masaryk Station Development, a.s.
		DPOV, a.s.
	RailReal a.s.	
	CR-City a.s.	
	ČD travel, s. r. o.	ČD Relax s.r.o.
	JLV, a.s.	
	ČD Bus a.s.	
	ČD Restaurant, a.s.	
	Dopravní vzdělávací institut, a.s.	
	ČD Cargo, a.s.	CD Cargo Germany GmbH
		Cargo Adria d.o.o.
		CD Cargo Hungary Kft.
		CD Cargo Austria GmbH
		CD Cargo Poland Spółka z o.o.
		CD Cargo Slovakia, s.r.o.
	ČD Cargo Logistics, a.s.	
	Terminál Mošnov, a.s.	
	RAILLEX, a.s.	
	Terminal Brno, a.s.	
	ČD-DUSS Terminál, a.s.	
	BOHEMIAKOMBI, spol. s r.o.	
	Ostravská dopravní společnost - Cargo, a.s.	
	Ostravská dopravní společnost, a.s.	

Identification information of the entities in the consolidation group:

Company name	Registered office	Corporate ID	Relationship to the company
České dráhy, a.s.	Prague 1, Nábřeží L. Svobody 12/1222	70994226	Parent company
ČD Cargo, a.s.	Prague 7, Jankovcova 1569/2c	28196678	Fellow subsidiary
ČD-Informační Systémy, a.s.	Prague 3, Pernerova 2819/2a	24829871	Fellow subsidiary
ČD travel, s.r.o.	Prague 1, 28. října 372/5	27364976	Fellow subsidiary
Dopravní vzdělávací institut, a.s.	Prague 8, Prvního pluku 621/8a	27378225	Fellow subsidiary
DPOV, a.s.	Přerov, Husova 635/1b	27786331	Fellow subsidiary
JLV, a.s.	Prague 4, Chodovská 228/3	45272298	Fellow subsidiary
Výzkumný Ústav Železniční, a.s.	Prague 4, Novodvorská 1698	27257258	Fellow subsidiary
ČD-DUSS Terminál, a.s.	Lovosice, Lukavecká 1189	27316106	Related party
ČD Cargo Logistics, a.s.	Prague 1, Opletalova 1284/37	27906931	Related party
Terminal Brno, a.s.	Brno, K terminálu 614/11	28295374	Related party
CHAPS spol. s r.o.	Brno, Bráfova 1617/21	47547022	Related party
XT-Card a.s.	Prague 3, Seifertova 327/85	27408256	Related party
ČD BUS a.s.	Olomouc, Jeremenkova 231/9	17377404	Related party
ČD Cargo Slovakia s.r.o.	Bratislava, Seberiniho 1	44349793	Related party
ČD Cargo Poland Sp z o.o.	Warsaw , ul. Grzybowska 4 lok. 3	140769114	Related party
Ostravská dopravní společnost – Cargo, a.s.	Ostrava, U Tiskárny 616/9	05663041	Related party
ECHIS a.s.	Prague 3, Pernerova 2819/2a	01533177	Subsidiary

Note: Only the entities in the consolidation group of České dráhy with which the Company records business relations are listed.

## 1.6. Subsidiary

On 24 April 2013, ECHIS a.s., with its registered office at Pernerova 2819/2a, 130 00 Prague 3, corporate ID 015 33 177, was recorded in the Register of Companies. ČDT subscribed for a total of 34 shares, representing a 34% equity investment in ECHIS a.s. On 14 September 2015, the Company purchased the remaining 66% equity investment from SOITRON Group SE, on the basis of the contract for the transfer of securities.

## 2. ACCOUNTING PRINCIPLES AND POLICIES

The Company's accounting books and records are maintained, and the financial statements were prepared in accordance with Accounting Act No. 563/1991 Coll., as amended; Regulation No. 500/2002 Coll. which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended; and Czech Accounting Standards for Businesses, as amended.

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis, except for Note 3.5. Tangible fixed assets, the accruals principle, the prudence concept and the going concern assumption.

These financial statements are presented in thousands of Czech crowns (CZK thousand).

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1. Tangible Fixed Assets

Tangible fixed assets include assets with an estimated useful life exceeding one year and an acquisition cost of greater than CZK 10 thousand on an individual basis.

Exceptions to the rule of the CZK 10 thousand acquisition cost are trailers, single-track vehicles, cars after the expiration of a lease contract and other assets stipulated in Act No. 16/1993 Coll., on Road Tax, which are always considered to be tangible assets, regardless of their acquisition cost.

Purchased tangible fixed assets are stated at cost less accumulated depreciation and any recognised impairment losses.

Tangible fixed assets developed internally are valued at direct costs, incidental costs directly attributable to the internal production of assets (production overheads), or alternatively incidental costs of an administrative character if the production period of the assets exceeds one accounting period.

Assets identified during an inventory count that were not previously included in the accounting records and any gifts are valued at replacement cost.



The cost of fixed asset improvements exceeding CZK 40 thousand for the taxation period increases the acquisition cost of the related tangible fixed asset.

Depreciation is charged so as to write off the cost of tangible fixed assets, other than land and assets under construction, over their estimated useful lives, using the straight-line method, on the following basis:

	Depreciation method	Number of years
Buildings	straight line	50
Structures	straight line	25
Optical fibres	straight line	25–50
Machinery and equipment (PC, NB, servers, printers, monitors, scanners, distribution boards, HDD, UPS, modems, etc.)	straight line	4
Measuring devices	straight line	6–12
Air-conditioning, welders, lathes	straight line	14
Inverters, generators, switchboards, branching systems, convertors, fire-fighting equipment, etc.	straight line	20
Drilling sets, SDH, SFP, faxes, etc.	straight line	8
Photographic devices, microscope, projectors	straight line	10
Copying machines	straight line	5
Cars	straight line	4–8

*Note: In 2021, we reconsidered useful lives of optical fibres, and we extended their estimated useful lives from 25 to 50 years following this analysis.*

Assets held under finance leases are depreciated by the lessor.

Technical improvements on leasehold tangible fixed assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful life.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the net book value of the asset at the sale date and is recognised through the profit and loss account.

The valuation difference on acquired assets is composed of the positive difference between the valuation of the business or part thereof acquired through investment and the sum of the carrying values of individual components of assets of the investing entity net of assumed liabilities. A positive difference on acquired assets is amortised to expenses on a straight-line basis over 180 months from the acquisition.

### 3.2. Intangible Fixed Assets

Intangible fixed assets include assets with an estimated useful life of greater than one year and an acquisition cost of greater than CZK 60 thousand on an individual basis, except for software, which is always amortised, regardless of the acquisition cost.

Intangible fixed assets also comprise development activities with an estimated useful life of greater than one year. Assets arising from development activities are capitalised only if utilised for resale. Intangible assets arising from research and development, software and valuable rights generated internally for the Company's internal needs are not capitalised. Internally generated intangible assets are stated at the lower of internal production costs and replacement cost.

Purchased intangible fixed assets are stated at cost less accumulated amortisation and any recognised impairment losses.

The cost of fixed asset improvements exceeding CZK 60 thousand for the taxation period increases the acquisition cost of the related intangible fixed asset.

The amortisation of intangible fixed assets is recorded on a straight-line basis over their estimated useful lives as follows:

	Amortisation method	Number of years/%
Research and development, internally developed SW	accelerated	85% in the 1 <sup>st</sup> year, 15% in the 2 <sup>nd</sup> year
Software	straight line	3 years
Valuable rights – easements	straight line	25 years

### 3.2.1. Valuable rights

Valuable rights comprise easements to land not owned by the Company over which the optical networks owned by ČD - Telematika a.s. pass.

### 3.3. Provisioning

At the balance sheet date, the Company assesses the risk of impairment of fixed assets in the Company's balance sheet. Provisions have been created for assets that do not reflect their current value. Provisions were determined as the difference between the net book value of the asset and the expected selling price.

### 3.4. Replacement Cost

The replacement cost is applied to the valuation of tangible and intangible fixed assets acquired through donation, internally-developed intangible fixed assets, in the event that the replacement cost is lower than the internal costs incurred, tangible fixed assets acquired without consideration based on a contract for the purchase of a leased asset (accounted for through a corresponding entry on the relevant accumulated depreciation account), fixed assets recently entered in the accounting records (accounted for through a corresponding entry on the relevant accumulated depreciation account), and the investment of tangible and intangible fixed assets. The replacement cost represents the cost at which the relevant assets would be acquired at the recognition date. The replacement cost is determined based on expert appraisals or based on the current price bids made by suppliers.

### 3.5. Non-current Financial Assets

Non-current financial assets include shareholdings in associates and subsidiaries.

Investments in enterprises in which the Company has the power to govern the cash flow and operating policies so as to obtain benefits from their operations are treated as Equity investments in subsidiaries.

Investments in enterprises in which the Company is in a position to exercise significant influence over their cash flow and operating policies so as to obtain benefits from their operations are treated as Equity investments in associates.

Upon acquisition, securities and equity investments are valued at cost. The acquisition cost of securities and equity investments includes direct costs of acquisition, such as fees and charges paid to brokers, advisors, and stock exchanges.

Equity investments in associates and subsidiaries are valued using the equity method of accounting. Upon acquisition, ownership interests are valued at cost, as subsequently adjusted to the value corresponding with the Company's shareholding on the associate's or subsidiary's equity, at the balance sheet date.

### 3.6. Current Financial Assets

Current financial assets principally include cash on hand, cash deposits on bank accounts and debt securities maturing within less than one year held to maturity (bills of exchange).

Upon acquisition, current financial assets are stated at cost. The acquisition cost includes the direct costs of acquisition, such as fees and charges paid to brokers, advisors, and stock exchanges.

### 3.7. Inventory

Purchased inventory is valued at acquisition cost. Acquisition cost includes the purchase cost and indirect acquisition costs such as customs fees, freight costs, postal fees, commissions and discounts.

Inventory is issued out of stock using the FIFO method (first in-first out).

#### Provisioning

The Company recognises provisions against inventory where impairment is not deemed permanent. The value of idle inventory and the inventory whose current market value is significantly lower than the carrying value is written down through provisions. As of the balance sheet date, provisions against inventory are made based on the inventory-taking results. Provisions are established at 20–100%, pursuant to an inventory turnover analysis and individual inventory assessment. An exception is made in respect of spare parts which do not suffer moral wear-and-tear.

#### 3.7.1. Work in Progress

Under work in progress, the Company reports projects in progress, even when the work has been completed and has not yet been billed to customer.

Internally developed inventory is valued at the cost of producing the inventory, which primarily consists of the direct costs of production or any other activity, and/or the portion of indirect costs relating to production or any other activity.

The calculation formula for the valuation of work in progress includes the following:

- | direct material cost;
- | direct wage costs; and
- | production overheads – depreciation of manufacturing facilities, etc.

Work in progress is always derecognised in the month in which an invoice is issued to customer.

### **3.8. Receivables**

Upon origination, receivables are stated at their nominal value as subsequently reduced by the appropriate provisions for doubtful and uncollectable amounts.

#### **Provisioning**

Provisions are established based on the aging analysis and the assessment of individual receivables. Receivables past due by 90–180 days are provided for at 40%, receivables past due by 180–365 days are provided for at 75% and receivables past due by more than 365 days are provided for in full. Additional provisions are established based on individual assessments.

No provisions are recognised for receivables from the related parties.

### **3.9. Trade Payables**

Trade payables are stated at their nominal value.

### **3.10. Reserves**

The Company recognises reserves to cover its obligations or expenses, when the nature of the obligations or expenses is clearly defined and it is probable or certain as of the balance sheet date that they will be incurred; however, their precise amount or timing is not known. The reserves recognised as of the balance sheet date represent the best estimate of expenses that will be probably incurred, or the amount of liability that is required for their settlement.

**Reserve for warranty repairs and removal of defects and arrears of work** – if an obligation originated for ČDT to provide its customers with warranty repairs to supplies pursuant to effective contracts, it will recognise a provision for warranty repairs based on the historical analysis of prior warranty repairs, or in the amount of the best possible estimate as appropriate.

**Reserve for legal disputes and sanctions arising from non-compliance with contracts** – if ČDT is involved in a legal dispute or out-of-court dispute as a defendant, and if the Company or its legal representative assesses the likelihood of a negative outcome of the legal dispute or out-of-court dispute exceeding 50%, it will recognise a provision for legal disputes in the amount of the best possible estimate of the future payment.

**Reserve for pensions and similar liabilities** – ČDT recognises a provision for liabilities arising from the collective agreement, primarily a special bonus to employees turning 50 years of age and to employees leaving their position for the first time upon reaching an age entitling them to an old-age pension or upon their entitlement to a full disability pension, and liabilities arising from other employment arrangements.

**Reserve for restructuring** – ČDT recognises a reserve for restructuring based on the restructuring programme approved by the relevant body. The restructuring is a programme that significantly changes the subject of activities of the entity or the manner of how the activities of the entity are conducted. Restructuring may primarily include:

- | relocation of business activities to another locality, or shutdown; and
- | reduction or discontinuation of part of business activities.

The restructuring reserve can be recognised and used only for expenditures necessary for the implementation of the restructuring programme that are not associated with the ongoing activities of the Company.

#### **Reserve for loss-making projects**

The reserve for loss-making projects is recognised when the total expected revenue from the contract is lower than the total estimated cost of the contract. The reserve represents the lowest possible cost to the satisfaction of all contractual obligations.

### **3.11. Foreign Currency Translation**

Transactions denominated in foreign currencies during the year are translated using the fixed exchange rate of the Czech National Bank (the “CNB”) prevailing on the first day of each month.

At the balance sheet date, the monetary assets and liabilities are translated at the CNB’s exchange rate prevailing as of that date.

### **3.12. Finance Lease**

A finance lease is the acquisition of a tangible fixed asset such that, over or after the contractual lease term, ownership title to the asset transfers from the lessor to the lessee; pending the transfer of title the lessee makes lease payments to the lessor for the asset that are charged to expenses.

The initial lump-sum payment related to assets acquired under finance leases is accrued and expensed over the lease period. Future lease payments that are not due at the balance sheet date are disclosed in the notes to the financial statements but are not recognised on the balance sheet.

### **3.13. Taxation**

#### **3.13.1. Depreciation of Fixed Assets for Tax Purposes**

The depreciation of fixed assets is calculated using the straight-line and accelerated methods for tax purposes.

#### **3.13.2. Current Tax Payable**

The management of the Company has recognised a tax payable, and a tax charge based on its tax calculation, which follows from its understanding of the interpretation of Czech tax legislation valid at the financial statements date and believes that the amount of tax is correct and in compliance with the effective Czech tax regulations.

#### **3.13.3. Deferred Tax**

Deferred tax is accounted for using the balance sheet liability method. Deferred tax is recognized for all temporary differences between the carrying amount of the asset or liability on the balance sheet and its tax base.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset and reported in the balance sheet in the total net value, except in cases where some partial tax assets cannot be offset against partial tax liabilities.

### **3.14. Government Grants**

Grants received to offset costs are recognised as other operating income over the period necessary to match them with the related costs. Grants received to acquire tangible and intangible fixed assets and technical improvements and grants towards interest expenses added to the cost are deducted in reporting their cost or internal cost.

### **3.15. Revenues**

Revenue is measured at the value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, value added tax and other sales-related taxes.

Sales of goods are recognised when goods are delivered, and the rights related to those goods are transferred.

### **3.16. Use of Estimates**

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Management of the Company has made these estimates and assumptions on the basis of all the relevant information available to it. Nevertheless, pursuant to the nature of the estimates, the actual results and outcomes in the future may differ from these estimates.

### **3.17. Cash Flow Statement**

The cash flow statement is prepared using the indirect method. Cash equivalents include current liquid assets easily convertible into cash in an amount agreed in advance.

The Company uses "cash pooling" within the České dráhy Group. A receivable (liability) that arises from cash pooling is presented in the cash-flow statement as a part of Cash and cash equivalents. If the liability arising from cash pooling represents a form of financing, then it is not presented in the cash-flow statement as a part of Cash and cash equivalents.

Cash and cash equivalents can be analysed as follows:

Cash and cash equivalents (CZK thousand)	31 Dec 2023	31 Dec 2022
Cash on hand and cash in transit	268	267
Cash at bank	644,158	494,828
Cash in the cash pool account	250,212	50,341
<b>Total cash and cash equivalents</b>	<b>894,638</b>	<b>545,436</b>

Cash flows from operating, investment, and financial activities presented in the cash flow statement are not offset.

### 3.18. Related Parties

The Company's related parties are considered to be the following:

- ▮ parties which may directly or indirectly exercise a decisive influence over the Company or their subsidiaries and associates;
- ▮ parties which may directly or indirectly exercise a significant influence over the Company;
- ▮ members of the Company's or its parent company's statutory, supervisory, and management bodies, and parties close to these bodies, including entities in which these members and entities have a controlling or significant influence; and
- ▮ subsidiaries and associates.

### 3.19. Subsequent Events

The effects of events, which occurred between the balance sheet date and the financial statements preparation date, are recognised in the financial statements in the case that these events provide further evidence of conditions that existed as of the balance sheet date.

Where significant events occur subsequent to the balance sheet date but prior to the financial statements preparation date, which are indicative of conditions that arose subsequent to the balance sheet date, the effects of these events are quantified and disclosed, but are not themselves recognised in the financial statements.

## 4. ADDITIONAL INFORMATION ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

### 4.1. Intangible Fixed Assets

Cost

(CZK thousand)	Balance at 31-Dec 2021	Additions	Disposals	Transfer	Balance at 31-Dec 2022	Additions	Disposals	Transfer	Balance at 31-Dec 2023
Software	108,152	5,293	1,164	–	112,281	28,846	–	–	141,127
Other valuable rights	255,408	–	–	–	255,408	–	–	–	255,408
Other intangible FA	985	–	–	–	985	–	–	–	985
Intangible FA under construction	10,447	10,996	12,105	(2,179)	7,159	28,142	28,846	–	6,455
<b>Total</b>	<b>374,992</b>	<b>16,289</b>	<b>13,269</b>	<b>(2,179)</b>	<b>375,833</b>	<b>56,988</b>	<b>28,846</b>	<b>–</b>	<b>403,975</b>

Accumulated Amortisation and Provisions

(CZK thousand)	Balance at 31-Dec 2021	Additions	Disposals	Transfer	Balance at 31-Dec 2022	Additions	Disposals	Transfer	Balance at 31-Dec 2023
Software	91,870	7,669	1,164	–	98,375	9,951	–	–	108,326
Other valuable rights	136,803	12	–	–	136,815	9	–	–	136,824
Other intangible FA	616	123	–	–	739	123	–	–	862
Intangible FA under construction	–	–	–	–	–	–	–	–	–
Provision for intangible FA	118,549	–	–	–	118,549	–	–	–	118,549
<b>Total</b>	<b>347,838</b>	<b>7,804</b>	<b>1,164</b>	<b>–</b>	<b>354,478</b>	<b>10,083</b>	<b>–</b>	<b>–</b>	<b>364,561</b>

## Net Book Value

Software	13,906	32,801
Other valuable rights	44	35
Other intangible FA	246	123
Intangible FA under construction	7,159	6,455
<b>Total</b>	<b>21,355</b>	<b>39,414</b>

Additions to intangible fixed assets in 2023 included purchase of software licences and own work capitalised to the already completed internal projects, as part of the project for the separation of the České dráhy, a.s., group from the Správa železnic, státní organizace, network and building own network infrastructure, the Company purchased special software. As part of a regular renewal, the Company purchased new software licences from Microsoft.

The most significant additions to intangible fixed assets in 2022 included the purchase of VEST software licenses for issuing statements regarding the existence of networks.

In the second half of 2022, the implementation work associated with the unification of invoicing systems project was disposed of.

## 4.2. Tangible Fixed Assets

### Cost

(CZK thousand)	Balance at 31-Dec 2021	Additions	Disposals	Transfer	Balance at 31-Dec 2022	Additions	Disposals	Transfer	Balance at 31-Dec 2023
Land	54,254	–	–	–	54,254	7,076	–	–	61,33
Structures	2,336,710	195,19	3,689	–	2,528,211	73,024	118	(208)	2,600,909
Tangible movable assets and their sets	741,495	80,231	61,836	–	759,89	65,712	19,33	208	806,48
Tangible FA under construction	235,851	100,938	277,971	2,179	60,997	141,154	145,813	–	56,338
Prepayments for tangible FA	2,165	1,091	2,509	–	747	19,906	19,973	–	680
<b>Total</b>	<b>3,370,475</b>	<b>377,45</b>	<b>346,005</b>	<b>2,179</b>	<b>3,404,099</b>	<b>306,872</b>	<b>185,234</b>	<b>–</b>	<b>3,525,737</b>

### Accumulated depreciation and provisions

(CZK thousand)	Balance at 31-Dec 2021	Additions	Disposals	Transfer	Balance at 31-Dec 2022	Additions	Disposals	Transfer	Balance at 31-Dec 2023
Land	–	–	–	–	–	–	–	–	–
Structures	1,370,144	42,758	3,689	–	1,409,213	44,148	118	(79)	1,453,164
Tangible movable assets and their sets	562,363	52,659	61,836	–	553,186	58,627	19,33	79	592,562
<b>Total</b>	<b>1,932,507</b>	<b>95,417</b>	<b>65,525</b>	<b>–</b>	<b>1,962,399</b>	<b>102,775</b>	<b>19,448</b>	<b>–</b>	<b>2,045,726</b>

### Net Book Value

(CZK thousand)	Balance at 31-Dec 2022	Balance at 31-Dec 2023
Land	54,254	61,33
Structures	1,118,998	1,147,745
Tangible movable assets and their sets	206,704	213,918
Tangible FA under construction	60,997	56,338
Prepayments for tangible FA	747	680
<b>Total</b>	<b>1,441,700</b>	<b>1,480,011</b>

In 2023, in the Structures category, the Company invested in new optical routes primarily on routes and localities Prague – Kolín, Prague – Pilsen. Investments in buildings involved purchases and partial renovations of administrative and warehouse buildings in České Budějovice and Olomouc. Both buildings will be completely renovated in the following year.

The most significant additions in the Structures category in 2022 were expenses for the preparation of geometric plans. Following registration in the Real Estate Register, the initial price of the affected optical routes was increased by these expenses. In 2022, investments were also made in the construction of new or improvement of existing optical connections on routes and locations at Most – Kadaň, Prague, Pardubice – Hradec Králové, and Bludov – Hanušovice. Furthermore, construction

modifications were made to administrative buildings in Olomouc, Ostrava, Prague, Ústí nad Labem, and Liberec. The main construction activities took place in Olomouc, where the administrative building, storage halls, paved areas, and garages were renovated. In other locations, bathrooms and kitchens were renovated alongside the installation of new lighting, extension of parking areas for employees, and the construction of new fence.

Disposals in the Structures category were immaterial in 2023.

In the Structures category, investments in technological premises were sold during 2022 in relation to the terminated lease.

The most significant additions to Tangible movable assets and their sets in 2023 primarily included purchase of components for buildings of own infrastructure that is supposed to provide for a network connectivity and safety supervision for members of the ČD group. The Company purchases special measuring devices, optical fibre welder, and hand tools for maintaining the customer network. The technological room – POP in Pardubice – was fitted with new air-conditioning units and a diesel power unit. In order to enhance the capacity of WDM optical transport networks, new components were installed. In addition, the Company purchased laptops, desktops, and monitors as part of a regular programme for IT technology renewal. Furthermore, a generational replacement of components was completed in order to ensure smooth operations of data centres in Prague and Pardubice.

In 2022, additions in the category of Tangible movable assets and their sets primarily included investments in the construction of new CWDM and DWDM circuits. The MPLS backbone network has been improved through a capacity upgrade to the existing technology. Special measuring devices and hand tools were purchased for the maintenance of the customer network. Laptops, desktops, and monitors were purchased as part of the regular IT renewal programme. Technological rooms throughout the Czech Republic were equipped with masts, air-conditioning units, backup batteries, power supplies, and racks. We also purchased special technologies to protect the network from hacker attacks.

In 2023, disposals in the category of Tangible movable assets and their sets included disposed of obsolete non-functional and non-saleable assets such as: L3 data network components, measuring devices, testers, hand tools, storage array, air-conditioning units, and a diesel power unit. Other disposals in 2023 primarily included the sale of passenger cars to the Company employees, or other customers, through a used-car lot and a sale of computers technology and cell phones, disposed of as part of a regular renewal of devices, to the employees.

In the category of Tangible movable assets and their sets, the Company disposed of and liquidated obsolete non-saleable assets in 2022. These primarily included the liquidation of equipment relating to the termination of the technological premises lease, liquidation of network elements that were replaced by new technologies, liquidation of measuring devices, testers, and hand tools and liquidation of no longer usable facilities from POPs throughout the country. Other disposals in tangible fixed assets in 2022 included sales of computers and cell phones to the employees.

Total tangible fixed assets under construction as of the last day of 2023 primarily included the costs of renovation of the newly purchased building in České Budějovice, investments in building new WDM optical channels and strengthening of the existing or building new optical connections throughout the Czech Republic. The Company additionally made investments in the purchases of special technology of encrypted data transfer using quantum keys. At the end of 2023, the Company started the construction of a new data centre in the Pod Táborem branch.

As of the end of 2022, tangible fixed assets under construction consisted mainly of purchased components for a constructed network and security solution for companies from the ČD, a.s. group, and unfinished projects for the construction of optical routes in various regions of the Czech Republic. The reconstruction of the new administrative building in Olomouc also began this year.

#### 4.2.1. Assets Held under Finance Leases

Finance lease with subsequent purchase of the leased asset

(CZK thousand)	Date of inception	Term in months	Total lease value	Payments made at 31 Dec 2022	Payments made at 31 Dec 2023	Due in 2024	Due in following years
<b>Description</b>							
VW Transporter Kombi 2,0 TDI	Apr-18	54	645	645	–	–	–
<b>Total</b>			<b>645</b>	<b>645</b>	<b>–</b>	<b>–</b>	<b>–</b>

The above figures are net of VAT if input VAT recovery is possible.

#### 4.2.2. Operating Lease

(CZK thousand)	Date from-to	Term in months	Total lease value	Payments made at 31 Dec 2022	Payments made at 31 Dec 2023	Due in 2024	Due in following years
Description							
Fleet of passenger cars	01/17–11/28	35-102	65,326	19,089	30,707	12,990	21,628
Total			65,326	19,089	30,707	12,990	21,628

#### 4.3. Assessment of the Fixed Assets Value

As of the financial statements preparation date, the Company records a provision in the amount of the remaining net book value of easements recorded in Other valuable rights of CZK 118,549 thousand (31 December 2022: CZK 118,549 thousand).

#### 4.4. Non-current Financial Assets

##### 4.4.1. Equity Investments – Controlled or Controlling Entity 2023

(CZK thousand)	Registered office	Cost	Ownership percentage	Equity	Profit or loss	Valuation as of 31 Dec 2023
Name						
ECHIS a.s.	Prague 3, Pernerova 2819/2a	2,000	100%	1,747	(22)	1,747
Total		2,000		1,747	(22)	1,747

2022

(CZK thousand)	Registered office	Cost	Ownership percentage	Equity	Profit or loss	Valuation as of 31 Dec 2022
Name						
ECHIS a.s.	Praha 3, Pernerova 2819/2a	2 000	100 %	1,769	(21)	1,769
Total		2 000		1,769	(21)	1,769

#### 4.5. Inventory

As of 31 December 2023, and 31 December 2022, the net book value of inventory of material amounted to CZK 27,462 thousand and CZK 22,001 thousand, respectively. As of 31 December 2023, and 31 December 2022, provisions for the inventory of material amounted to CZK 6,716 thousand and CZK 6,961 thousand, respectively. The provisions were made against slow-moving inventory and impaired material.

Material principally includes the following components: information technology equipment, laptops, PCs, spare parts and spare parts necessary for the maintenance of telecommunication networks and supply of measuring technology.

The balance of work in progress as of 31 December 2023 and 2022 was CZK 107,423 thousand and CZK 238,073 thousand, respectively, and consisted, as in the previous year, of projects in progress concerning the construction and installation of telecommunication infrastructure, security infrastructure, and other ICT projects.

#### 4.6. Long-term Receivables

Long-term receivables	Balance at 31 Dec 2023	Balance at 31 Dec 2022
Other prepayments (deposits and other securities)	224	224
Long-term prepayments provided to sub-suppliers	92,581	127,838
Long-term retentions	7,838	7,183
Total long-term receivables	100,643	135,245

#### 4.7. Short-term Receivables

The structure of trade receivables is broken down by receivables from entities included in the consolidation group and entities outside the group.

Receivables are not covered by guarantees and none of them is due after more than 5 years. The Company has no receivables or contingent claims which are not included in the balance sheet.



#### 4.7.1. Aging of Intragroup Trade Receivables

(CZK thousand)	Category	Before due date	Past due date					Total past due date	Total
			0–90 days	91–180 days	181–360 days	1–2 years	2 and more years		
2023	Gross	148,019	1,793	–	–	–	–	1,793	149,812
	Provisions	–	–	–	–	–	–	–	–
	Net	148,019	1,793	–	–	–	–	1,793	149,812
2022	Gross	356,769	323	242	–	–	–	565	357,334
	Provisions	–	–	–	–	–	–	–	–
	Net	356,769	323	242	–	–	–	565	357,334

#### 4.7.2. Aging of Other than Intragroup Trade Receivables

(CZK thousand)	Category	Before due date	Past due date					Total past due date	Total
			0–90 days	91–180 days	181–360 days	1–2 years	2 and more years		
2023	Gross	225,759	4,333	482	1,663	2,301	3,552	12,331	238,090
	Provisions	–	–	233	1,212	2,301	3,552	7,298	7,298
	Net	225,759	4,333	249	451	–	–	5,033	230,792
2022	Gross	333,840	3,301	3,853	1,678	–	3,729	12,561	346,401
	Provisions	–	–	1,545	1,678	–	3,729	6,952	6,952
	Net	333,840	3,301	2,308	–	–	–	5,609	339,449

#### 4.7.3. Intercompany Receivables

##### Short-term receivables

Name of the entity (CZK thousand)	Balance at 31 Dec 2023	Balance at 31 Dec 2022
České dráhy, a.s.	136,379	129,300
ČD Cargo, a.s.	8,260	222,553
DPOV, a.s.	578	433
ČD-DUSS Terminál, a.s.	7	8
Výzkumný Ústav Železniční, a.s.	303	178
ČD - Informační Systémy, a.s.	3,979	4,630
JLV, a.s.	63	74
ČD Cargo Logistics, a.s.	34	39
ČD travel, s.r.o.	35	28
Dopravní vzdělávací institut, a.s.	66	66
XT-Card a.s.	1	5
Ostravská dopravní společnost - Cargo, a.s.	66	5
ČD Bus a.s.	41	15
<b>Total short-term intercompany receivables</b>	<b>149,812</b>	<b>357,334</b>
Other than intercompany receivables	230,792	339,449
<b>Total short-term receivables</b>	<b>380,604</b>	<b>696,783</b>

#### 4.8. Short-term Prepayments Made

Short-term prepayments made (CZK thousand)	Balance at 31 Dec 2023	Balance at 31 Dec 2022
Prepayments for leases and lease-related services	184	101
Prepayments for electricity, heat and water	14,412	8,671
Prepayments for easements and payments for the use of land	42	252
Prepayments for the delivery of customer solutions	159,311	8,601
Prepayments for employee training	–	154
Other	11	35
<b>Total short-term prepayments made</b>	<b>173,960</b>	<b>17,814</b>

#### 4.9. Estimated Receivables

Estimated receivables (CZK thousand)	Balance at 31 Dec 2023	Balance at 31 Dec 2022
Estimated receivables from unbilled telecommunication services	13,384	13,906
Estimated receivables from supplier credit notes and bonuses	233	53,348
Estimated receivables from insurance benefits	735	1,088
Estimated receivables from the rebilling of the optical network costs	865	795
Estimated receivables from the rental in non-residential premises	924	924
Estimated receivables from the lease of the optical network, server housing	240	125
Estimated receivables from bill of exchange interest and interest on term deposits	190	462
Estimated receivables from unbilled supplies of customer solutions	274	274
Estimated receivables from operating subsidies	196	784
Other estimated receivables	68	19
<b>Total estimated receivables</b>	<b>17,109</b>	<b>71,725</b>

#### 4.10. Other Receivables

Nominal value of other receivables as of 31 December 2023 and 2022 in the amount of CZK 274,157 thousand and CZK 274,164 thousand, respectively, primarily includes a receivable from Sberbank CZ, a.s., v likvidaci, of CZK 274,154 thousand. A provision of CZK 43,099 thousand was recognised for this receivable.

#### 4.11. Current Financial Assets

Total current financial assets and cash (CZK thousand)	Balance at 31 Dec 2023	Balance at 31 Dec 2022
Cash on hand	268	267
Cash on hand	268	267
Current accounts	644,158	494,828
Cash at bank	644,158	494,828
<b>Total current financial assets and cash</b>	<b>644,426</b>	<b>495,095</b>

#### 4.12. Deferred Expenses and Accrued Income

##### 4.12.1. Deferred Expenses

Deferred expenses (CZK thousand)	Balance at 31 Dec 2023	Balance at 31 Dec 2022
Licences and other SW services	187	243
Lease of the optical network and facilities	13,724	10,567
SW and HW support	77,765	49,788
Newspaper and magazine subscription	54	27
Certification costs	207	17
Other staff costs	414	441
Insurance premium	526	1,128
Low value tangible assets under CZK 10 thousand	839	899
Marketing activities	718	7
Lease and lease-related services	309	55
Design services	38	638
Other	12	19
<b>Total deferred expenses</b>	<b>94,793</b>	<b>63,829</b>

#### 4.13. Equity

As of 31 December 2023, the share capital amounted to CZK 1,633,684 thousand. The share capital comprises 2,042,105 registered shares in the book-entry form with the nominal value of CZK 800 per share.

České dráhy, a.s., with its registered office at Praha 1, Nábřeží L. Svobody 1222, prepares the consolidated financial statements of the smallest as well as the largest group of entities in which the Company is included.

The profit of CZK 89,735 thousand generated in 2022 was distributed following a resolution of the General Meeting held on 27 June 2023 as follows:

- ┆ CZK 4,485 thousand to increase the reserve fund;
- ┆ CZK 4,000 thousand to increase the social fund;
- ┆ CZK 16,250 thousand allocated to retained earnings; and
- ┆ CZK 65,000 thousand paid as dividends.

During the year, the total of CZK 4,102 thousand was used from the social fund in accordance with the collective agreement.

Capital funds from revaluation of assets decreased during 2023 by CZK 23 thousand due to a revaluation of the equity investment in a subsidiary using an equity method.

The Company did not propose the distribution of the profit generated in 2023 before the publication of these financial statements.

#### 4.14. Reserves

Reserves (CZK thousand)	Balance at 31 Dec 2023	Balance at 31 Dec 2022
Reserve for legal disputes and sanctions arising from non-compliance with contracts	87,384	18,215
Reserve for payables arising from the collective agreement	15,061	14,916
Reserve for restructuring	46,554	40,868
Reserve for warranty repairs	8,100	7,100
<b>Total reserves</b>	<b>157,099</b>	<b>81,099</b>

The amount of the reserve for legal disputes and sanctions arising from non-compliance contracts was determined in cooperation with the Company's legal advisors according to the re-assessment of the development of the Company's position in the legal disputes.

The reserve for liabilities arising from the collective agreement related to the commitment to pay extraordinary bonuses provided to employees when turning 50 years of age and to employees leaving their position for the first time when reaching an age entitling them to pension and other liabilities arising from other employment arrangements. During 2023, there were no significant changes of these extraordinary bonuses, which would have a material impact on the amount of this reserve.

The reserve for restructuring is intended to cover the increased one-off costs related to the decrease in the available servicing capacity. The provision is recognised for the settlement of liabilities arising from the collective agreement.

#### 4.15. Payables

##### 4.15.1. Long-term Payables

Long-term payables include payables maturing within more than one year as of the balance sheet date and a deferred tax liability.

As of 31 December 2023 and 31 December 2022, the balance principally includes mainly a long-term retention fee arising from contracts and a long-term advance received for financing of customer solutions.

As of 31 December 2023, the Company reports payables maturing within more than five years in the amount of CZK 3,246 thousand. As of 31 December 2022, payables maturing within more than five years amounted of CZK 113 thousand.

Company's payables are not covered by material guarantees.

#### 4.16. Short-term Payables

##### 4.16.1. Aging of Intragroup Trade Payables

(CZK thousand)	Category	Before due date	Past due date					Total past due date	Total
			0-90 days	91-180 days	181-360 days	1-2 years	2 and more years		
2023	Short-term	10,705	12	–	–	–	–	12	10,717
2022	Short-term	7,873	158	–	–	–	–	158	8,031

#### 4.16.2. Aging of Other than Intragroup Trade Payables

(CZK thousand)	Category	Before due date	Past due date					Total past due date	Total
			0–90 days	91–180 days	181–360 days	1–2 years	2 and more years		
2023	Short-term	432,783	12,545	825	2,986	2,132	–	18,488	451,271
2022	Short-term	232,382	5,331	47,133	2,909	1,451	–	56,824	289,206

#### 4.16.3. Intercompany Payables

Short-term trade payables

Name (CZK thousand)	Balance at 31 Dec 2023	Balance at 31 Dec 2022
ČD Cargo, a.s.	97	110
České dráhy, a.s.	145	233
ČD-Informační Systémy, a.s.	7,284	7,409
Dopravní vzdělávací institut, a.s.	12	9
CHAPS spol. s r.o.	44	240
Výzkumný Ústav Železniční, a.s.	3,135	30
<b>Total short-term intercompany trade payables</b>	<b>10,717</b>	<b>8,031</b>
Other than intercompany payables	451,271	289,206
<b>Total short-term trade payables</b>	<b>461,988</b>	<b>297,237</b>

#### 4.17. Income Tax

##### 4.17.1. Deferred Tax

The deferred tax liability can be analysed as follows:

Deferred tax liability(-)/asset(+) (CZK thousand)	Balance at 31 Dec 2023	Balance at 31 Dec 2022
From the difference between the accounting and tax net book value of assets	(120,728)	(97,488)
Provision for inventory	1,410	1,323
Provision for receivables	665	611
Reserves	32,991	15,409
Estimated payable for unused vacation days	674	342
Estimated payable for bonuses – social security and health insurance	1,802	1,947
Unsettled contractual interest income from delays and penalty	(4)	(8)
Unsettled contractual interest expense from delays and penalty	27	46
<b>Total deferred tax liability</b>	<b>(83,163)</b>	<b>(77,818)</b>

##### 4.17.2. Income Tax Charge

The charge for the year can be reconciled to the profit and loss account as follows:

Income tax on ordinary and extraordinary activities	Balance at 31 Dec 2023	Balance at 31 Dec 2022
Profit before tax	169,574	125,543
Income tax rate	19%	19%
Tax at the domestic income tax rate	32,219	23,853
Tax effect of expenses/income that are not tax deductible/taxable	9,657	10,835
Items decreasing the tax base – donatios	(120)	(114)
Tax relief	(161)	(210)
Tax relating to the prior reporting period	(33)	–
<b>Total income tax on ordinary and extraordinary activities</b>	<b>41,562</b>	<b>34,364</b>

The effective tax rate was 28% and 29% in 2023 and 2022, respectively.

#### 4.18. Due Payables arising from Social Security and Health Insurance, and Tax Arrears

The Company records no due payables arising from social security and health insurance and no due tax arrears.

#### 4.19. Short-term Prepayments Received

Short-term prepayments received (CZK thousand)	Balance at 31 Dec 2023	Balance at 31 Dec 2022
Prepayment for the delivery of customer solutions	277,680	19,737
Prepayment for the delivery of construction work	–	100
Prepayments for the lease of buildings, energies and relating services	1,281	1,141
Other prepayments	10	55
<b>Total short-term prepayments received</b>	<b>278,971</b>	<b>21,033</b>

#### 4.20. Estimated Payables

Estimated payables (CZK thousand)	Balance at 31 Dec 2023	Balance at 31 Dec 2022
Estimated payables for rent, heat and electricity	22,442	20,928
Estimated payables for unbilled sub-supplies	21,621	204,897
Estimated payables for fees for the establishment of servitude	12,036	12,046
Estimated payables for payroll and other salaries	33,812	40,376
Estimated payables for unused vacation days	3,211	1,802
Estimated payables for not rebilled income of the optical network	1,027	985
Estimated payables for the fees to the Czech Telecommunication Office	582	582
Estimated payables for marketing costs	129	550
Estimated payables for advisory and legal services	550	524
Estimated payables for purchase of telecommunication services	6,250	4,865
Estimated payables for HW and SW support	16	10
Estimated payables for repairs of cars and car fleet management	1,431	2,575
Estimated payables for damage events on the transmission network	1,617	2,512
Estimated payables for audit	494	229
Estimated payables for contractual interest and penalties	475	475
Estimated payables for unbilled supplies of fixed assets	240	140
Estimated payables for unbilled supplies of material, etc.	100	892
Estimated payables for education, other staff costs	651	51
Other	41	99
<b>Total estimated payables</b>	<b>106,725</b>	<b>294,538</b>

#### 4.21. Deferred Income and Accrued Expenses

##### 4.21.1. Deferred Income

Income from the lease of the optical network	Balance at 31 Dec 2023	Balance at 31 Dec 2022
Income from the maintenance and construction of the telecommunication infrastructure	122,093	124,596
Total deferred income	51,188	17,524
<b>Total deferred income</b>	<b>173,281</b>	<b>142,120</b>

#### 4.22. Income from Ordinary Activities by Principal Activity

(CZK thousand)	Year ended 31 Dec 2023			Year ended 31 Dec 2022		
	In-country	Cross-border	Total	In-country	Cross-border	Total
Sales of goods	11,199	–	11,199	11,984	–	11,984
Sales of goods – intragroup	41,166	–	41,166	13,763	–	13,763
<b>Total sales of goods</b>	<b>52,365</b>	<b>–</b>	<b>52,365</b>	<b>25,747</b>	<b>–</b>	<b>25,747</b>
Sales of services	1,902,093	7,386	1,909,479	1,294,855	18,506	1,313,361
Sales of services – intragroup	897,839	–	897,839	1,059,103	–	1,059,103
<b>Total sales of services</b>	<b>2,799,932</b>	<b>7,386</b>	<b>2,807,318</b>	<b>2,353,958</b>	<b>18,506</b>	<b>2,372,464</b>
Other operating income	6,698	–	6,698	17,815	–	17,815
Other operating income – intragroup	2,957	–	2,957	6,766	–	6,766
<b>Total other operating income</b>	<b>9,655</b>	<b>–</b>	<b>9,655</b>	<b>24,581</b>	<b>–</b>	<b>24,581</b>

#### 4.22.1. Income Generated with Related Parties

2023

(CZK thousand)	Relation to the Company	Goods	Services	Other operating income	Total
<b>Entity</b>					
				221	883,160
ČD Cargo, a.s.	Fellow subsidiary	3,744,	25,352	–	29,096
DPOV, a.s.	Fellow subsidiary	231	5,373	–	5,604
Výzkumný Ústav Železniční, a.s.	Fellow subsidiary	249	1,825	–	2074
JLV, a.s.	Fellow subsidiary	91	618	–	709
ČD Cargo Logistics, a.s.	Related party	–	282	–	282
ČD travel, s.r.o.	Fellow subsidiary	–	353	–	353
Dopravní vzdělávací institut, a.s.	Fellow subsidiary	2	641	–	643
XT-Card a.s.	Related party	–	54	–	54
Terminal Brno, a.s.	Related party	23	59	–	82
ČD-DUSS Terminál, a.s.	Related party	–	74	–	74
ČD - Informační Systémy, a.s.	Fellow subsidiary	–	16,840	2,724	19,564
ČD BUS a.s..	Related party	–	185	–	185
ECHIS a.s.	Subsidiary	–	–	12	12
Ostravská dopravní společnost - Cargo, a.s.	Related party	–	70	–	70
<b>Total</b>		<b>41,166</b>	<b>897,839</b>	<b>2,957</b>	<b>941,962</b>

2022

(CZK thousand)	Relation to the Company	Goods	Services	Other operating income	Total
<b>Entity</b>					
České dráhy, a.s.	Parent	10,237	661,980	2,694	674,911
ČD Cargo, a.s.	Fellow subsidiary	2,929	365,283	–	368,212
DPOV, a.s.	Fellow subsidiary	49	6,397	–	6,446
Výzkumný Ústav Železniční, a.s.	Fellow subsidiary	262	1,880	–	2,142
JLV, a.s.	Fellow subsidiary	140	505	–	645
ČD Cargo Logistics, a.s.	Related party	–	333	–	333
ČD travel, s.r.o.	Fellow subsidiary	132	362	–	494
Dopravní vzdělávací institut, a.s.	Fellow subsidiary	5	730	–	735
XT-Card a.s.	Related party	9	54	–	63
Terminal Brno, a.s.	Related party	–	60	–	60
ČD-DUSS Terminál, a.s.	Related party	–	83	–	83
ČD - Informační Systémy, a.s.	Fellow subsidiary	–	21,071	4,060	25,131
ČD BUS a.s..	Related party	–	320	–	320
ECHIS a.s.	Subsidiary	–	–	12	12
Ostravská dopravní společnost - Cargo, a.s.	Related party	–	45	–	45
<b>Total</b>		<b>13,763</b>	<b>1,059,103</b>	<b>6,766</b>	<b>1,079,632</b>

All income generated with the related parties was under arm's length.

#### 4.22.2. Purchases from Related Parties

2023

(CZK thousand)	Relation to the Company	Goods	Services	Energy use	Total
<b>Entity</b>					
České dráhy, a.s.	Parent	–	4,640	873	5,513
ČD Cargo, a.s.	Fellow subsidiary	–	3,059	21	3,080
Dopravní vzdělávací institut, a.s.	Fellow subsidiary	–	51	–	51
ČD - Informační Systémy, a.s.	Fellow subsidiary	–	32,286	–	32,286
DPOV, a.s.	Fellow subsidiary	–	–	–	–
XT-Card a.s.	Related party	–	–	–	–
ČD travel, s.r.o.	Fellow subsidiary	–	3	–	3
CHAPS s.r.o.	Related party	–	66	–	66
Výzkumný Ústav Železniční, a.s.	Fellow subsidiary	30	6,137	–	6,167
ČD Cargo Poland Sp. z o.o.	Related party	–	–	–	–
<b>Total</b>		<b>30</b>	<b>46,242</b>	<b>894</b>	<b>47,166</b>

2022

(CZK thousand) Entity	Relation to the Company	Goods	Services	Energy use	Total
České dráhy, a.s.	Parent	209	3,109	526	3,844
ČD Cargo, a.s.	Fellow subsidiary	–	130	19	149
Dopravní vzdělávací institut, a.s.	Fellow subsidiary	–	31	–	31
ČD - Informační Systémy, a.s.	Fellow subsidiary	–	39,931	–	39,931
CHAPS s.r.o.	Related party	224	11	–	235
Výzkumný Ústav Železniční, a.s.	Fellow subsidiary	–	850	–	850
ČD Cargo Poland Sp. z o.o.	Related party	–	56	–	56
<b>Total</b>		<b>433</b>	<b>44,118</b>	<b>545</b>	<b>45,096</b>

#### 4.22.3. Purchases and Sales of Intangible, Tangible Fixed Assets, Financial Assets with Related Parties

##### Sales

In 2023 and 2022, there were no sales of intangible, tangible fixed assets and financial assets to related parties.

##### Purchases

2023

(CZK thousand) Entity	Relation to the Company	Intangible fixed assets	Tangible fixed assets	Financial assets
České dráhy, a.s.	Parent	–	5,127	–
ČD - Informační Systémy, a.s.	Fellow subsidiary	291	–	–
<b>Total</b>		<b>291</b>	<b>5,127</b>	<b>–</b>

In 2023, the Company acquired warehouse and administrative building with the relevant plots of land in the Olomouc area.

Also in 2023, the Company additionally paid fees for the establishment of servitude (easements) on the plots of land owned by České dráhy, a.s. under newly built sections of the optical network. In intangible fixed assets, the Company purchased Lotus Notes licences and upgraded the SAP HANA database from ČD - Informační Systémy, a.s.

2022

(CZK thousand) Entity	Relation to the Company	Intangible fixed assets	Tangible fixed assets	Financial assets
České dráhy, a.s.	Parent	–	15,777	–
<b>Total</b>		<b>–</b>	<b>15,777</b>	<b>–</b>

In 2022, long-term tangible assets were acquired from České dráhy, a.s., this was the establishment of servitudes (easements) on land owned by the parent company for sections of the optical network.

#### 4.23. Consumed Material and Energy

Consumed material and energy (CZK thousand)	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Consumed material	208,084	142,418
Consumed energy	35,993	23,456
Consumed fuel	12,627	13,692
<b>Total consumed material and energy</b>	<b>256,704</b>	<b>179,566</b>

#### 4.24. Services

Services (CZK thousand)	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Repairs and maintenance	3,478	3,940
Travel costs	5,387	4,545
Representation costs	3,053	3,822
Telecommunication and ICT services	277,895	341,799
Advisory, legal services and audit	35,491	34,644
Rent and usufructuary rent	24,136	24,710
Leases	19,383	15,859
Training	8,152	6,218
Marketing services	7,264	6,580
Operations of buildings and waste collection	13,059	10,996
Press services	930	1,042
Sub-supplies	1,118,086	769,271
SW and HW support	28,563	23,540
Maintenance and inspections of devices and facilities	78,862	45,703
Other services	4,330	4,203
<b>Total services</b>	<b>1,628,069</b>	<b>1,296,872</b>

##### 4.24.1. Total Fee to the Statutory Auditor/Audit Company

The information on the fee to Deloitte Audit s.r.o. is disclosed in the notes to the consolidated financial statements of the parent company České dráhy, a.s.

#### 4.25. Adjustments to Values of Intangible and Tangible Fixed Assets

Adjustments to intangible and tangible fixed assets – permanent (CZK thousand)	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Amortisation of intangible fixed assets	10,083	7,804
Depreciation of tangible fixed assets	102,701	93,935
<b>Total adjustments to intangible and tangible fixed assets – permanent</b>	<b>112,784</b>	<b>101,739</b>

#### 4.26. Expenses and Income from the Sold Fixed Assets

Total sales of fixed assets in 2023 amounted to CZK 2,863 thousand. Sales of fixed assets primarily included sales of motor vehicles and redundant computers and cell phones.

Sales of fixed assets in 2022 amounted to CZK 2,667 thousand. The sales of fixed assets in 2022 predominantly included the sale of equipment after the terminated lease of technological premises. The sales from this transaction amounted to CZK 1,408 thousand. Other sales included sales of part of optical fibre routes and, last but not least, sales of redundant computers and cell phones to the Company's employees.

#### 4.27. Sundry Operating Income

Sundry operating income (CZK thousand)	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Contractual fines and default interest	229	13,017
Compensation received from employees for fuel consumption – private travels	2 083	1 767
Share of costs in shared services attributable to ČD-IS	2,724	4,060
Rental and rental related services	1,828	1,200
Operating subsidies	581	1,783
Other operating income	2,210	2,754
<b>Total sundry operating income</b>	<b>9,655</b>	<b>24,581</b>



#### 4.28. Sundry Operating Expenses

Sundry operating expenses (CZK thousand)	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Insurance	5,635	5,238
Fines and default interest	685	1,219
Write-off of receivables and assigned receivables	77	57
Fees to the Czech Telecommunications Office	127	127
Donations	630	600
Thwarted investments	552	8,435
Other operating expenses	1,708	682
Total sundry operating expenses	9,414	16,358

#### 4.29. Interest Income and Similar Income

Interest income and similar income (CZK thousand)	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Interest on bank accounts - cash-pooling	7,432	2,437
Interest on bank accounts	36,006	20,358
Total interest income and similar income	43,438	22,795

#### 4.30. Other Financial Income

Other financial income (CZK thousand)	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Foreign exchange rate gains	19,315	21,934
Total other financial income	19,315	21,934

#### 4.31. Other Financial Expenses

Other financial expenses (CZK thousand)	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Foreign exchange rate losses	21,057	24,172
Banking fees	3,611	3,477
Total other financial expenses	24,668	27,649

## 5. EMPLOYEES, MANAGEMENT, AND STATUTORY BODIES

### 5.1. Staff Costs and Number of Employees

2023

(CZK thousand)	Number	Payroll costs	Social security and health insurance costs	Other costs	Total staff costs
Employees	551.36	347,525	117,990	22,727	488,242
Management	2	3,602	1,219	–	4,821
Remuneration to members of the Supervisory Board	5.58	1,967	665	–	2,632
Remuneration to members of the statutory body	3	13,806	2,843	–	16,649
<b>Total</b>	<b>561.94</b>	<b>366,900</b>	<b>122,717</b>	<b>22,727</b>	<b>512,344</b>

2022

(CZK thousand)	Number	Payroll costs	Social security and health insurance costs	Other costs	Total staff costs
Employees	548.90	336,704	113,918	19,964	470,586
Management	3.08	6,441	1,892	–	8,333
Remuneration to members of the Supervisory Board	5.30	1,853	559	–	2,412
Remuneration to members of the statutory body	2.74	10,994	2,697	–	13,691
<b>Total</b>	<b>560.02</b>	<b>355,992</b>	<b>119,066</b>	<b>19,964</b>	<b>495,022</b>

The number of employees is based on the average recalculated headcount. The category of Management includes top management of the Company.

Company cars are available for use by the members of statutory body and the Company's management.

## 6. OFF BALANCE SHEET COMMITMENTS

### Legal Disputes

The Company was involved in no material legal dispute not reported in the accounting records.

### Environmental Liabilities

As of 31 December 2023, the Company's management is not aware of any contingent liabilities pertaining to damage caused by prior activities or liabilities related to the prevention of potential future damage.

### Bank Guarantees

In relation to the implementation of certain long-term projects, the Company provided bank guarantees through Československá obchodní banka, a. s., Raiffeisenbank a.s., Česká spořitelna, a.s., and Komerční banka, a.s. that amounted to CZK 1,035,154 thousand as of 31 December 2023.

As of 31 December 2022, the Company provided bank guarantees through Československá obchodní banka, a. s., Raiffeisenbank a.s., Česká spořitelna, a.s., and Komerční banka, a.s. that amounted to CZK 1,035,784 thousand.

## 7. POST BALANCE SHEET EVENTS

In connection with the insolvency proceedings conducted on behalf of Sberbank CZ and as part of the settlement of the receivable from Sberbank CZ in the recorded amount of assets, the Company received the first settlement of amount in April 2024.

# REPORT ON RELATIONS

Between The Controlling Entity And The Controlled Entity And Between The Controlled Entity And Entities Controlled By The Same Controlling Entity  
For The Year Ended 31 December 2023

The Board of Directors of ČD-Telematika a.s., with its registered office in Prague 3 - Žižkov, Pernerova 2819/2a, post code 13000, Corporate ID: 61459445, recorded in the Register of Companies maintained by the Municipal Court in Prague, Section B, File 8938, prepared the following report on the relations between the Company and the controlling entity and between the Company and entities controlled by the same controlling entity (hereinafter referred to as "related parties") for the past reporting period from 1 January 2023 to 31 December 2023 (hereinafter referred to as the "Reporting Period"), pursuant to Section 82 of the Business Corporations Act.

## 1. Structure of Relations

- a) A directly controlled related party is a business corporation in which the Controlling Entity holds a voting share representing at least 40% of all votes in the business corporation, unless the same or a greater share is held by another entity or other entities acting in concert.
- b) An indirectly controlled related party is a business corporation controlled by an entity as described in paragraph a).

Of the related parties, only those of which the Company is aware and with whom the Company has agreements in place in 2023 or at the instigation of or in the interest of which there have been negotiations in 2023 relating to assets exceeding 10% of the Company's equity as determined by the latest financial statements have been included in the Report on Relations

The Board of Directors of the Company declares that it has identified the relationships between the Company and ČD and between the Company and relevant related parties and described these relationships in the Report on Relations.

### Controlling Entity

Name: České dráhy, a.s. ("ČD" or "Controlling Entity")  
Registered office: Prague 1, Nábřeží L. Svobody 1222, Post code 110 15  
Corporate ID: 70994226  
recorded in the Register Court maintained by the Municipal Court in Prague, Section B, File 8039

### Controlled Entity

Name: ČD-Telematika a.s. ("ČDT" or "Company")  
Registered office: Prague 3, Pernerova 2819/2a, Post Code 130 00 Legal status: joint stock company  
Corporate ID: 61459445  
recorded at the Municipal Court in Prague, Section B, File 8938

### Entities controlled by the controlling entity – related parties

Name: ČD Cargo, a.s.  
Registered office: Prague 7 – Holešovice, Jankovcova 1569/2c, Post Code 170 00  
Corporate ID: 28196678  
recorded at the Municipal Court in Prague, Section B, File 12844

Name: ČD-DUSS Terminál, a.s.  
Registered office: Lovosice, Lukavecká 1189, 410 02  
Corporate ID: 27316106  
recorded at the Regional Court in Ústí nad Labem, Section B, File 1749

Name: ČD- Informační Systémy, a.s.  
Registered office: Prague 3, Pernerova 2819/2a, 130 00  
Corporate ID: 24829871  
recorded at the Municipal Court in Prague, Section B, File 17064

Name: ČD Cargo Logistics, a.s.  
Registered office: Prague 1 – Nové Město, Opletalova 1284/37, Post Code 110 00  
Corporate ID: 27906931  
recorded at the Municipal Court in Prague, Section B, File 11940

Name: **JLV, a.s.**  
Registered office: Prague 4, Chodovská 228/3, Post Code 141 00  
Corporate ID: 45272298  
recorded at the Municipal Court in Prague, Section B, File 1430

Name: **ČD travel, s.r.o.**  
Registered office: Prague 1, 28. října 372/5, Post Code 110 00  
Corporate ID: 27364976  
recorded at the Municipal Court in Prague, Section C, File 108644

Name: **Dopravní vzdělávací institut, a.s.**  
Registered office: Prague 3, Prvního pluku 621/8a, Post Code 130 00  
Corporate ID: 27378225  
recorded at the Municipal Court in Prague, Section B, File 10168

Name: **DPOV, a.s.**  
Registered office: Přerov, Husova 635/1b, Post Code 751 52  
Corporate ID: 27786331  
recorded at the Regional Court in Ostrava, Section B, File 3147

Name: **ČD Bus a.s.**  
Registered office: Olomouc, Jeremenkova 231/9, Post Code 779 00  
Corporate ID: 17377404  
recorded at the Regional Court in Ostrava, Section B, File 11426

Name: **Terminal Brno, a.s.**  
Registered office: Brno, K terminálu 614/11, Post Code 619 00  
Corporate ID: 28295374  
recorded at the Regional Court in Brno, Section B, File 5643

Name: **Výzkumný Ústav Železniční, a.s.**  
Registered office: Prague 4 – Braník, Novodvorská 1698, Post Code 142 01  
Corporate ID: 27257258  
recorded at the Municipal Court in Prague, Section B, File 10025

Name: **Tramex Rail s.r.o.**  
Registered office: Blansko, Brněnská 1748/21b, Post Code 678 01  
Corporate ID: 26246422  
recorded at the Regional Court in Brno, Section C, File 39862

Name: **XT-Card a.s.**  
Registered office: Prague 3, Seifertova 327/85, Post Code 130 00  
Corporate ID: 27408256  
recorded at the Municipal Court in Prague, Section B, File 10398

#### Entities controlled by the controlled entity

Name: **ECHIS a.s.**  
Registered office: Prague 3, Pernerova 2819/2a, Post Code 130 00  
Corporate ID: 01533177  
recorded at the Municipal Court in Prague, Section B, File 18971

## 2. Manner and Means of Control

The control by České dráhy, a.s. takes place through the exercise of shareholder's rights at the Company's General Meetings and through the membership of the Controlling Entity's representatives in the Company's Supervisory Board.

## 3. The Company's Role in the Structure of Control Relations within the Group and in the Business Relations with Related Parties

In the structure of relations of the entities controlled by České dráhy, a.s., ČD-Telematika a.s. fulfils the task of the main provider of ICT services.

#### 4. Overview of Acts Referred to in Section 82 (2) (d) of the BCA, including the Exceeding of the Value of CZK 190,080 Thousand Representing 10% of the Company's Equity Based on the Financial Statements as at 31 December 2022

ČD-Telematika gained contracts from České dráhy, a.s. and ČD Cargo, a.s. through tenders regarding the equipping of rail vehicles with the mobile part of the ETCS system.

#### 5. Overview of Mutual Contracts within the Group, in which the Company is a Contracting Party

Name of the company	Name of the contract	Type of performance received/provided by ČDT	Number of contracts	Adequate counter-performance
<b>ČD - Informační Systémy, a.s.</b>				
	Confidentiality Agreement	–	4	Yes
	Agreement on the Transfer of Licence Rights to SW	Cash payments provided	1	Yes
	Agreement on the Transfer of Licence Rights to SW	Material performances provided	1	Yes
	Agreement on the Transfer of Licence Rights to SW	Cash payments received	1	Yes
	Maintenance Licence Contract	Cash payments provided	1	Yes
	Memorandum to VPN Family	–	1	Yes
	Implementation Agreement to the Framework Contract for the Operation of the Applications	Cash payments provided	1	Yes
	Implementation Agreement to the Framework Contract for the Operation and Maintenance of the Applications	Cash payments provided	3	Yes
	Framework Service Agreement	Cash payments provided	1	Yes
	Framework Contract on the Provision of ICT Services	Cash payments received	1	Yes
	Framework Contract for the Operation and Maintenance of the Applications	Cash payments provided	1	Yes
	Framework Contract on the Provision of ICT Services	Cash payments provided	1	Yes
	Framework Contract on the Provision of ICT Services	Cash payments received	5	Yes
	Service Contract – Service, Operation and Maintenance of IT Systems	Cash payments provided	1	Yes
	Contract to Perform a Specified Task – Implementation of Technology into ŽKVV	Cash payments received	3	Yes
	Contract to Perform a Specified Task – Operation of the SAP HR System Module	Cash payments provided	1	Yes
	Contract to Perform a Specified Task and to Provide SAP Operation and Support Services	Cash payments provided	1	Yes
	Contract to Perform a Specified Task – Implementation of Technology	Cash payments received	3	Yes
	Contract on the Supply of a Device	–	1	Yes
	Contract on the Lease of Non-Residential Premises	Cash payments received	4	Yes
	Contract on the Provision of the Usage Right for SW	Material performances received	3	Yes
	Contract on the Provision of Central Shared Services	Cash payments received	1	Yes
	Contract on the Provision of ICT Services	Cash payments provided	19	Yes
	Contract on the Provision of ICT Services	Cash payments received	3	Yes
	Subcontract Agreement for a Public Contract	–	1	Yes
	Contract for Granting a Sublicence for SAP HANA RunTime Edition	Cash payments provided	1	Yes
	Contract for the Equipment of ŽKVV with WiFi Technology	Cash payments received	1	Yes
	Contract for the Preparation and Implementation of a Design Solution for a Computer Programme, Licensing and Service	Cash payments provided	1	Yes
	Personal Data Processing Agreement	–	1	Yes
<b>ČD Bus a.s.</b>				
	Framework Service Agreement	–	1	Yes
	Contract for Electronic Invoicing	–	1	Yes
<b>ČD Cargo, a.s.</b>				
	Agreement on the Assignment of a Contract for the Provision of ICT Services	–	1	Yes
	Memorandum to VPN Family	–	1	Yes
	Framework Contract to Perform a Specified Task – Equipping Rail Vehicles with Radio Stations	Cash payments received	1	Yes
	Framework Contract on the Provision of ICT Services	Cash payments received	1	Yes

Name of the company	Name of the contract	Type of performance received/provided by ČDT	Number of contracts	Adequate counter-performance
	Contract for Servicing the Telecommunications Infrastructure of ČD Cargo	Cash payments received	1	Yes
	Contract to Perform a Specified Task – Supply and Installation of ETCS Mobile Component	Cash payments received	2	Yes
	Contract to Perform a Specified Task – Implementation of ICT Solutions	Cash payments received	1	Yes
	Contract on the Lease of Non-Residential Premises	Cash payments provided	4	Yes
		Cash payments received		
	Contract on the Provision of the Usage Right for SW	Cash payments received	1	Yes
	Contract on the Provision of ICT Services		1	Yes
	Contract on the Provision of Communication Network Services	Cash payments received	1	Yes
	Contract on the Lease of a Vehicle	Cash payments provided	2	Yes
	Advertising and Promotion Contract	Cash payments provided	1	Yes
	Contract on the Maintenance and Service of a Device	Cash payments received	1	Yes
<b>ČD Logistics, a.s.</b>				
	Memorandum to VPN Family	–	1	Yes
	Framework Contract on the Provision of ICT Services	Cash payments received	1	Yes
	Contract on the Provision of ICT Services	Cash payments received	1	Yes
<b>ČD travel, s.r.o.</b>				
	Memorandum to VPN Family	–	1	Yes
	Contract on the Provision of ICT Services	Cash payments received	2	Yes
<b>ČD-DUSS Terminál, a.s.</b>				
	Memorandum to VPN Family	–	1	Yes
	Framework Contract on the Provision of ICT Services	Cash payments received	1	Yes
	Contract on the Provision of ICT Services	Cash payments received	1	Yes
<b>České dráhy, a.s.</b>				
	Confidentiality Agreement	–	14	Yes
	Agreement on the Provision of Rent Services	Cash payments provide	3	Yes
	Joint Procedure Agreement	–	1	Yes
	Agreement on Settlement of Non-Contractual Use of Land	Cash payments provided	2	Yes
	HCL License Transfer Agreement	–	1	Yes
	Purchase Contract – Supply of a Device	Cash payments received	2	Yes
	Purchase Contract – Portable and Base Train Car Radios	Cash payments received	1	Yes
	Purchase Contract – Web Application Firewall	Cash payments received	1	Yes
	Purchase Contract and Contract on the Provision of Services	Cash payments received	1	Yes
	Purchase Contract for the Supply of Mobile Phones	Cash payments received	1	Yes
	Purchase Contract for the Sale of Immovable Property	Cash payments provided	1	Yes
	Licence Agreement	Cash payments received	1	Yes
	Memorandum to VPN Family	–	1	Yes
	Methodology for Calculating the Valuation of an Easement	–	1	Yes
	Framework Contract – Rolling Stock Equipment of the ETCS Mobile Part	Cash payments received	4	Yes
	Framework Contract on the Supply of Network Components	Cash payments received	1	Yes
	Framework Contract on the Supply of Network Components	Cash payments received	1	Yes
	Framework Contract on the Supplies of Network Components	Cash payments received	1	Yes
	Contract for Expert Cyber Security Architectural Services	Cash payments received	1	Yes
	Framework Contract to Perform a Specified Task – Construction of Data Networks	Cash payments received	2	Yes
	Framework Contract on the Provision of ICT Services	–	1	Yes
	Framework Contract on the Provision of ICT Services	Cash payments received	9	Yes
	Framework Service Agreement for Preparatory Work	Cash payments received	1	Yes
	Framework Contract on Cooperation	–	1	Yes
	Framework Contract on Cooperation in the Field of ICT	–	1	Yes

Name of the company	Name of the contract	Type of performance received/provided by ČDT	Number of contracts	Adequate counter-performance
	Contract on the Supply of Electric Energy	Cash payments provided	4	Yes
	Contract for the Supply of Mobile Phones	Cash payments received	1	Yes
	Contract for the Supply of Mobile Phones	Cash payments received	2	Yes
	Contract on Water Supplies	Cash payments provided	1	Yes
	Contract for Servicing of Vehicle and Base Radio Sets	Cash payments received	6	Yes
	Agreement on the Future Contract to Grant an Easement	–	22	Yes
	Contract to Perform a Specified Task – 802.1x Implementation	Cash payments received	1	Yes
	Contract to Perform a Specified Task – Installation of Data Cabling	Cash payments received	1	Yes
	Contract to Perform a Specified Task – Device Repairs	Cash payments received	1	Yes
	Contract to Perform a Specified Task – Implementation of ICT Solutions	Cash payments received	1	Yes
	Contract to Perform a Specified Task – Revitalisation of a Depot	Cash payments received	1	Yes
	Contract to Perform a Specified Task – Low-Current Wiring	Cash payments received	1	Yes
	Contract to Perform a Specified Task – Provision of Pilot Testing of the Mobile Network Repeater	Cash payments received	1	Yes
	Contract on Water Supplies	Cash payments provided	1	Yes
	Contract on the Lease of Non-Residential Premises	Cash payments provided	50	Yes
	Contract on the Lease of Land	Cash payments provided	14	Yes
	Contract on the Provision of Services – Reporting of WiFi Failures in Trains	Cash payments received	1	Yes
	Contract on the Provision of the Usage Right for SW	Cash payments provided	2	Yes
	Contract on the Provision of the Usage Right for SW	Cash payments received	1	Yes
	Contract on the Provision of ICT Services	Cash payments received	6	Yes
	Agreement on the Provision of Support Services in the ČD Group	Cash payments provided	2	Yes
	Contract for the Provision of Services – Parking	Cash payments provided	1	Yes
	Contract for the Provision of Data Connectivity Services	Cash payments received	1	Yes
	Contract for the Provision of Services – Infrastructure Servicing and Maintenance	Cash payments received	1	Yes
	Contract for the Provision of Rental-Related Services	Cash payments provided	3	Yes
	Contract for the Provision of SW Maintenance Services	Cash payments provided	1	Yes
	Contract on the Right for Construction	–	3	Yes
	Contract on the Lease of Movable Property	Cash payments provided	1	Yes
	Contract on the Operation of a Telecommunication Network	Cash payments provided	1	Yes
	Contract on the Operation of Applications	Cash payments received	1	Yes
	Contract on the Operation of ISE – ČD User Authentication	Cash payments received	1	Yes
	Contract for the Operation of the Mobile Part of the Vehicle Internet Connection	Cash payments received	1	Yes
	Contract for the Operation of the Terrestrial Part of the Vehicle Internet Connection	Cash payments received	1	Yes
	Contract for the Operation of Application Firewall	Cash payments received	1	Yes
	Agreement on the Allocation of Costs for Liability Insurance	Cash payments provided	4	Yes
	Agreement on the Allocation of Costs for ESG Advisory	Cash payments provided	1	Yes
	Association Agreement – Supply of Consolidated Print Solution Services	–	1	Yes
	Association Agreement for the Purpose of Joint Procedure for Awarding and Executing a Public Contract – ČD Auditing	–	1	Yes
	Contract on Joint Services of Electricity Supplies	Cash payments provided	5	Yes
	Company Agreement for the Purpose of Joint Procurement	–	1	Yes
	Company Agreement for the Purpose of Joint Procurement	–	1	Yes
	Contract on Cooperation in the Provision of Services	–	1	Yes

Name of the company	Name of the contract	Type of performance received/provided by ČDT	Number of contracts	Adequate counter-performance
	Contract on Cooperation in the Provision of Services	Cash payments provided	1	Yes
	Contract on Cooperation in the Provision of Services	Cash payments received	1	Yes
	Contract on Cooperation in Publishing and Subscribing to a Journal	Cash payments provided	1	Yes
	Agreement on the Exchange of Invoicing Data	–	1	Yes
	Contract on the Construction and Lease of a ČD Contact Centre	Cash payments received	1	Yes
	Agreement on Mutual Sharing of Internal Policies	–	1	Yes
	Contract on Mutual Loans	Cash payments received and provided	1	Yes
	Contract for the Operation of the Terrestrial and Mobile Part of the Internet Connection	Cash payments received	2	Yes
	Contract for Data Network Operation	Cash payments received	1	Yes
	Personal Data Processing Agreement	–	1	Yes
	Contract on the Cancellation of the Contract on the Future Easement Agreement	Cash payments received	1	Yes
	The Easement Agreement	Cash payments provided	164	Yes
	Memorandum of Association for the Purpose of Forming an Association of Contracting Authorities	–	1	Yes
<b>Dopravní vzdělávací institut, a.s.</b>				
	Confidentiality Agreement	–	1	Yes
	Memorandum to VPN Family	–	1	Yes
	Framework Contract on the Provision of ICT Services	Cash payments received	1	Yes
	Contract on the Provision of ICT Services	Cash payments received	1	Yes
<b>DPOV, a.s.</b>				
	Confidentiality Agreement	–	1	Yes
	Memorandum to VPN Family	–	1	Yes
	Sublicence Agreement	–	1	Yes
	Contract to Perform a Specified Task – Revitalisation of Network and Security Technologies	Cash payments received	1	Yes
	Contract to Perform a Specified Task – Revitalisation of Network and Security Technologies	Cash payments received	2	Yes
	Contract on the Provision of ICT Services	Cash payments received	1	Yes
	Contract for the Provision of Services – Operation of data Infrastructure	Cash payments received	1	Yes
<b>JLV, a.s.</b>				
	Memorandum to VPN Family	–	1	Yes
	Framework Contract on the Provision of ICT Services	Cash payments received	3	Yes
	Contract on the Provision of ICT Services	Cash payments received	1	Yes
<b>Terminal Brno, a.s.</b>				
	Contract on Domain Administration	Cash payments received	1	Yes
<b>Tramex Rail s.r.o.</b>				
	Confidentiality Agreement	–	1	Yes
<b>Výzkumný Ústav Železniční, a.s.</b>				
	Confidentiality Agreement	–	5	Yes
	Memorandum to VPN Family	–	1	Yes
	Framework Contract to Perform a Specified Task – ETCS	Cash payments provided	1	Yes
	Framework Service Agreement	Cash payments received	1	Yes
	Contract to Perform a Specified Task – Data Distribution	Cash payments received	1	Yes
	Contract to Perform a Specified Task – Delivery and Installation of Vehicle Radio	Cash payments received	1	Yes
	Contract to Perform a Specified Task – Weather Station – Wiring	Cash payments received	1	Yes
	Contract to Perform a Specified Task – Optical and Electrical Connections	Cash payments received	1	Yes
	Contract to Perform a Specified Task – Wi-Fi Implementation	Cash payments received	1	Yes
	Contract to Perform a Specified Task – Construction of Posts	Cash payments received	1	Yes
	Contract to Perform a Specified Task, Contract of Sale and Licence Agreement	Cash payments received	1	Yes



Name of the company	Name of the contract	Type of performance received/provided by ČDT	Number of contracts	Adequate counter-performance
	Service Contract - Vehicle Testing	Cash payments provided	2	Yes
	Contract on the Provision of ICT Services	Cash payments received	1	Yes
	ŽKV Testing Contract	Cash payments provided	1	Yes
	Contract for Certification	Cash payments provided	1	Yes
	Contract on Cooperation and Licence Agreement	–	1	Yes
XT-Card a.s.				
	Memorandum to VPN Family	–	1	Yes
	Framework Contract on the Provision of ICT Services	Cash payments received	1	Yes
	Contract on the Provision of ICT Services	Cash payments received	1	Yes
	Association Agreement for the Purpose of the OREDO Public Contract	–	1	Yes

Confidential information comprises information and facts that are part of the related parties' business secrets and information that was designated as confidential by any entity that is part of the structure of relations described in this Report on Relations. In addition, confidential information includes any business information that could, on its own or in connection with other information, cause damage to any entity belonging to the structure of relations described in this Report on Relations. For this reason, the Report on Relations contains no information on the prices (or amounts) of construction work, supplies, services, or the relevant amounts.

#### 6. Assessment of Detriment and its Compensation

All the contracts and amendments stated above were concluded under arm's length conditions, the same applied to the provided performances and counter-performances. The Company suffered no detriment from the relations that are the subject of this Report on Relations in the reporting period. Compensation of detriment in line with Sections 71 and 72 of the BCA is therefore not considered.

#### 7. Assessment of Advantages, Disadvantages and Risks

The results of the assessment of the advantages and disadvantages arising for the Company from the relations that are the subject of this Report on Relations, especially with regard to the fact that the Company suffered no detriment from them, is the statement that the advantages outweigh the disadvantages, and no significant risks arise from these relations.

#### 8. Conclusion

The Company's statutory body prepared the Report of Relations within the deadline stipulated by law. The Report on Relations was prepared to the best of the Company's knowledge and belief, using available data and documents, and taking all reasonable efforts. The scope of ČD's controlling relations was identified using the data provided by the Controlling Entity. The Auditor's Report is provided within the Company's Annual Report.

In Prague on 27 March 2024



Jan Hobza  
Chairman of the Board of Directors



David Wolski  
Member of the Board of Directors

# OVERVIEW OF ABBREVIATIONS USED

ADPV	Operational Work Data Archive	OPD2	Operational Programme Transport 2014–2020
CSR	Corporate Social Responsibility	OHS	Occupational Health and Safety Management System
CWDM	Coarse Wavelength Division Multiplex	PDA	Personal Digital Assistant
ČD	České dráhy, a. s.	PMD	Polarisation Mode Dispersion
ČD-T/ČDT	ČD - Telematika a.s.	PoP	Point of Presence
ČD-IS/ČD-IS	CD - Informační Systémy, a.s.	ŘSD ČR	Road and Motorway Directorate of the Czech Republic
ČNB	Czech National Bank	SDH	Telecommunication system with synchronised digital hierarchy
ČP	Česká pošta, s. p.	SLA	Service Level Agreement
DC	Data Centre	SQL	Structured Query Language
DHM	Tangible Fixed Assets	SW	Software
DNM	Intangible Fixed Assets	SZP	Social Security and Health Insurance
DPP	Dopravní podnik hl. m. Prahy, akciová společnost	SŽ	Správa železnic
DVI	Dopravní vzdělávací institut, a.s.	TS	Telecommunications Service section
DWDM	Dense Wavelength Division Multiplex	TSK	Technická správa komunikací hl. m. Prahy, a.s.
EBITDA	Earnings before Interest, Taxes, Depreciation, and Amortisation	UPS	Uninterruptible Power Supply
EBT	Earnings Before Tax	ÚPV	Industrial Property Office
ETCS	European Train Control System	VÚŽ	Výzkumný Ústav Železniční, a.s.
ERP	Enterprise Resource Planning (software for accounting and related processes)	Wi-Fi	Wireless Fidelity
FIFO	Inventory Valuation Method (First in, First out)	WDM	Wave Division Multiplex
FM	Financial Assets	ZOKB	Cyber Security Law
GSM-R	International standard of wireless communication intended for railway applications	ŽKV	Railway rolling stock
HW	Hardware	ŽTM	Railway telecommunication assets
ICT	Information and Communication Technologies	ŽVPS	Railway high-speed transmission network
INFRA	Infrastructure section		
IoT	Internet of Things		
IP	Internet Protocol		
IPPD	Integrated support and operational data Information System		
IS	Information system		
IT	Information Technologies		
JZP	Unified recording environment		
L2/L3	a transmission technology		
L2	enables the provisions of Ethernet-type services		
L3	enables the provision of services with natural IP protocol support (e.g., data, voice, video)		
MPSV	Ministry of Labour and Social Affairs		
MVČR	Ministry of the Interior of the Czech Republic		
MVNE	Mobile Virtual Network Operator		
MVNO	Mobile Virtual Network Enabler		
NB	Notebook		
NBÚ	National Security Authority		
OHSAS	Occupational Health and Safety Assessment Specification (Specification for assessing occupational health and safety compliance with the British standard BS OHSAS 18001)		

# INFORMATION ON INDIVIDUALS RESPONSIBLE FOR THE ANNUAL REPORT

Statutory Declaration

The information presented in the Annual Report for 2023 reflects reality, and no material circumstances that could affect the accurate and correct assessment of ČD-Telematika a.s. have been omitted.

In Prague on 15 May 2024



Jan Hobza  
Chairman of the Board of Directors



David Wolski  
Member of the Board of Directors

# IDENTIFICATION AND CONTACT INFORMATION

Company name	ČD - Telematika a.s.
Registered office	Pernerova 2819/2a, Prague 3
Post code	130 00
Corporate ID	61459445
VAT ID	CZ61459445
Bank	Komerční banka, a.s., account number (CZK): 19-5524200217/0100
Register court	Municipal Court in Prague, Section B, File 8938
Phone	+420 972 225 555 +420 972 245 305
Email	cdt@cdt.cz
Web	www.cdt.cz