

Annual Report 2024



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Introductory word



Ladies and Gentlemen, Dear Business Partners,

The Czech railway network is changing before our eyes. It is no longer the reconstruction of individual stations or modernisation of particular line sections. It is a systemic, significant change on a larger conceptual level. The year 2024 was a turning point in this, all the more so because the preparation of projects that are now fundamentally shifting the railway has just reached its peak: we are switching to the European Train Control System (ETCS) on the main corridors and starting to build the first real fast railway line.

Thanks to the work completed, passengers are already enjoying the benefits of the extensive reconstruction of the Pardubice node and the connecting section to Stěblová, which is now a double track. Listed buildings in Pilsen, České Budějovice and Beroun have returned to their original beauty. A sensitive approach to renovations underlines their unique character while adapting them to contemporary needs.

But the list of completed projects is far larger. The railway station in Vsetín has been transformed into a modern transport terminal. Travel is already faster in Vysočina between Vlkov u Tišnova and Křižanov, as well as from Lanžhot to the border with Slovakia. Double-tracked line sections from Prague's Braník Bridge (Branický most) to Spořilov and from

Střelice to Zastávka u Brna increased the necessary railway capacity. Catenary wires have also been added here, taking passengers to the regional capital on modern electric units.

Preparations culminated in 2024 for the revolutionary step of launching ETCS-only operation on six hundred kilometres of main lines. Carrier vehicles and infrastructure were subjected to demanding stress tests before the planned start of exclusive operation of the European Train Control System. I am glad that through the ETCS deployment the Czech railway system has demonstrated its ability to meet the ambitious expectations associated with the single train control system.

Likewise, we have been intensively preparing for another groundbreaking event that will completely change the perception of the Czech railway system. This is the increase of the maximum line speed to 200 km/h. That is how fast the Pendolino tilting trains will run on selected sections of the southern corridor. We have already completed the necessary tests and are prepared to introduce the new speed limit in 2025. The modernisation of the first sections between Brno and Přešov is about to get underway as well. After the completion of the new double-track fast line, speeds of two hundred will be a matter of course here as well.

A real revolution on Czech railway will be ushered in by the construction of high-speed lines (HSL). Thanks to intensive preparation, we have again made great advances in this area. Of the planned 750 kilometres, a full half of the future network is already being designed. The first geological and engineering surveys have begun on the HSL route from Brodek u Přerova to Ostrava and on the cross-border Ore Mountains Tunnel. Preparation of the first section is so far that we are already looking for a partner to secure the land needed.

We are also following new trends in transport construction financing, namely public private partnerships (PPP). This model has already proven itself in the construction of the D4 motorway, and we will use it for the first time in the modernisation and construction of new railway sections between Prague's Velešlavín and Václav Havel Airport. In September, a great number of potential investors and other entities participated in an investor day where we presented the key parameters of this first PPP on Czech railway. Subsequently, in November, we launched a tender for a contractor to facilitate construction and subsequent maintenance.

Once again, we have seen that even though we try to be prepared for anything, reality is always full of surprises. The force of floods that hit us over several extremely rainy days in September was truly unpredictable. Northern Moravia and Silesia in particular experienced water levels on rivers and streams that are only seen once in a hundred years. Not even the railway could withstand it, though, thanks for the foresight of our ancestors, it is usually not immediately overwhelmed by the water element.

Practically the whole autumn was marked by repairs to dozens of damaged lines. We managed to get most of them back into operation within a short time. Repairs will still continue on several remaining sections, where the stormy rivers jumped their riverbeds and carried away the whole line.

During the floods, the firefighters of Správa železnic from all units across the country performed superbly. Right from the beginning they were in full deployment practically around the clock, preventing even greater damage to infrastructure and loss of human life. I am especially proud of the way our firefighters, in

addition to their main task, i.e. ensuring the operation of the railway, helped members of other corps with rescue and evacuation work. And it was not only our firefighters who rushed to the most affected areas, but also many other colleagues.

Behind every success of the past year, I see the professionalism and commitment of our employees. Thanks to them, we managed not only planned projects but also unexpected challenges. We have had a year full of priceless experiences – each of which has taken us further. It is these experiences that we will draw upon in the years to come for further transformation of the Czech railway network.

Prague, 28 March 2025



Jiří Svoboda
Director General

Organisation profile

Basic information on the organisation

Who we are

Pursuant to applicable legal regulations, Správa železnic, státní organizace ('Správa železnic') acts as a railway infrastructure operator and owner.

Legal status

The state-owned organisation was incorporated on 1 January 2003 pursuant to the Act No. 77/2002 Coll., on České dráhy, a.s. (Czech Railways, a joint-stock company), Správa železnic, státní organizace (Czech Railway Infrastructure Manager, a state-owned organisation), and on an amendment to the Act on Rail Systems No. 266/1994 Coll., as amended (the 'Act on Rail Systems'), and the Act No. 77/1997 Coll., on State Enterprises, as amended (the 'Transformation Act'), as one of the legal successors of České dráhy, státní organizace (Czech Railways, a state-owned organisation) – hereinafter referred to as 'ČD, s.o.'. The state-owned organisation was

incorporated without being founded; the Ministry of Transport (MoT) of the Czech Republic is the establishing entity on behalf of the Czech Republic.

Business activity

- operating railway infrastructure;
- ensuring the operability of railway infrastructure;
- maintenance and repairs of railway infrastructure;
- development and modernisation of railway infrastructure;
- preparation of documents to fulfil public service obligations;
- supervision of the use of railway infrastructure, railway operation and its operability.

Správa železnic manages

- railway infrastructure as a state-owned asset;
- assets listed in the Annex to the Transformation Act;
- specified payables and receivables of ČD, s.o., that existed as at 31 December 2002.

Legal ground of business activities

- Správa železnic carries out its business activities in accordance with the Trade Licensing Act.

Our strategic goals

- reliable, safe, smooth, and environmentally friendly rail operation;
- development and modernisation with a view to increase the speed and capacity of the railway infrastructure;

- greater efficiency of the railway infrastructure administration, supervision, maintenance and repairs;
- interoperability – introducing modern interoperable systems and technologies;
- strengthening of pro-client focus and active communication;
- green transition and increasing the market share of rail transport;
- strengthening the position of Správa železnic as a significant and attractive employer.

Správa železnic is involved in a number of scientific projects, primarily as an application guarantor.

Organisation management

Statutory body (as at 28 March 2025)

Director General

Jiří Svoboda

(aged 54 years, graduated from the European Polytechnic Institute in Kunovice and the Institute of Law and Law Science in Prague, holding the office since 23 March 2018)

Statutory Deputy Director General

Mojmír Nejezchleb

(aged 61 years, graduated from the Faculty of Civil Engineering of the Brno University of Technology, representing the Director General in his absence since 23 March 2018)

Management of Správa železnic (as at 28 March 2025)

Deputy Director General for Economics

Tomáš Čoček

(aged 47 years, graduated from the Faculty of Transportation Sciences of the Czech Technical University in Prague, holding the office since 4 April 2023)

Deputy Director General for Infrastructure Modernisation

Mojmír Nejezchleb

(aged 61 years, graduated from the Faculty of Civil Engineering of the Brno University of Technology, holding the office since 1 July 2013)

Deputy Director General for Rail Operability

Karel Švejda

(aged 44 years, graduate of the Faculty of Economics and Management of the Czech University of Life Sciences in Prague and of the Institute of Lifelong Learning of the Brno University of Technology, holding the office since 16 October 2023)

Deputy Director General for Traffic Management

Jaroslav Flegl

(aged 47 years, graduated from the Metropolitan University Prague, o.p.s., holding the office since 1 November 2022)

Corporate governance

Statutory body

The organisation's statutory body manages its activities and acts on its behalf. It makes decisions on all corporate matters unless they

have been entrusted to the competence of the Supervisory Board or the Ministry of Transport.

Composition as at 31 December 2024

Director General
Jiří Svoboda

Statutory Deputy Director General
Mojmír Nejezchleb

Composition as at 28 March 2025

Director General
Jiří Svoboda

Statutory Deputy Director General
Mojmír Nejezchleb

There were no changes during 2024 and 2025.

Management of Správa železnic

Composition as at 31 December 2024

**Deputy Director General
for Economics**
Tomáš Čoček

**Deputy Director General
for Infrastructure Modernisation**
Mojmír Nejezchleb

**Deputy Director General
for Rail Operability**
Karel Švejda

**Deputy Director General
for Traffic Management**
Jaroslav Flegl

There were no changes during 2024 and 2025.

Composition as at 28 March 2025

**Deputy Director General
for Economics**
Tomáš Čoček

**Deputy Director General
for Infrastructure Modernisation**
Mojmír Nejezchleb

**Deputy Director General
for Rail Operability**
Karel Švejda

**Deputy Director General
for Traffic Management**
Jaroslav Flegl

Supervisory Board

The Supervisory Board supervises the exercising of the powers of the Director General, the performance of the organisation's activities and the compliance of its activities with legal regulations. Upon proposals submitted by the Director General, the Supervisory Board approves key organisational policies. It also debates the annual report, evaluates the financial performance, and approves the annual budget.

Composition as at 31 December 2024

Chairperson

Martin Červíček

Vice-chairperson

Ladislav Němec

Members

Michal Šimek
David Čermák
Martin Kolovratník
Pavel Čížek
Zdeněk Zajíček

Composition as at 28 March 2025

Chairperson

Martin Červíček

Vice-chairperson

Ladislav Němec

Members

Tomáš Martinec
David Čermák
Martin Kolovratník
Pavel Čížek
Zdeněk Zajíček

Changes during 2024 and 2025

Position	Period	Change
Member	till 7 February 2024	Jan Lička
Member	since 8 February 2024	Michal Šimek
Member	till 31 January 2025	Michal Šimek
Member	since 1 February 2025	Tomáš Martinec

Audit Committee

The Audit Committee monitors the preparation process of the Financial Statements, assesses the efficiency of the organisation's internal control, internal audit and risk management systems. It also monitors the process of the statutory audit of the Financial Statements, assesses the independence of the statutory auditor and the auditing firm and, in particular,

the provision of additional services to the organisation, and recommends the auditor to audit the organisation's Financial Statements. At the same time, the Audit Committee is entitled to inspect the accounting books or other documents and check the data contained in these records.

Composition as at 31 December 2024

Chairperson

Eva Janoušková

Members

Lenka Hamplová
Tomáš Klinecký
Otakar Hora

Composition as at 28 March 2025

Chairperson

Eva Janoušková

Members

Lenka Hamplová
Tomáš Klinecký
Otakar Hora

There were no changes during 2024 and 2025.

Strategy and Development Committee

The Strategy and Development Committee issues standpoints or prepares position documents, primarily in respect of Správa železnic's strategic materials, strategic proposals of the MoT of the Czech Republic of both legislative and non-legislative nature with impact on the railway sector, proposals for the railway sector arrangement, strategic proposals of the Transport Policy of the European Union (EU) and directives which directly influence Správa železnic's activities, management system, organisational structure and its changes.

Composition as at 31 December 2024

Chairperson

Ladislav Němec

Members

Martin Kolovratník
David Čermák

Composition as at 28 March 2025

Chairperson

Ladislav Němec

Members

Martin Kolovratník
David Čermák

There were no changes during 2024 and 2025.

Milestones of 2024

January

We opened the renovated historical building of the Pilsen Main Station to the public.

We launched a pilot operation of the Datel mobile application.

We officially launched the complete modernisation of Praha Masarykovo nádraží (Prague Masaryk Station). It will get more tracks and a new bridging deck will be built.

February

Passengers began to use the renovated premises of another important railway station building in České Budějovice.

The line section between Pardubice-Rosice nad Labem and Stéblová gained a second track as part of modernisation. We also built a new bridge over the River Elbe.

We launched the main part of the reconstruction of Praha-Smíchov railway station. It will become a part of a joint public transport terminal.

March

Extensive reconstruction of the roof and façade of the historical station building in Teplice v Čechách was completed.

The future Jihlava VRT terminal gained its form. It was designed by the French-Czech association AREP Architectes – monom.

April

We started to organise trainings for carriers focused on the use of the single European Train Control System (ETCS).

We officially launched three construction projects on the line from Brno to Havlíčkův Brod.

May

In Vsetín we opened a new transport terminal building to serve bus and train passengers.

The renovation of three interconnected station buildings in Beroun was completed. This includes not just the departures hall, but also administrative and operation areas.

Reconstruction of the main station in Pardubice lead to a modern platform and a footbridge over the tracks, and the second stage of renovation of the listed building commenced.

At the turn of May and June, the educational railway safety train set off for another run. It visited Olomouc, Pardubice, Pilsen and České Budějovice.

June

The new Pardubice centrum stop brought the railway closer to the historical centre of the regional capital.

We started placing new reflective labels with a location number and telephone contact in case of an emergency on level crossings.

In Prague, we organised guided tours along the route of the future high-speed line.

We completed modernisation of the corridor section from Dětmárovice via Petrovice u Karviné to the state border with Poland.

July

The joint station for high-speed and conventional trains in Hranice na Moravě will be built according to the design of the Swiss-Czech consortium Nemeč Taller Architektúr.

In cooperation with Národní ústav duševního zdraví (National Institute of Mental Health), we launched a campaign to raise awareness about helping people with mental health problems.

August

Trains equipped with ETCS and controlled by trained drivers started to use ETCS on the lines where ETCS will be in exclusive operation from January 2025.

On the newly reconstructed section between Beroun and Karlštejn, we started to use the Automatic Track Warning System (ATWS), which increases the safety of workers during work being carried out when lines are in operation and at the same time enables higher train speeds.

September

In the Liberec region, we started the reconstruction of the Chrastava and Hrádek nad Nisou railway stations.

We hosted an investor day in the historical Fanta building at Prague Main Station. Potential interested parties had the opportunity to get acquainted with the key parameters of the first project implemented as a public private partnership (PPP) on the Czech railway network.

The Olomouc and Moravian-Silesian regions were hit by extensive floods and traffic operations were interrupted on eighty sections. During the first four days alone, railway fire-fighters intervened at 280 incidents.

A ceremonial groundbreaking was held at Jihlava město station for construction of a modern transport terminal to be used by high-speed trains in the future.

October

We started reconstruction of the Neo-Renaissance station building at Plzeň-Jižní Předměstí.

Trains in Prague started to make full use of the new double-track line from Branický most (Braník Bridge) to the branch line at Spořilov.

November

In the record time of just seven months, we completed the main part of the modernisation of the section between Vlkov u Tišnova and Křižanov. This included a new stop at Vlkov-Osová.

The design contract was awarded for the last section of the high-speed line from Prague to Brno. It is the line between Světlá nad Sázavou and Velká Bíteš.

The Orlík water reservoir was spanned by a new arch bridge, allowing modern train units to run on the line from Tábor to Písek.

We announced a tender for the first PPP railway project, the connection from Praha-Velešlavín to Václav Havel Airport.

December

Motorists in the suburbs of Olomouc started to use a new overpass over the railway corridor. It replaced the existing busy level crossing.

Modern electric trains started to run on the new timetable on the modernised and fully double-tracked line from Brno to Zastávka u Brna.

We signed an agreement on the purchase of ČD – Telematika share. This step is necessary to ensure safe and efficient railway operation in the Czech Republic.

The Beroun tunnel project, which is almost 25 km long, received a positive environmental impact assessment (EIA). We plan to start preparatory work in 2028.

Strategy

The vision and strategic objectives of Správa železnic are formulated in the document Strategy of Správa železnic, státní organizace, reflecting the transport policy of the Czech Republic and the one of the EU for the railway transport sector, the European Green Deal, and further accentuate the priorities of the Programme Statement of the Government of the Czech Republic. The strategic objectives relate to all business activities of the organisation and include an international significance. In November 2024, the Director General approved an update of the Strategy of Správa železnic, státní organizace, with the motto Safe, Modern and Sustainable Railway Infrastructure.

Single European Railway Area

The railway holds an irreplaceable position in the transport system. To enhance the efficiency of railway transport, the Single European Railway Area has been established, and basic conditions and principles for the functioning of all stakeholders, including railway infrastructure managers, have been set. Accordingly, Správa železnic's activities are directed towards fulfilling the obligations prescribed by Directive 2012/34/EU of the European Parliament and of the Council in respect of the conditions and principles. The interoperability of the European railway system is a key

issue. To ensure it, Správa železnic has adopted an active approach to the harmonisation of infrastructure parameters and implementation of new technology, in particular the implementation of ERTMS/ETCS train control system and telematics applications.

Správa železnic actively participated, within the framework of the Czech Presidency in the Council of Ministers for Transport of the EU Member States, in preparation of the common position of the Council on the proposal of the European Commission (EC) for a regulation on the Union guidelines for development of the trans-European transport network, the so-called revision of the TEN-T network. The decision will help in the development of reliable transport on the backbone corridors and in obtaining funding for projects in the field of sustainable travel, especially for the development of the trans-European rail network corridors. The agreement is important because a large number of projects, such as the Czech high-speed lines (HSL), have been included in the TEN-T network or promoted through reassignment. The main TEN-T network, newly divided according to the 2030 and 2040 implementation dates, includes the Prague – Brno high-speed connection, VRT Krušnohorský tunel (HSL Ore Mountains tunnel) or the VRT Přešov-Ostrava, while the freight link between Choceň, Hradec Králové and Velký Osek and

other key railway sections will also receive similar support. Compared to the original draft regulation, we have also managed to negotiate the inclusion of the Prague – Lysá nad Labem – Mladá Boleslav – Liberec – Görlitz railway line in the Comprehensive TEN-T Network, which will make it possible to significantly improve train connections between these cities in the future, especially to Liberec. The Czech Republic, in cooperation with Správa železnic, has negotiated with the European Commission to complete the originally proposed so-called urban nodes of Prague, Brno, Ostrava, Pilsen, Liberec, Olomouc and Ústí nad Labem with the other regional cities of Hradec Králové, Pardubice and České Budějovice. This opens up a greater opportunity for them to co-finance their transport projects from the EU. The trans-European transport network is newly defined by Regulation (EU) 2024/1679 of the European Parliament and of the Council of 13 June 2024 on Union guidelines for the development of the trans-European transport network.

Transfer of a part of the ČD – Telematika's plant to Správa železnic

On 19 December 2024, Správa železnic and ČD – Telematika signed an agreement on the transfer of a part of the plant of ČD – Telematika. This step culminated four years of negotiations between the two entities and is a part of the strategy aimed at streamlining the management and maintenance of the telecommunication infrastructure crucial for the operation of railway transport in the Czech Republic. The total amount for the transferred part of the plant is CZK 280.1 million.

The subject matter of the transfer is the section responsible for the main procedural and engineering activities associated with the management and servicing of the railway telecommunication assets of Správa železnic. In connection with the transfer, almost one hundred

of the existing employees of ČD – Telematika will be transferred to Správa železnic, which will contribute to the establishment of its own organisational structure for supervision of servicing and development of railway telecommunication assets.

This transfer is a part of a broader effort of Správa železnic to strengthen the competence and autonomy in the area of telecommunication infrastructure management and maintenance, necessary to ensure safe and efficient railway operation, especially with regard to the implementation of the ETCS.

The implementation stage will start in January 2025 and includes the organisational and technical steps necessary to ensure a smooth and efficient transition of responsibilities. Most of the key departments have been involved in the preparation and implementation phase of the project, especially IT, HR, Finance and Economics, Facility Management and Legislation. Representatives from these departments provide professional supervision, planning and coordination of the activities necessary for the successful deployment of the project. This inter-departmental cooperation is essential for the smooth running of all planned activities.

At the same time, negotiations are underway on a new servicing agreement, the conclusion of which is crucial for the transfer.

According to the purchase agreement, the project implementation date is set at 31 August 2025. In the following months, final inspection and evaluation activities will take place. The transfer will be completed in the course of the fourth quarter of 2025.

These steps reflect efforts to optimise ownership structures and increase efficiency in the railway telecommunication infrastructure in the Czech Republic.

Strategic projects

At Správa železnic, project management is a common tool used to support the efficient achievement of the organisation's strategic goals. Strategic projects are directly linked to these goals, and their implementation is usually a necessary condition for achieving them. The most important projects undoubtedly include the preparation of the high-speed railway lines (HSL), where Správa železnic continued the preliminary project preparation of the main connection Dresden – Prague – Brno – Ostrava/ Břeclav. Apart from the preparation of the high-speed railway system, we have been working on other projects in all areas of Správa železnic's activities.

The project Creation and Development of Digital Technical Maps (DTM) and of the Mapping of Technical Infrastructure continues. The main output of the project will be a functional information system of the Digital Technical Railway Maps (DTMŽ), integrated in the DTM information systems at the level of the Czech Office for Surveying, Mapping and Cadastre, and at the level of regions. The implementation phase of the project continued in 2024. Mapping and surveying of technical and transport infrastructure, digitisation of technical infrastructure documents and last but not least the development of the information system.

The implementation of a programme known as Cyber Security at Správa železnic continued in 2024. The aim of the programme is to protect the perimeter of Správa železnic by implementing technical measures targeted against the vector of probable cyber-attacks that, if successful, may threaten a high number of human lives or cause considerable financial loss to the Czech Republic.

Another strategic topic is safety improvement. We have completed the project of Reducing Accidents on Railway Level Crossings Concept, which is based on the analysis of causes

of accidents and suggests ways to reduce the accident rate. A wide range of tools will be used for this purpose – ranging from technological possibilities to increase safety, through road modification, and ending with developing tools to replace level crossings.

Správa železnic's Strategy and Action Plan 2024

In the follow-up to the Správa železnic's Strategy, the Action Plan 2024 was evaluated in the structure of new strategic objectives:

1. Implement the TEN-T policy.
2. Increase the safety and capacity on selected railway lines.
3. Implement the Fast Connections Development in the Czech Republic Governmental Programme.
4. Eliminate speed restrictions on the railway network.
5. Reduce bottlenecks on the railway network.
6. Unify traction power supply systems and increase the share of electrified lines.
7. Reduce the number of railway accidents and incidents.
8. Improve characteristics of selected lines for freight transport.
9. Develop service facilities.
10. Ensure full operability of the railway network owned by the state.
11. Perform mitigation and adaptation measures of the organisation to climate change.
12. Continue digitalisation, connectivity and network development.

The European Green Deal and Sustainable and Smart Mobility Strategy

At the end of 2019, the European Commission issued the European Green Deal, formulating its commitment to address the challenges brought by climate change and environment.

One of its priorities is to shift a significant portion (75 %) of inland freight transport from roads to railways and waterways. The European Commission shall revise the rules of state aid to reflect the political goals of the European Green Deal, support a cost-effective transition to climate neutrality by 2050, and facilitate the phaseout of fossil fuels.

At the end of 2020, the European Commission issued the Sustainable and Smart Mobility Strategy, setting the future direction of European transport. Its flagship initiatives include:

- Boosting the uptake of zero-emission vehicles, renewable & low-carbon fuels and related infrastructure;
- Making interurban and urban mobility more sustainable and healthier;
- Greening freight transport;
- Pricing carbon and providing better incentives for users;
- Making connected and automated multimodal mobility a reality;
- Innovation, data and artificial intelligence for smarter mobility;
- Reinforcing the single market;
- Making mobility fair and just for all;
- Enhancing transport safety and security.

In November 2024, Správa železnic together with the Czech Chamber of Commerce organised already the fourth edition of the expert forum Green Railway for Europe at the University of Pardubice with the active participation of the Association of Railway Freight Carriers of the Czech Republic (ŽESNAD.CZ) and the Association of Passenger Railway Carriers (SVOD Bohemia). A prerequisite for the railway infrastructure to fulfil its role in sustainable development is a direct reduction of CO₂ emissions per unit of transportation outputs (line electrification, unification of traction power supply system, recuperation), but in particular, in line with the requirements of EU legislation, the facilitation of shifting to railway a substantial portion of road freight transport and a part

of passenger transport, with direct effect of increasing the railway infrastructure capacity. The forum very clearly described the link between these requirements and the projects being implemented and changes being prepared at the Czech railway network to set the future direction more precisely.

In 2024, Správa železnic evaluated a Sustainability Strategy and issued the second Sustainability (ESG) Report. Attention is also paid to the criteria measuring environmental impacts (E – environment), respect to social values and safety (S – social/safety) and good governance aspects (G – governance). The need to overcome the crisis caused by the covid-19 pandemic and by the war conflict in Ukraine should be used as an opportunity to speed-up the decarbonisation and modernisation of the entire transportation and mobility system, to limit its negative environmental impact, to improve the safety and health of Czech citizens, and to meet the Czech Republic's commitments ensuing from its membership in the EU. A green and at the same time digital transformation should reform transportation, establish a new concept of connectivity, and energise the economy.

In July 2023, the European Commission issued the European Sustainability Reporting Standards (ESRS). In November 2023, Správa železnic started the process of implementing them into the organisation's sustainability reporting. The organisation will issue its first ESRS sustainability report for 2024.

Research, development and innovation

Thanks to the central coordination of research and development, Správa železnic carries out these activities using optimal project management across the organisation, with a focus on an efficient utilisation of synergies and available resources. Emphasis is put mainly on areas and topics with a significant application potential, and on reducing the environmental impacts of railway operation. Research and development naturally reflect current and expected future trends of digitalisation and smartification.

The state-owned organisation has been publishing Vědeckotechnický sborník Správy železnic (Scientific and Technical Collection of Správa železnic), a science and technology anthology, which serves as a platform to disseminate findings about the most advanced technologies. The anthology provides an opportunity to share information, knowledge and experience; the published information may be used by staff in day-to-day operations, but also by professionals from collaborating businesses and organisations, and by prospective future employees from among high school and university students. Issues 10 and 11 of this periodical press were published in 2024.

International projects participated in by Správa železnic

The ERTMS/ETCS Deployment Programme of Správa železnic is of fundamental importance for the development and future of railway transport. The aim of the programme is to gradually improve the safety of railway operation and to ensure interoperability in this area. The year 2024 was crucial in preparation for the so-called ETCS-only operation, when, starting in January 2025, the obligation to drive fully under the supervision of this control system was introduced on about 620 km of the most important lines in the Czech Republic, and all vehicles which will be driving on

the lines so equipped must be fitted with this system. On the basis of the valuable experience from the first section with the ETCS L2-only operation between Olomouc and Uničov, where the arising complications have already been resolved and operation under the ETCS has become routine, measures and procedures have been proposed and are being applied throughout the network. Optimisation of selected sites of the GSM-R radio network and intensive work on the transmission systems, including the modernisation of the most important, backbone part of the network, took place. New sections equipped with ETCS L2 were also put into operation – for example the Pilsen node and the Dětmárovice – Mosty u Jablunkova section. Správa železnic therefore already had over 1,200 km of ETCS L2-equipped lines by the end of 2024. Sections of regional lines with ETCS STOP were put into operation as well. The first part of the special ETCS-equipped railway infrastructure maintenance vehicles has been put into service and all drivers who drive these vehicles have been trained, so that Správa železnic is also ready for the ETCS-only operation from January 2025. The Vectron locomotive equipped with the ETCS on-board units is an important help in this process, as it is constantly in operation and, thanks to its technological equipment, it checks the correct operation of the ETCS and thus helps to identify various pitfalls and improve reliability. Správa železnic continued to be active in European structures throughout the year. The Czech Republic is perceived as a major player in the field of ERTMS at a pan-European level, given the significant progress in making the ETCS system operational on both the infrastructure and vehicle sides.

National projects

Správa železnic is implementing the Building Information Management (BIM) method in the organisation, not only in terms of meeting the upcoming legislative obligation, but also in terms of the internal need to digitalise the

construction environment. Every year there is an increase in the number of constructions handled by this digital approach, where high-speed lines are incorporated in addition to traditional conventional lines. In 2024, this involved the inclusion of around a dozen new construction projects in the BIM mode. The ultimate goal of the digitalisation in question is efficient coordination in the design of the technical layout of the construction and the construction itself, with subsequent overlap into the area of asset management.

Správa železnic is an active member of the Interoperabilita železniční infrastruktury (Interoperability of Railway Infrastructure) – Czech Technology Platform, aiming to actively and concretely contribute to ensuring that railway infrastructure construction, production and maintenance complies with the requirements of EU legislation. The flagship project is Digital and Green Railway Infrastructure (CZ.01.01.01/0 7/23_010/000 1253), which is funded by the Operational Programme Technology and Applications for Competitiveness and co-funded by the EU. The main objective of the project is to use the professional capacities of the platform members to promote digitalisation technology and the principles of the European Green Deal in the preparation, construction, operation and maintenance of the railway infrastructure.

Within the framework of the fourth public competition of the Programme for Support of Applied Research, Experimental Development and Innovations THÉTA TK04010081, Správa železnic together with the VSB – Technical University of Ostrava completed the project known as Reduction of Energy Consumption and Negative Environmental Impacts of Rail Transport by Preparing Infrastructure for Trains with Alternative Propulsion.

Within the framework of the Beta 2 programme, the Technology Agency of the Czech

Republic (TACR) awarded a contract and selected a contractor for the TITAMD316 project Analysis of job descriptions for selected jobs at Správa železnic and definition of psychological requirements for performance of individual job positions. This project involves the evaluation of individual job roles and a proposal to determine which occupations should be subject to a psychological fitness assessment. In 2025, Správa železnic will apply for continuation in the follow-up to this project – defining psychological methods and expected results for determining the fitness for employment in individual occupations.

Správa železnic cooperated in the role of co-investigator with the principal investigator – the Faculty of Transportation Sciences of the Czech Technical University in Prague – in the preparation of the bid for the CL02000146 project Sustainable Rail Capacity Allocation Concept in the TRANSPORT 2030 programme of the Technology Agency of the Czech Republic. The Agency has decided to support the project and its implementation will take place from 2025.

Správa železnic cooperated in the role of the application guarantor with the principal investigator – Transport Research Centre – in the solution of the CL01000041 project Means for the Implementation of Low-Emission Technologies in Rail Transport in the TRANSPORT 2030 programme of TACR.

Within the framework of the efforts of the European Union and of the Czech Republic to build infrastructure for alternative fuels and on the basis of the signed framework agreement, Správa železnic in cooperation with ČEZ prepares electric vehicle charging infrastructure around passenger railway stations across the Czech Republic.

In 2024, Správa železnic put into operation 4 photovoltaic power plants (PVPP) out of the total of 25 in progress from the first call

of the Photovoltaic Systems with as well as without a storage programme (Component 2.3 Transition to Cleaner Energy Sources) of the National Renewal Plan and the REPowerEU initiative focused on rooftop photovoltaic power plants.

On the basis of the second call of the MODF – 2 programme New Renewable Energy Sources – Správa železnic submitted 30 applications. These applications and PVPP projects are in various stages of development. For the next grant waves, Správa železnic has identified 300 properties suitable for PVPP installation from the project Proposal of Priority and Suitable Property Assets of Správa železnic for PVPP Installation. Furthermore, it is progressively applying for all buildings the screening of the suitability of the location and subsequent implementation of PVPP plants, especially on the roofs of buildings. The project already includes, for example, the placement of a PVPP plant on the multifunctional hall of diagnostic vehicles of the Centre for Technology and Diagnostics (CTD) in Pardubice, where it is expected that the surplus energy will be used in the local distribution system (LDS) of Správa železnic. Within the framework of modernisation of railway nodes, the possibility of placing PVPP plants on the plots of land of Správa železnic is being investigated, together with the use of generated electricity in the LDS of Správa železnic.

In 2024, the long-term partnership between the Faculty of Transportation Sciences of the Czech Technical University (CTU) in Prague and Správa železnic was further developed. In the follow-up to the joint memorandum concluded at the end of 2023, focused on cooperation in the field of creating competences for the successful construction, operation and use of the high-speed rail system, including system tools in the field of economic and territorial development, social geography, environmental and climate protection, power engineering

and land planning development of the Czech Republic, the Faculty of Transportation Sciences of the Czech Technical University has established an intensive cooperation with ESTACA – Ecole Supérieure des Techniques Aéronautiques et de Construction Automobile, a private university specialising in transport and technology, which cooperates, inter alia, with SNCF on the development of high-speed railways. The aim is to support the development of the Czech HSL network according to French standards. The intensive cooperation will strengthen the training of qualified professionals for the successful construction and operation of high-speed lines in the Czech Republic. Another topic which began to be developed during the year was the optimisation of the requirements for resilience and sustainability of HSL terminal functions within a given territorial unit (Smart Neighbourhoods), on which a workshop was held in November 2024. Last but not least, the mutual cooperation included the topic of transformation of railway station functions and their redevelopment linked to the concept of smart villages, cities and regions. Also in 2024, Správa železnic actively participated in the prestigious event Smart Cities Symposium Prague on 23 and 24 May. On 9 April 2024, it hosted the second international expert conference Smart Rail Via Vindobona focused on Telematics Applications in Relation to Railway Capacity and Efficiency with the participation of TU Dresden, TU Graz and Deutsche Bahn. The Faculty of Transportation Sciences of the CTU in Prague also actively participated in the expert workshop aimed at ETCS and the operation of historical vehicles at the National Technical Museum on 26 November 2024. At the end of 2024, the Technology Agency of the Czech Republic supported a joint project of Správa železnic and the Faculty of Transportation Sciences of the CTU in Prague entitled Sustainable Concept of Rail Capacity Allocation in the Transport 2030 Programme.

In 2024, the long-term partnership between the Jan Perner Transport Faculty of the University of Pardubice and Správa železnic was further developed. Among many activities, it is possible to mention, for example, cooperation on the research project Means for Implementation of Low-emission Technologies in Railway Transport, in which Správa železnic acts as the application guarantor of the project Predictive Maintenance of Rail Transport Paths and supported it by way of the so-called letter of intent. At the end of the year 2024, the project Advanced Diagnostics of Moving Parts of Railway Switches succeeded in the Transport 2030 project call of the TACR, which was also supported by Správa železnic in the form of a letter of intent. Cooperation continued in the provision of the subject Professional Practical Training in Rail Transport, in the follow-up phase of which students can use an opportunity to take professional examinations for the positions of points operator (OZ D-03) and train dispatcher (OZ D-07) and undergo preparation for taking extension examinations for the position of line traffic controller. Správa železnic also actively participates as a partner in a number of professional events organised by the Jan Perner Transport Faculty for the professional public, students and student applicants.

Správa železnic sees great potential for future cooperation in sharing expertise in research, development and innovation in the interest of accelerating the transposition of the newest knowledge into operational practice. This involves the utilisation of know-how in network flow modelling and in the apparatus of optimisation tasks that may help maintain necessary network capacity during demanding construction projects necessitating capacity restrictions of backbone corridor line sections. Within its strategic development, Správa železnic relies on the application of advanced solutions, predictive diagnostics, automation with self-repair function,

or stabilisation in case of degradation. These are first-class innovative technologies in which we appreciate and practice the sharing of know-how and expertise with research, development and innovation institutions.

Organisation's activity

Line anniversaries

Launch of railway transportation

01 January 1874	Lysá nad Labem – Ústí nad Labem-Střekov	150
14 January 1874	Hradec Králové – Lichkov	150
14 January 1874	Ústí nad Labem-Střekov – Ústí nad Labem západ	150
01 June 1874	Dolní Lipka – Lichkov	150
08 June 1874	České Budějovice – Veselí nad Lužnicí	150
06 July 1874	Bílina – Ústí nad Labem	150
05 October 1874	Ústí nad Orlicí – Letohrad	150
05 October 1874	Ústí nad Labem-Střekov – Děčín	150
01 January 1884	Krásný Dvůr – Vilémov – Radonice u Kadaně	140
20 July 1884	Kyjov – Bzenec – Moravský Písek	140
01 November 1884	Hranice na Moravě – Valašské Meziříčí	140
01 November 1884	Bystřice pod Hostýnem – Valašské Meziříčí	140
06 December 1884	Hrob – Moldava v Krušných horách	140
14 December 1884	Šluknov – Mikulášovice	140
12 July 1894	Jablonec nad Nisou – Lučany nad Nisou	130
18 July 1894	Šakvice – Hustopeče u Brna	130
01 September 1894	Havlíčkův Brod – Humpolec	130
01 October 1894	Olbramovice – Sedlčany	130
10 October 1894	Lučany nad Nisou – Tanvald	130
15 October 1894	Starkoč – Václavice	130
24 September 1904	Louny – Rakovník	120
12 November 1904	Petrov nad Desnou – Kouty nad Desnou	120
15 November 1904	Mikulášovice – Dolní Poustevna	120
18 November 1904	Dobronín – Polná	120
01 August 1914	Senice na Hané – Litovel – Mladeč	110
03 November 1924	Dluhonice – Prosenice	100

Operability of the railway infrastructure

The year 2024 was marked by intensive preparations for a key milestone in ensuring increased operational safety on the Czech railway network consisting in the introduction of the ETCS-only operation on approximately six hundred kilometres of corridor lines during January 2025. A number of measures have been implemented on the infrastructure and the transmission path, the ERTMS Supervision workplace in CTD has started its activities, whose employees can use, among other things, the newly installed diagnostic equipment for ETCS data transmissions in the GSM-R network (the so-called EXPANDIUM). We have been cooperating very intensively with carriers, or suppliers and integrators of on-board units of the ETCS system so that the subsequent January start can be as smooth as possible. A series of the ETCS system stress tests organised between January and July 2024 provided valuable insights, with 796 runs under the ETCS supervision in short time intervals on the network of lines entering the ETCS-only operation. Their aim was to verify the functionality and reliability of the system in demanding conditions close to real operation. In the last quarter, Správa železnic used the Vectron traction vehicle for 41 diagnostic runs under the ETCS supervision, during which it covered more than 31,000 kilometres. Two years of the ETCS-only operation on the line from Olomouc to Uničov brought a lot of practical experience as well.

In 2024, the implementation of a new type of construction projects was started to support the maintenance of the operational characteristics of the railway, the so-called simple renovation works, including both cyclic renewal projects and other simple renovation works. These construction works are financed from investment funds and their preparation and implementation are organised by regional directorates. In the past year, 17 such projects were carried out with a total allocation of CZK 2.55 billion. In six cases, these were so-called cyclic renewals on the TEN-T lines, both in the area of the railway superstructure, e.g. cyclic renewal of the line Hranice na Moravě město – Hustopeče

nad Bečvou) and the overhead contact line (e.g. cyclic renewal of the overhead contact line in the section Lysá nad Labem (excl.) – Stará Boleslav (excl.)). Their implementation contributed to maintaining the technical standards and characteristics of the most important lines. Eleven other simple renovation projects on the nationwide and regional railways significantly helped to improve the condition of the railway superstructure as well as the train protection equipment. A significant part of the financial means was also directed to several sections of lines in the Šumava region. Thanks to this programme, it was possible to optimise the characteristics of the infrastructure in this region and in other areas and to extend the service life of selected elements of the infrastructure. At the same time, speed limits were removed in some sections and higher speeds for modern vehicles were introduced.

Mainly thanks to the favourable allocation of financial means, a number of repair projects on the railway infrastructure could be implemented. Operationally, technically or in terms of their extent, significant repair works on the infrastructure with unit costs exceeding CZK 10 million and predominantly to be carried out in 2024 were performed in 114 railway stations, intermediate sections or line technological units; 21 of them had unit costs exceeding CZK 50 million. In terms of costs, the most significant repairs were carried out in the past year in such line sections as Poříčany – Nymburk hl. n., Čerčany – Sázava, Třemošná – Horní Bříza or in the Česká Kamenice or Meziměstí railway stations. Even in the case of bridges, overhead lines and signalling equipment, partial repairs were not avoided. Larger repair actions bring the benefit of eliminated speed drops, which consists in the possibility of using the speed according to the table of track ratios in the sections between stations or at operating points where the train speed had been restricted due to unsuitable conditions in the past. This happened on approximately 40 km of railway lines in 2024.

Selected operating characteristics for 2024 were also favourable, with, among other things, a reduction in the number of hours of disruption of service due to overhead contact line and power supply failures by 17.37 % compared to 2023. The extent of line sections requiring the introduction of monitored slow runs was kept at low levels. At the same time, the annual average of the cumulative lengths of these slow runs at the end of individual calendar months was only slightly above 2 km, representing the lowest ever value over the past ten years. At the same time, the total length of monitored slow run sections at the end of 2024 was only 0.165 km.

As a result of extensive flooding in mid-September, railway operations were suspended on almost sixty railway line sections, including a part of the railway corridor. The most critical situation was in the Moravian-Silesian Region, especially in the Ostrava, Opava and Krnov regions, and in the Olomouc Region in the foothills of the Jeseníky Mountains. Compared to the relatively rapid restoration of traffic operations on most lines in the central and eastern parts of the affected region, post-flood recovery in the north-western part of the region proved more difficult. However, operation on most lines was restored during the remaining part of 2024. Considering the significant damage to the remaining four railway line sections of the regional railways, their restoration to service will take place during 2025, or in the case of the section between Opava and Kravaře, the restoration will be completed later due to the form of the overall reconstruction project.

In 2024, we intensively continued to work on the project of the so-called standard solutions for the unification of repetitive parts of railway construction projects, which are a way to simplify the creation of the design documentation and increase the standard of quality and appearance of stops and stations. A total of 32 model sheets have already been issued, fifteen in the past year, for example for platform accesses or for the roofing of underpass exits.

The Diagnostics and Recalculations of Strategic Bridges project has moved to the next phase, which includes a detailed expert analysis of operationally exposed bridges with long bridge lengths. For selected bridges, it includes verification and updating of operational parameters such as load capacity and transmissibility, line class of loading and speed. Based on the results, specific safety guarantees for the continued operation of the bridges under assessment will be defined.

Activities to increase safety of traffic operation at level crossings continued, both through the implementation of capital expenditure projects and other measures. Within the framework of the programme for modernisation of at least 500 level crossings in the period 2022-2025, 150 level crossings were renovated last year, a total of 507 crossings for the period 2022-2024. In the second half of the year, Správa železnic focused, among other things, on the renewal of the related traffic signs, by starting to stick out new, more visible retroreflective labels with the numerical marking of level crossings supplemented with the contact information in case of emergency – SOS 112. At the same time, the replacement of traffic signs in the case of protection of level crossings with warning crosses continued, primarily on roads of Class I to III and local roads of Groups A to C. Activities to reduce the number of level crossings also continued in 2024, with a total of 58 level crossings cancelled. The strategic goal of Správa železnic is to reduce the number of level crossings to approximately 7,000 by 2030, given the current number of 7,533 level crossings as at 31 December 2024. After the completion of the second pilot project at the level crossing in the Studénka railway station, the preparation of forty more level crossings supplemented with camera systems for the detection of offences accelerated as a measure combining prevention with the threat of sanctions.

The year 2024 also brought a shift in the preparation of equipment for recharging the first electric units with batteries (so-called BEMUs),

which were put into regular operation comprising the first four units on the lines of the Moravian-Silesian Region in mid-December 2024. The delivery of the technology of three charging stations and their actual implementation in the Štramberk, Budišov nad Budišovkou and Krnov stations will take place in 2025.

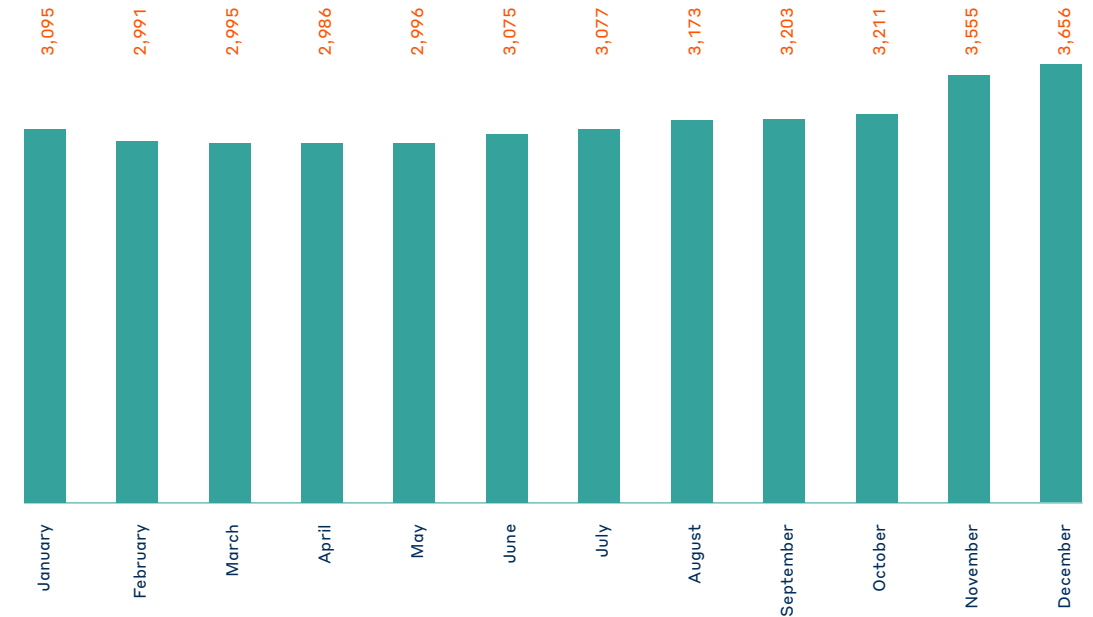
During 2024, the first wave of PVPP installation was being completed in 27 locations with a total installed capacity of 1,036 kWp. The first to be commissioned was the PV power plant on the roof of the new operational building of Správa železnic at the Praha-Libeň railway station, which produced a total of 49.67 MWh of electricity during the second half of the year, followed by the commissioning of PV power plants on buildings in Beroun (Skladištní Street) and Ostrava (Muglinovská Street) in November. These projects were co-financed by the National Recovery Plan and the Modernisation Fund, or their implementation was a part of comprehensive capital expenditure projects.

In a way similar to previous years, Správa železnic provided traction electricity supplies for subsequent time periods for all railway carriers using dependent traction. For the period of 2025, thanks to a suitably established purchasing strategy, it has been possible to ensure the supply of traction electricity at favourable prices. A total of 80 % of the expected quantity was procured through a phased purchase with price fixation to the annual product of the wholesale market of the power exchange with an addition index of CZK 142.90/MWh, the remaining 20 % will be ensured during 2025 through the OTE daily market (so-called SPOT) with an addition index of CZK 120/MWh. This resulted in a year-on-year decrease in the price of traction electricity by CZK 632/MWh with potential savings of CZK 750 million, which is due to the reduction of the fixed part of the price and the reduction of the addition indices with respect to 2024. The so-called hybrid model continued to be used to calculate the traction electricity consumption, which also allows the use of on-board measurement data. 116 locomo-

tives or electric units of carriers have been newly equipped with the traction electricity metering system and a total of 825 such equipped vehicles have been operated. The hybrid model for calculating consumption is already used for about

75 % of the measured electricity. Through purchases on commodity exchanges, Správa železnic has also ensured the contractual supplies of natural gas and electricity for the transport sector, under a central procurement regime.

Chart 1 – Price development (CZK/MWh) of traction power electricity in 2024



A new direction in the field of rail mechanisation was started in 2024 thanks to both the updated strategy for renewal of special vehicles for track maintenance and the new concept for maintenance of special vehicles. In accordance with these documents, preparations were made for the acquisition of new special vehicles, partly based on road-rail vehicles, and internal organisational changes were made to the structure of Správa železnic in this area. The delivery of six new special vehicles for overhead contact line maintenance, type designation MTW 100.1, was completed last year. At the end of the year, a contract was concluded for the delivery of a 50-unit series of vehicles of the MUV type (multi-purpose motor vehicle) equipped also with the on-board unit of the ETCS. For the reason of continuity of activities

from January 2025 – due to the introduction of the ETCS-only operation of trains under full ETCS supervision on approximately six hundred kilometres of lines – deployment of the on-board units of the ETCS was carried out in 98 selected special vehicles of Správa železnic to ensure the operability of the railway (retrofitting). These activities were followed by the training of drivers of Správa železnic, 283 of whom successfully passed the relevant examination. Správa železnic, as the entity in charge of maintenance (ECM) of its railway vehicles, in December 2024 successfully defended the Certificate of Conformity of the Entity in Charge of Maintenance and the Certificate of Conformity for Maintenance Functions in the scope of maintenance development, rolling stock maintenance management and maintenance

execution according to Directive (EU) 2016/798 of the European Parliament and of the Council. No non-conformities were found in the audit carried out by the Rail Authority of the Czech Republic and only partial opportunities for improvement were identified. This was also facilitated by the introduction of the SAP PM repair module, which enables centralised tracking of inspection and repair dates for railway vehicles. As at 31 December 2024, the system was successfully launched in all regional directorates of Správa železnic. Among a number of ongoing activities in the field of modernisation of diagnostic equipment, the project of a new measuring track unit for the diagnostics of the traction power supply system with a measuring speed of up to 230 km/h continued with the conclusion of a contract for the conversion of the Siemens Viaggio base cars for the subsequent delivery and installation of the measuring technology. The delivery of the new vehicle is expected in 2028.

Fire Rescue Corps of Správa železnic

In 2024, the organisation managed to fulfil the planned intent of integration of the National Operations and Information Centre (COIS) of the Fire Rescue Corps into the newly established Situation Centre of Správa železnic, which was put into operation after a short test period on 1 January 2024 and the COIS of the Fire and Rescue Corps became a part of it right from the beginning. Initial experience has shown that direct cooperation of individual dispatching units concentrated in one workplace has great potential in dealing with complex operational situations on the railway network. The implementation of the projects for the construction of new fire stations in Nymburk and Cheb, which started in the first quarter of 2024, began to take a concrete shape. Intensive preparation of the new fire stations in Česká Třebová, Pilsen and Ústí nad Labem continued.

Railway Geodesy Administration

In 2024, the trend of an increase in the volume of design work for railway superstructure repair work at the projects of the regional directorates continued. There was an increase from 179 km in 2022, or 391 km one year later, to 712 km in 2024. In the first quarter of 2024, the Railway Geodesy Administration (SŽG) prepared geodetic and mapping documents for all 109 commissioned level crossings within the framework of the task Extraordinary Inspections of Level Crossings on Corridor Lines, and provided the designer's assessment with regard to ČSN for 88 crossings. In addition to these geodetic and mapping documents, geodetic documentation for the preparation of the construction of high-speed lines (HSL) and capital expenditure projects on conventional railways was acquired through SŽG during 2024.

The implementation of the Digital Technical Map of Railways (DTMŽ) project continued. By doing so, Správa železnic joined the implementation of the Digital Technical Map of the Czech Republic (DTM ČR), which is to become an integral part of the digitalisation of construction management and land-use planning and zoning agendas. Intensive collection of data on infrastructure and preparation of the associated information system. In 2024, a survey was completed for 1,973 km of the basic spatial situation, as well as identification and survey for 3,942 km of technical infrastructure. 27,126 km of technical infrastructure were also digitised from original documentation in different formats, thus unifying the background documents in a single data model and forming the basis for the technical and operational information. DTMŽ thus brings a new quality to the existing description of the railway network. For the entire railway network, previously fragmented, incomplete or multiple data will be unified, completed and made available. The project is co-financed by

the Operational Programme Enterprise and Innovation for Competitiveness. An important milestone was reached on 1 July 2024, when the DTMŽ information system was interconnected with the information systems of the Digital Public Administration Map and of the DTM of all 14 regions, as a requirement of legal regulations.

Public procurements

Pilot operation of Správa železnic's qualification system continued in 2024. The system is a modern tool of the sectoral contracting authority serving mainly to unify the requirements for the qualification of suppliers and reduce the administrative burden associated with participation in tender procedures. The organisation has gradually managed to fill up the system sufficiently, with a total of 403 classifications across 27 filled categories (partially filled in 5 cases) registered at the end of 2024. In 2024, a total of 208 public contracts with an estimated value of CZK 5,116 million (VAT exclusive) have been awarded under the qualification system with the tendered contract price being CZK 4,466 million. Public contracts awarded in the system in 2024 had a higher average number of bids than public contracts launched by publication on the contracting authority's profile, which resulted in cost savings for Správa železnic. Other benefits gained include the fact that public contracts awarded through the system showed a better ratio of estimated value to the tendered price. Compared to previous procurement practices, there were fewer contracts exceeding their estimated value. As at 31 December 2024, the pilot operation was completed, followed by the launch of full operation. A well-established and well-functioning qualification system helps Správa železnic to successfully develop its procurement environment.

Expenses incurred on ensuring operability

Správa železnic ensures repairs and maintenance of nationwide and regional railway infrastructure, comprising the following sectors: railway lines (superstructure and substructure), railway constructions, bridges and tunnels, buildings and ground constructions, electrical and energetics equipment, telecommunication and signalling equipment. In addition, Správa železnic also ensures repairs and maintenance of railway stations, including cleaning and security of the premises. To complete the task, it uses not only its own HR, engineering and technical capacity (primarily the capacity of its own organisational units – the Regional Directorates and specialised units) but also contractual relations with suppliers operating in the respective market, selected through tender procedures. In 2024, these activities were financed from the State Fund for Transport Infrastructure (SFDI) budget, which provides Správa železnic with non-investment funds, from the grant for ensuring operability from the Ministry of Transport of the Czech Republic and from revenues from lease of non-residential premises at railway stations, from the operation of facilities and services for the public (WC) and other external pursuits relating to this segment.

In 2024, total operating expenses, not including depreciation and amortisation, incurred on ensuring the operability of the railway infrastructure, including the relevant allocation of centrally recorded expenses, amounted to CZK 21,59 billion.

Table 1 – Selected activities

Indicator	Unit of measurement	Quantity 2024	Quantity 2023
Track geometry modification	km	2,047	1,658
Switch geometry modification	pcs	1,385	1,294
Ballast cleaning – tracks	km	215	206
Ballast cleaning – switches	pcs	287	205
Continuous welded rail, welding – tracks	km	431	662
Continuous welded rail, welding – switches	pcs	397	359
Replacement of rails	km	1,117	512
Replacement of sleepers	pcs	303,301	315,446

Table 2 – Basic description of the railway network

Indicator	Unit of measurement	Quantity 2024	Quantity 2023
Total length of lines	km	9,349	9,349
Length of electrified lines	km	3,271	3,258
3 kV DC traction system	km	1,782	1,781
25 kV AC 50 Hz traction system	km	1,451	1,439
1.5 kV DC traction system	km	24	24
15 kV AC traction system	km	14	14
Length of standard-gauge lines	km	9,326	9,326
Length of narrow-gauge lines	km	23	23
Length of single-track lines	km	7,279	7,279
Length of double-track and multiple-track lines	km	2,070	2,070
Total construction length of tracks	km	15,079	15,079
Number of switch units	pcs	21,462	21,462
Number of bridges	pcs	6,739	6,728
Number of tunnels	pcs	169	169
Total bridge length	m	156,630	156,052
Total tunnel length	m	55,940	55,940
Number of level crossings	pcs	7,533	7,580

Table 3 – Overview of buildings managed by Správa železnic

Indicator	Unit of measurement	Quantity 2024	Quantity 2023
Number of buildings	pcs	7,920	7,987
Built-up area	m ²	1,714,232	1,704,636
Built-up space	m ³	12,661,307	12,668,585

Modernisation and development of railway infrastructure

In terms of modernising and developing the railway infrastructure, Správa železnic's long-term objective is to prepare and implement investment projects focusing on the following priorities:

- Modernisation of railway transit corridors;
- Modernisation of railway nodes;
- Modernisation of other lines integrated in the European railway system;
- Ensuring the interoperability of selected lines;
- Investment in the railway infrastructure to support the development of suburban Transport and integrated transport systems;
- Investment into passenger station assets;
- Investment into Fast Connections planning.

Modernisation of railway transit corridors

The modernisation of railway transit corridors means higher-quality railway transport in the Czech Republic and a significant reduction of travel times on key railway lines, especially Prague – Ostrava and Prague – Brno. The completed modernisation of Corridor I on the Břeclav – Brno – Česká Třebová – Prague – Děčín railway line and of Corridor II on the Břeclav – Přerov – Ostrava – Petrovice u Karviné railway line was followed by the modernisation of Corridors III and IV.

Corridor III passes via Mosty u Jablunkova, the Slovak/Czech state border – Dětmarovice – Ostrava – Přerov – Česká Třebová – Prague – Pilsen – Cheb, the Czech/German state border. The Česká Třebová – Prague line section was completed as part of Corridor I, and the Přerov – Dětmarovice line section as part of Corridor II. Table 4 contains incomplete line sections of Corridor III, which are ongoing or in design preparation stages.

Table 4 – Overview of works on Corridor III

Project description	Length (km)	Stage of completion	Project launch	Project completion
Optimisation of the Praha-Smíchov – Černošice line section	8.8	ongoing	8/2019	1/2026
Optimisation of the Karlštejn – Beroun line section	5.7	ongoing	10/2023	10/2026
Optimisation of the Černošice – Berounka branch line section	5.9	in preparation	2026	2030
Optimisation of the Berounka branch – Karlštejn line section	15.5	in preparation	2026	2030

Corridor IV consists of the Horní Dvořiště – České Budějovice – Prague – Děčín – Czech/German state border railway line. The Prague – Děčín – Czech/German state border line section was implemented under Corridor I. Table 5 contains structures in the line section Horní Dvořiště – České Budějovice – Prague, which are in design preparation stages.

Table 5 – Overview of works on Corridor IV

Project description	Length (km)	Stage of completion	Project launch	Project completion
Modernisation of the Nemanice I – Ševětín line section	17.1	in preparation	2026	2032

Apart from the above, Správa železnic started to reconstruct the eight busiest corridor sections, aiming at preventing the line speed reduction, ensuring interoperability parameters and enhancing the reliability and safety of operation. These projects are co-funded from the European Investment Bank (EIB) and Connecting Europe Facility (CEF) funds. The Velim – Poříčany line section was put into operation. In the case of the Lipník nad Bečvou – Drahotuše line section and the provision of barrier-free access to the platform at the Kolín railway station, the implementation continues. The CEF funds were used also for completion of the renovation of the section of the Corridor I between Lanžhot and the Slovak state border.

Modernisation of railway nodes

In connection with the modernisation of corridor lines, significant railway nodes on their routes are being modernised too. Finished are the passages through the railway nodes of Děčín, Ústí nad Labem, Kolín, Choceň, Ústí nad Orlicí, Břeclav, Přešov (the first construction project), Olomouc, Bohumín and Cheb and certain sections of the Pilsen node. At the Prague node, line sections Úvaly – Praha-Běchovice – Praha-Libeň and Praha-Holešovice – Praha-Bubeneč have been completed and put into use, completing

the passage of Corridor I through the node. The renovation of the Negrelli viaduct has been completed as well. The reconstruction of the Praha-Hostivař – Praha-Vršovice railway line section has been finished as well, ensuring the admission of Corridor IV to the Prague node. The implementation of the double-tracking of the line in the Branický most (Braník bridge) – Praha-Krč – Spořilov section has been completed. The modernisation work at the Brno Main Station has been completed and the same holds for the renovation of the Přešov node (2nd part). The Pardubice and Pilsen nodes were completed, except for the repair of the Doubravka marshalling yard. Renovation of the Praha-Smíchov station and complete modernisation of the Česká Třebová node was started. Further design preparation for through-passes in the Brno and Ostrava nodes is also continuing.

Modernisation of other lines integrated in the European railway system

The reconstruction and modernisation of the Kolín – Havlíčkův Brod – Křižanov – Brno line is progressing, with certain sections already completed and put into operation. Renovation of the Přibyslav – Pohled section was started and the construction works at the Vlkov u Tišnova railway station, on the Vlkov

u Tišnova – Křižanov line section and also at the Brno-Královo Pole railway station continued. The modernisation of the Lysá nad Labem – Čelákovice – Praha-Vysočany line section continues, the implementation of the last remaining construction between Čelákovice and Mstětice is underway. Renovation of the railway station in Vsetín was completed. The optimisation of the Havířov – Havířov-střed section continues. The modernisations of the Kolín – Nymburk – Všetaty – Ústí nad Labem – Děčín and Plzeň – Domažlice lines are being prepared. Furthermore, construction works are being prepared in such sections as Ústí nad Labem – Most – Cheb and České Budějovice – Plzeň and also between Vsetín and Valašské Meziříčí. The design preparation for the construction of new Ústí nad Orlicí – Choceň and Brno – Přešov railway lines is underway. Implementation of several projects of grade-separated crossing of railway lines with busy roads was started.

Ensuring interoperability of selected lines

Other significant investments include construction projects ensuring the interoperability of the railway network in terms of telecommunication and signalling technology of the ERTMS system. In the course of 2024, the GSM-R radio network coverage was further extended and supplemented by the Pardubice – Hradec Králové – Jaroměř section, which thus complemented the previously completed parts of the transit corridors and other main lines. The Hranice na Moravě – Horní Lideč, Slovak state border and Brno-Horní Heršpice – Zastávka u Brna line sections are in the design phase within the framework of contracts in the form of P+R. Design preparation is underway for other line sections.

In 2024, following the previously completed deployment of the ETCS on the Kolín – Břeclav – Austrian/Slovak state border, Petrovice u Karviné / Mosty u Jablunkova – Ostrava –

Přešov – Břeclav, Český Brod – Praha-Běchovice – Praha-Uhřetěves – Votice – České Budějovice (excl.), Česká Třebová – Přešov, Ústí nad Orlicí – Lichkov and Beroun – Plzeň – Cheb sections, works on the Olomouc – Uničov and Český Brod – Kolín sections were completed during the year and at the same time the work has started on the deployment of the ETCS system on the Praha-Vršovice – Praha-Hostivař, Praha-Libeň – Kralupy nad Vltavou, Pardubice – Hradec Králové sections and at the České Budějovice node. The Brno-Horní Heršpice – Zastávka u Brna, Praha-Vysočany – Lysá nad Labem – Milovice and České Velenice – České Budějovice – Horní Dvořiště sections are in the design phase within the framework of the contracts in the form of P+R. Design preparation is underway for other sections. The deployment of the ERTMS systems, i.e. the ETCS and GSM-R, is a part of the Plan for Modern Security of the Czech Railway Network, approved by the Government of the Czech Republic, and is also planned on selected regional lines.

Investment in railway infrastructure to support development of suburban transport and integrated transport systems

To enhance the quality of suburban transport in the Prague node, the modernisation, electrification and installation of second track on the Prague – Kladno line with a connection to the Václav Havel Airport Prague in Ruzyně is being prepared. The project is subdivided into several separate construction projects, the first of which – the renovation of the Negrelli viaduct – has already been completed. Modernisation between Kladno and Kladno-Ostrovec stations is fully underway. Modernisation of the Praha-Bubny – Praha-Výstaviště section continues. In 2024, the renovation of Prague Masaryk Station was also launched and in 2025 the modernisation of the Prague-Ruzyně – Kladno section will begin. A very significant improvement

in the quality of suburban transport in Prague was brought about by the completion of the modernisation of the section between Praha-Hostivař and Praha hl. n. Further improvements will be ensured by the optimisation of the Praha-Vysočany – Lysá nad Labem and Praha hl. n. – Praha-Smíchov – Beroun railway lines. After the completion of the first phase of electrification of the Brno – Zastávka u Brna line section, the second phase has been implemented as well, and the Pardubice – Hradec Králové line is gradually being double-tracked, the Stéblová – Opatovice nad Labem section has already been modernised with the construction of the second track and now the connecting section between Pardubice and Stéblová is being completed.

Investments in passenger station assets

Investment in passenger station real estate assets is a high priority in the activities of Správa železnic. When implementing these capital expenditure projects, the emphasis is always placed on the efficient and cost-effective use of individual building facilities and at the same time on increasing the comfort of travel and the services offered, which is positively perceived by the general public. To achieve these goals, unify mandatory procedures in project preparation, and ensure the efficient use of public funds, the updated Policy of the Treatment of Passenger Station Assets approved by the MoT is applied. Investments in a number of passenger station buildings and other passenger station properties amounted to almost CZK 1.6 billion in 2024. Among the capex-significant renovations it is possible to include the completion of the passenger station buildings in České Budějovice or Beroun, and the renovation of the Pilsen Main Station building is close to finish as well. Revitalisations or constructions of completely new buildings took place at the Světlá nad Sázavou, Aš and Chodov railway stations. A number of important projects were also launched, such as the

renovations of buildings in Lovosice, Františkovy Lázně or Ostrava-Vítkovice, the ongoing construction of completely new buildings at the Praha-Bubny and Brno-Královo Pole stations, as well as the construction work on the new Praha-Výstaviště stop. European grants from the Connecting Europe Facility (CEF2) and the Programme Transport 2021–2027 (OPT3) were used for these constructions.

Preparation of Fast Connections and high-speed lines

As an EU member state, the Czech Republic is bound by the milestones set out in Regulation (EU) 2024/1679 of the European Parliament and of the Council of 13 June 2024 on Union guidelines for the development of the trans-European transport network, which defines which sections of the railway network are to be prepared and in what timeframe they are to be implemented. All the main arms of the Fast Connections are included in the Core, Extended Core or Comprehensive TEN-T Network. The Core Network is to be completed by 2030. The Extended Core Network is to be finished ten years later, in 2040. The Comprehensive Network interconnects all EU regions with the Core Network and must be completed by 2050.

In 2023, the Government of the Czech Republic approved the strategic document Evaluation of the Use of the Method of Public-Private Cooperation in Railway and Motorway Infrastructure Projects. Subsequently, a feasibility study was prepared for the specified Moravian sections of the RS 1 and RS 2 Fast Connections. This study evaluated the suitability of realisation of these sections in the form of a PPP and recommended that 3 sub-sections should be realised in this form. The material was discussed by the Government of the Czech Republic and approved by Resolution No. 634 on 18 September 2024. Správa železnic is now in the beginning of the process of selecting a transaction advisor and preparing the tender

procedure for the selection of the concessionaire.

Financing of preparation of high-speed lines

Financial amount of CZK 0.8 billion was provided to finance the preparatory and design work of the individual HSL arms in 2024, specifically for the procurement and preparation of documentation for zoning proceedings (DZP), research and surveying works, as well as for the costs associated with the environmental impact assessment (EIA) and architectural competitions, and for other investment costs related to their preparation. As the preparation process advances, an increase is also expected in the coming years with regard to the property settlement, to CZK 1.7 billion in 2025 and almost CZK 4.6 billion in 2026.

The pan-European importance of the project was confirmed, among other things, by obtaining additional grants from the European Connecting Europe Facility (CEF) programme. The preparation of the HSL until 2027/2028 will be 50 % co-financed on the Prague – Dresden section of the RS 4 (fast connection 4), and up to 85 % co-financed on the Prague – Brno – Břeclav part of RS 1, 2. An application will be submitted next year for RS 1 Přerov – Ostrava – Katowice.

Property-law settlement of high-speed lines

The affected owners were informed about development of the VRT Jižní Morava (HSL South Moravia), VRT Moravská brána (HSL Moravian Gate) and VRT Podřipsko (HSL Říp Flatlands). The High-Speed Lines Construction Management (SSVRT) sent a letter and a questionnaire to the affected landowners on these sections with settlement preferences and contact information. More than 60 % of those contacted responded and 50 % of them confirmed their unconditional agreement to the buyout.

Due to the progress of the HSL project, a tender for securing the property settlement was prepared. This will include preparation of geometric plans and valuation of the plots of land, as well as conclusion of the contract with the owners and securing the entry into the Land Registry.

Communication of the HSL construction planning

Within the framework of the work on the HSL, the Dialogue project is being actively pursued, i.e. an open and transparent presentation of the project to representatives of local governments and citizens. In 2024, SSVRT representatives attended more than 100 meetings and working groups with experts, municipalities and the public.

The mutual dialogue with the public continued to be complemented by a contact campaign with the so-called VRTmobil. Regular information on new developments and progress of preparations is provided on the website www.vrtky.cz, where citizens can find out what events are being planned in addition to the latest news.

Information centres at the main railway stations in Ústí nad Labem and Prague are also used to inform citizens. In addition to the possibility of obtaining basic information about the HSL, the information centres also hosted regular presentation days for the public every month, which were streamed on YouTube and Facebook.

The SSVRT has also launched additional map portals for the sections in preparation phase. In addition to track routing, these allow you to add questions and comments about specific locations onto the map. At the same time, a unifying map portal is being developed, which will integrate all portals already under the unified SSVRT management into one system.

A similar function for feedback, but at an earlier

stage, is also provided by the feeling map which SSVRT has recently launched in connection with the Roudnice nad Labem – Ústí nad Labem HSL section.

The key presentation of the HSL was the High Speed Lines – Reality of the Future conference, which hosted key representatives of domestic and foreign organisations. This event of the year took place in the renovated Fanta building at the Prague Main Station at the end of February 2024. The event was held under the auspices of the Association of Regions of the Czech Republic and the Czech Chamber of Commerce and was personally opened by Martin Kupka, Minister of Transport, who also participated in one of the sessions. Among the more than 250 participants, there were experts in transport, technology, spatial planning, public decision-making, politics and regional development, as well as a number of representatives of major organisations and institutions from abroad. The aim of the gathering was to promote discussion of the shape of HSL on all levels, to raise awareness of the current stage of preparation and thus to accelerate the process of building high-speed lines in the Czech Republic, which is also one of the current priorities of the Czech government.

For the first time in history, Správa železnic introduced itself at the largest railway trade fair in the world through an SSVRT stand. The traditional show of modern railway technology InnoTrans was held in the German capital Berlin from 23 to 27 September 2024. Many international negotiations on cooperation at the highest level took place there, as well as the signing of important agreements and memoranda.

Current state of preparations of the high-speed lines in the Czech Republic

The SSVRT is currently working on preparation of the following lines: RS 1 (HSL Prague – Brno – Ostrava), RS 2 (HSL Brno – Břeclav), RS 4 (HSL Prague – Ústí nad Labem – Dresden), and

RS 5 (HSL Prague – Hradec Králové / Pardubice – Wrocław). The RS 1, 2 arms also include a major upgrade of the Brno – Přerov line to 200 km/h, with construction starting in 2025.

We will start building the first section of the HSL still in the 2020s, in the 2030s we will be running on the first sections of the HSL system, and the entire HSL network will be ready in the 2050s.

RS 1, 2 HSL Prague – Brno – Ostrava / Břeclav

The first complete section of the HSL from Brno to Ostrava-Svinov will consist of the RS Brno – Přerov section and the VRT Moravská brána (HSL Moravian Gate; Brodek u Přerova – Ostrava-Svinov) and we should be able to use it already within 10 years. Then the complete section of the high-speed railway from Brno to Ostrava will be operated at speeds of 200 to 320 km/h. Therefore, Správa železnic will start building on the first sections of the RS Brno – Přerov as early as in 2025.

Apart from RS Brno – Přerov, the VRT Moravská brána is the most advanced in its preparation, with the EIA assessment in progress. Preliminarily, a non-binding reaching out to the owners of the land plots necessary for the buyout is being started. Once a positive EIA opinion is obtained (and enters into force), the actual buyout of the land plots can begin.

Another very advanced section is the VRT Jižní Morava (HSL South Moravia), where the EIA process is also currently underway. Other parts of RS 1, 2 – Praha (Prague), Vysočina (Highlands) – are awaiting an update of the territorial development principles to enable the preparation and submission of the EIA documentation.

The last part of the Prague – Brno – Ostrava section which is being designed is the VRT Vysočina II (HSL Highlands Phase II), where the selection of the contractor for the design documentation has recently been completed.

On the basis of the results of the feasibility study, the Government by its resolution instructed the Ministry of Transport in cooperation with the Director General of Správa železnic to ensure further steps to implement the following three projects in the form of PPP:

- VRT Moravská brána (HSL Moravian Gate): Brodek u Přerova – Prosenice – Hranice na Moravě – Ostrava-Svinov (excl.) section;
- RS Střední Morava (HSL Central Moravia) – modernisation of sections 1–3: Brno (excl.) – Blažovice – Vyškov – Nezamyslice (incl.), possibly also maintenance of sections 4 and 5: Nezamyslice – Kojetín – Přerov;
- VRT Jižní Morava (HSL South Moravia): Modřice – Rakvice section.

RS 4 HSL Prague – Ústí nad Labem – Dresden

A key update of the Ústí nad Labem Region's territorial development principles took place in June 2024, opening up possibilities and enabling further steps in preparation of the high-speed lines.

The construction of the first section of the VRT Podřipsko (HSL Říp Flatlands) will start by the end of the 2020s. The construction of the VRT Krušnohorský tunel (HSL Ore Mountains Tunnel) which will connect the Czech Republic with Germany and will be 31 km long, will start in the 1930s. The construction of the tunnel will take about 10 years.

RS 5 HSL Prague – Hradec Králové / Pardubice – Wrocław

In 2024, a feasibility study for the RS 5 high-speed connection was elaborated and submitted to the MoT for approval.

Programme Transport 2021–2027 (OPT3)

At the beginning of 2024, Správa železnic obtained additional funds from the OPT2 source

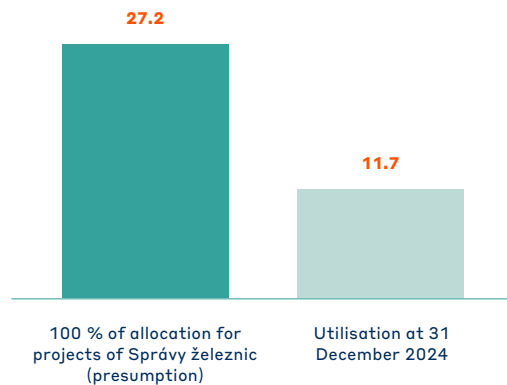
which were not used by other beneficiaries and used up all the funds thus obtained. The most important European grant programme in 2024 in terms of the volume of funds used was the OPT3 source from the current programming period 2021–2027. Its drawdown started in 2022 and in 2024 the organisation managed to draw the highest amount so far, exceeding CZK 6 billion. A total of fourteen railway infrastructure projects were supported, with the most significant contribution to the drawdown being made through the two projects for renovation of the line section of the Comprehensive TEN-T Network between Vlkov u Tišnova and Křižanov (a total of more than CZK 2.5 billion was drawn down), while the amount exceeding CZK 1 billion of the OPT3 funds was drawn down by the modernisation project of the Kladno (incl.) – Kladno-Ostrovec (incl.) line and by renovation of the Brno-Královo Pole railway station. It is expected that this resource will be drawn down from in a similar amount next year as well.

Connecting Europe Facility 2 (CEF2)

Within the CEF programme, it is only possible to finance projects of the Core European Railway Network (the 'Core Network'). In the course of 2024 Správa železnic was allowed to draw down the CEF1 resources from the previous programming period 2014–2020 on the basis of extension of time eligibility dates for selected projects, whereby all available funds from this programme were drawn down. However, the CEF2 resource from the current programming period 2021–2027 was already fully predominant in the drawdown strategy, which is also focused on the modernisation of lines, railway nodes and the ETCS deployment, including their preparation and preparations of the RS projects. The drawdown of these funds in 2024 amounted to almost CZK 5.3 billion, twelve nominal projects and the same number of projects in relation to construction preparation were supported. The highest drawdowns were secured by the projects of optimisation of the line section Haviřov

(incl.) – Havířov-střed (excl.) and double-tracking of the line section Branický bridge – Praha-Krč – Spořilov, in both cases amounting to CZK 0.9 billion. A similar amount is expected to be drawn in the following year as well.

Chart 2 – Utilisation of total allocation from OPT3 (in CZK billion)



CEF Blending Call

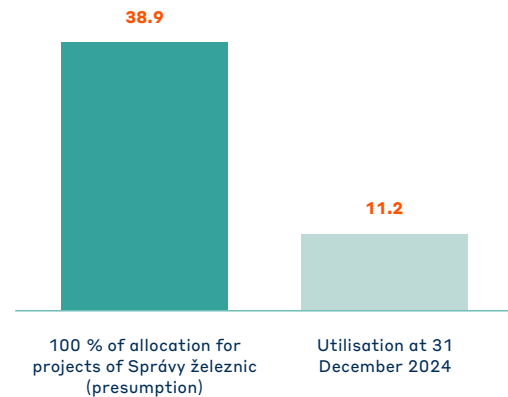
The CEF Blending Call is another important grant scheme, combining CEF funds, EIB loans and national, possibly even other funds (CEF Blending Call). The grant title is aimed especially at removing bottlenecks on selected pre-defined main backbone routes of the trans-European transport network (TEN-T) in the Czech Republic. In 2024, the completed projects received remaining payments, only two being still under construction:

- Lipník nad Bečvou – Drahotuše, BC;
- Ensuring barrier-free access to the platform at the Kolín railway station.

Recovery and Resilience Facility (RRF)

The next EU grant scheme is Recovery and Resilience Facility (RRF), which through the National Recovery Plan of the Czech Republic provides funds for the recovery from the eco-

Chart 3 – Utilisation of total allocation from CEF2 (in CZK billion)



economic consequences of the Covid-19 pandemic. The funds are intended for projects which meet the reform and investment criteria (e.g. new technologies, electrification of railway lines, increased safety), and are widely applicable in Správa Železnic's investment projects. It also uses the funds transferred to the RRF from the so-called Brexit reserve, which can be used for investments in energy infrastructure within the framework of the REPowerEU chapter. In 2024, its total drawdown amounted to almost CZK 2.3 billion, thus essentially exhausting the entire remaining allocation of this specific grant source. In 2025, the only financial settlement expected from this source is a result of the processing of the last (retroactive) requests for payment from the grant source.

Credit facility financing

A key factor to ensure the smooth financing of Správa Železnic's investments is a loan from the European Investment Bank (approved by the Government of the Czech Republic in

2023). The financial support from the EIB loan is aimed at financing railway projects between 2023 and 2027, in the amount of up to EUR 7 billion. In addition to ordinary national resources, it will be possible to use the EIB loan resources for the financing of national projects as well as for national co-financing of European projects, thus ensuring the necessary long-term stability in the financing of modernisation projects' needs. Access to these loan funds is ensured through the SFDI.

Investment grants

Investment construction projects were mostly financed from public sources (Table 6). In 2024, the most significant sources of funding of investment construction projects were national funds from the budget of the SFDI, including minor resources for investment coverage of flood damage from September 2024 (total CZK 23.4 billion). The second most important source was again the Programme Transport (OPT3), from which the organisation managed to draw almost CZK 6.1 billion. Furthermore, grants from the infrastructure funds CEF2 (almost CZK 5.3 billion) and the RRF source

(CZK 2.3 billion) contributed significantly to the financing of construction and modernisation of railway infrastructure. The drawdown of the separately monitored EIB loan for combined support projects under the CEF Blending Call also continued, amounting to almost CZK 0.7 billion. At the same time, European funds from the ongoing EU 2014-2020 programming period were drawn down from the OPT2 and CEF1 (CZK 1 billion in total). Relatively significant support was also obtained from other EU funds which are not provided through the SFDI (Operational Programme Enterprise and Innovation for Competitiveness, CEF direct grants, Just Transition Mechanism). In the area of railway infrastructure, Správa Železnic is the main entity responsible for the use of EU funds in the Czech Republic, both as the final beneficiary and the investor at the same time.

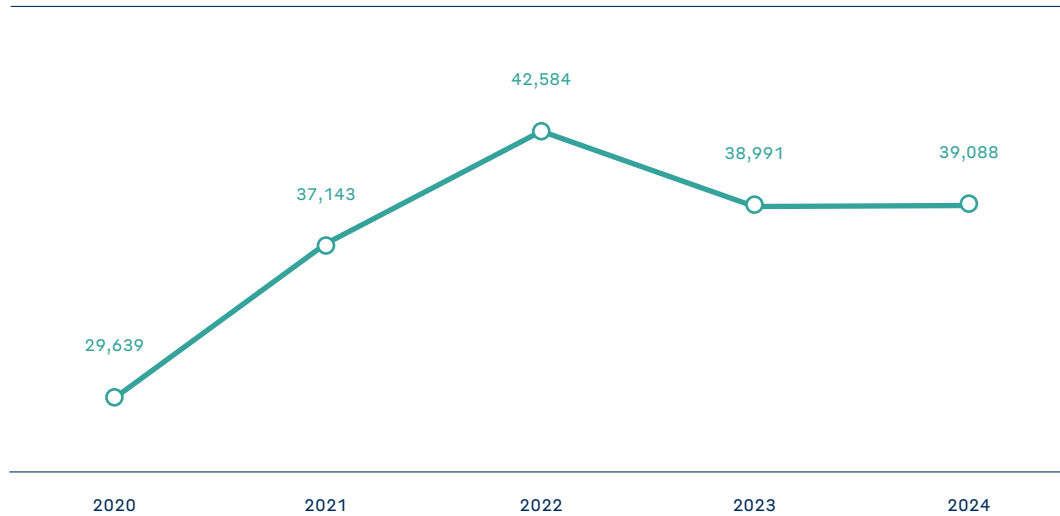
Within the framework of preparation and implementation of investment projects on the railway infrastructure, the total volume of investment grants received in 2024 exceeded CZK 39.1 billion, i.e. almost the same level as in the previous year.

Table 6 – Investment grants received for 2024 (in CZK millions)

Investment grants	2024
SFDI for construction and modernisation, state share, OPT, CEF, EIB, RRF	38,782
EU Funds (others)	304
Investment contributions from municipalities, regions and other entities	2
Total investment grants	39,088

Grants from SFDI for the construction and modernisation include funds from OPT, RRF, CEF fund, and the EIB loan.

Chart 4 – Utilisation of funds for construction preparations in the 2020–2024 period (in CZK millions)



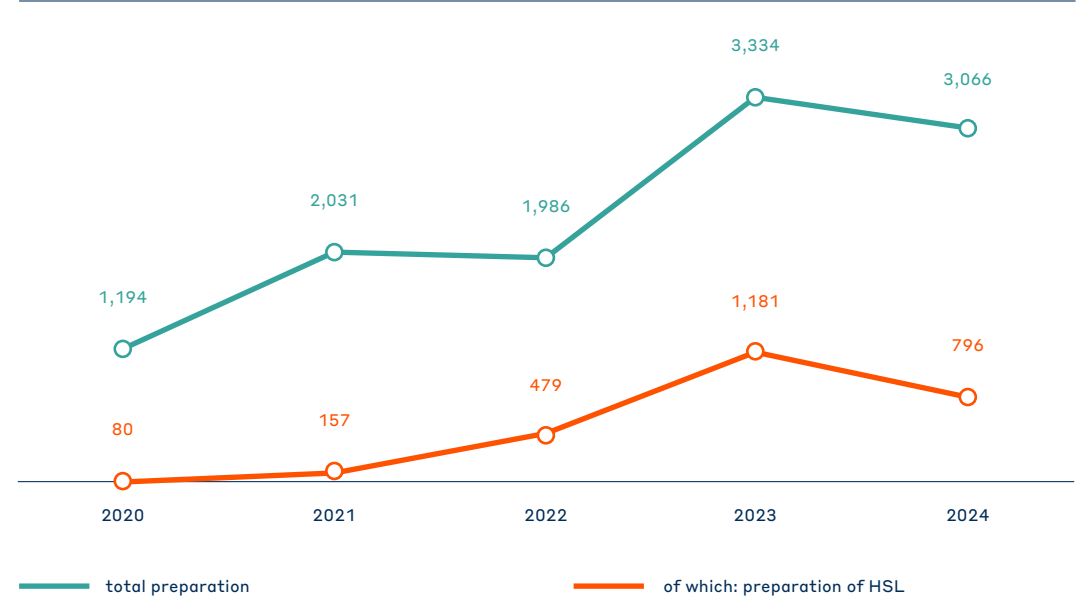
Further development

In addition to national resources, Správa železnic will continue to draw EU grant funds for financing its investment projects in the following years within the framework of the 2021–2027 programming period (OPT3, CEF2). However, the resources of the National Recovery Plan will be exhausted and the new EIB loan, which is provided through the SFDI, will be used to a greater extent to finance individual projects. The loan will ensure the long-term coverage of Správa železnic’s financial needs for investment construction. For the same purpose, Správa železnic will continue to use all available financial resources of the EU, e.g. the Operational Programmes Enterprise and Innovation for Competitiveness and Technologies and Applications for Competitiveness and other appropriate grant schemes. The key to covering the financial needs of selected large-scale projects (e.g. the new line construction to Václav Havel Airport Prague or construction of Fast Connections) will be to secure financing in

the form of Public Private Partnership (PPP). Preparation for this form of financing, as well as completion of the actual preparation of the projects concerned, are one of the core priorities for the upcoming period.

All resources will be used in accordance with the conceptual materials and the priorities set for the procurement of new actions according to the disposition of the MoT. Správa železnic has long had sufficient project readiness to start implementation, focusing on priority modernisation objectives. With the continuation of the HSL projects’ preparations, their share on grant fund drawing will grow (see Chart 5).

Chart 5 – Utilisation of funds for construction preparations in the 2020–2024 period (in CZK million)



In the matter of the monitored unification of the railway power supply system in the Czech Republic, individual measures will be implemented gradually, to achieve the transition to a unified AC power supply system.

In the years to come, the modernisation of the railway infrastructure forming the Core Network (TEN-T) will continue in accordance with the parameters defined in the Revised Regulation (EU) 2024/1679 and with the Technical

Specifications for Interoperability (TSI) performance parameters. Attention will also be paid to applying Energy TSI standards and meeting the European Deployment Plan with respect to the Control-Command and Signalling subsystem, which was revised in 2024 in the light of the newly adopted TSIs and now includes the dates for the removal of the national systems. It also already expects the deployment of the successor to GSM-R, the new FRMCS rail communication system.

Operating of the railway infrastructure

In accordance with the Act on Rail Systems, Správa železnic is obliged to ensure the operating of the railway for public benefit. Operating railway infrastructure means ensuring and servicing the railway and organising rail transport. The rules and procedures concerning these activities are specified by internal policies of Správa železnic.

Safety system of operating of the railway

Správa železnic is the holder of a valid Railway Operator's Certificate (Safety Approval, issued on 2 May 2023 and valid until 13 May 2028) and a Carrier's Certificate (Single Safety Certificate, issued on 5 April 2023 and valid until 7 April 2028). Under the MoT Decree No. 376/2006 Coll., the system of ensuring the safety of rail system operation and rail transport includes the preparation of annual reports on the safety of railway operation and rail transport, including yearly definition and assessment of safety targets and the preparation of an accident rate overview. In 2024, the state administration's supervisory body identified no serious faults in the Správa železnic's safety system of rail system operation and rail transport. The system is up-to-date and fully operational. The safety of rail operation and rail transport has consistently been at a high level, and the determined safety targets have been met. The safety system of operating of the railway is managed in accordance with the requirements of the ISO 9001:2015 standard. The corresponding certificate issued by an internationally accepted certification body proves the implementation and effective application of a quality management system and confirms correct approaches in the safety system of operating of the railway and investigation of accidents and incidents.

Closures and capacity restrictions

In 2024, the specification of closure plan at four, three and two month marks before the closure continued, with the possibility of entering additional requirements into the Annual closure plan within a time frame of six months and over. Updates to the requirements are made on a monthly basis at both the regional and national levels according to a predetermined annual schedule. The long-term planning of closure activities is in accordance with Annex VII to Directive 2012/34/EU of the European Par-

liament and of the Council establishing a single European railway area. All updated closure plans, minutes of meetings and negotiations, including international coordination, are available on the Rail Operations Portal.

Operational traffic management

In 2024, information systems were modified to automatically generate notification messages to the traffic control apparatus of carriers in the event of incidents with interrupted operations, thus increasing mutual awareness of extraordinary events in traffic operation.

Service facilities

The second stage of delivery of platforms for people with impaired mobility to selected railway stations was carried out. A third phase is planned for 2025.

An analysis of the occupancy or utilisation of individual tracks is underway in order to improve the management of the usable capacity for parking railway vehicles and its offer to carriers.

Education and training

Key activities in the field of education in 2024 were:

1. Provision of regular testing of employees according to the requirements of the SŽ Zam1 regulation.
2. Implementation of courses for train dispatchers at the training centre in Pardubice.
3. Continuation of the Crisis Communication Project.
4. Provision of training for traffic supervisors.
5. Execution of many training courses and seminars focused on the ETCS, both for traffic management staff and for others, including external entities, with a very positive response to the training on the part of regulatory staff of carriers.

6. Continued cooperation on the preparation of a training hall at the training centre in Pardubice.

The Traffic Control Centre (TCC) in Prague was running a full-time course for the training of new line traffic controllers from January 2024 using the training hall of the TCC. Together with individual training, a total of 12 new line traffic controllers was assigned to their job positions by September 2024.

Under the auspices of the Human Resources Department and with methodological support from the Regulations and Technology Department of the Directorate General of Správa železnic, a series of three-day courses Communication of Traffic Management Employees in Crisis Situations continued during 2024. The courses are attended successively by employees in the positions of Chief Dispatcher, Operational Dispatcher and Line Traffic Controller on behalf of TCC Prague. The courses will be held at fixed dates through 2025.

At TCC Přeřov, the preparation of candidates for the position of a railway line train operation controller was completed in September 2024 within the framework of the new preparation system for this job, with the use of the training hall in the TCC Prague building.

Traffic management

Regulatory activities were focused on the development of the new SŽ D1 Traffic and Signalling Regulation, which will be effective from 14 December 2025 and will contain rules for both ETCS and conventional lines. In this context, the signalling concept for the so-called benefit lines also had to be developed.

The Railway Infrastructure Manager's Instruction PPD 1/2024, for which amendment No. 1 has been drawn up, will apply for ensuring operation under the ETCS from 1 January 2025 until the new regulation enters into force.

With the introduction of the graphic order system, further possibilities for changes in the area of written orders have been analysed. Work is underway to develop a system similar to the German or Austrian 'La' orders, which will eliminate the need to report each individual train on a daily basis. At the same time, a new model order 'Ps – Order to the Driver' is being prepared for use (in connection with the new SŽ D1 regulation), which will replace several currently used models and will also be based on the TSI requirements.

TCC Prague (CDP Praha)

In April 2024, the Pardubice Main Station was connected to the TCC Prague. In addition, another line section of the Transit Railway Corridor IV Hluboká nad Vltavou-Záměstí – České Budějovice and the line section Pardubice-Rosice nad Labem – Odbočka ELNA Opatovice nad Labem (Opatovice nad Labem ELNA branch) were connected during the year. In connection with the modernisation of the Transit Railway Corridor III, the remote control of the Odbočka Lom (Lom branch) on the line section Beroun – Karlštejn was connected to the TCC Prague.

As at 31 December 2024, 731 km of the railway network was controlled from the TCC Prague building.

TCC Přeřov (CDP Přeřov)

In August 2024, the process of selecting a contractor for the implementation of the capital expenditure project TCC Přeřov Extension – New Building was launched.

As at 31 December 2024, 559 km of the railway network was controlled from the TCC Přeřov building.

Expenses incurred in the operating of the railway infrastructure

Správa železnic employees perform the operational management of railway traffic, dispatcher traffic control, operation of control-command and signalling units and information systems for passengers, timetable construction and path capacity allocation to carriers. In 2024, the expenses related to these activities were mainly

covered by non-investment grants from SFDI for the operating of the railway and by Správa železnic's own resources. The overall cost less amortisation incurred by operating the railway infrastructure comprised in particular of the traffic control performance ensured by the Regional Directorates and Traffic Control Centres (TCC), and totalled CZK 7.185 billion in 2024, including a relevant portion of centrally recorded expenses of the Deputy Director General for Traffic Management Section.

Utilisation of the Správa železnic's railway infrastructure by carriers

In 2024, the total number of carriers which have a signed contract with Správa železnic for the operation of rail transport using the state-owned nationwide and regional railway infrastructure dropped to 111.

Table 7 – Number of carriers (as at 31 December of each respective year)

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Number of carriers	89	94	96	99	103	107	122	126	120	118	111

The total volume of outputs in passenger transport in the network of Správa železnic increased in 2024. Compared to 2023 in gross tonne-kilometres (gtkm), the increase was by 2 %. České dráhy, a.s. continues to account for the decisive share in the total outputs in passenger transport.

GW Train Regio a.s. reported a significant increase in the volume of passenger transport outputs.

In freight transport, there was a decrease in performance on the Správa železnic's network in 2024. Compared to 2023 in gross tonne-kilometres (gtkm), there was a decrease by 2.5 %. ČD Cargo, a.s. continues to account for the decisive share in the freight transport outputs.

LOKORAIL, a.s. reported a significant increase in the volume of freight transport outputs.

Chart 6 – Output of carriers on network operated by Správa železnic (in thousands of trkm) between 2020–2024

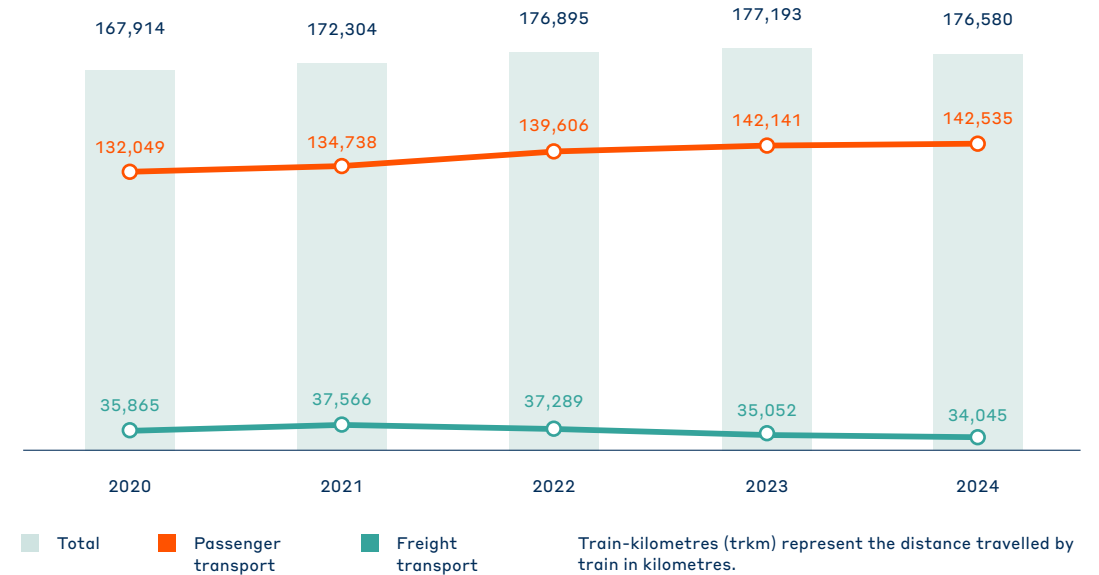


Chart 7 – Output of carriers on network operated by Správa železnic (in millions of gtkm) between 2020–2024

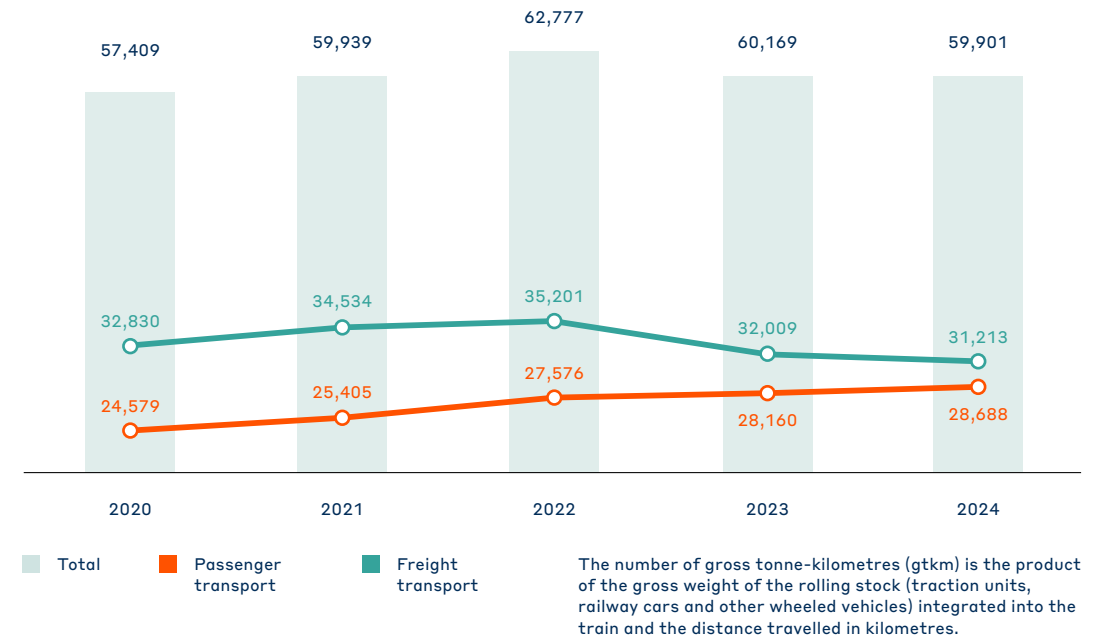


Table 8 – Percentage share of carriers in passenger transport output in 2024

Carrier/Indicator	% of trkm	% of gtkm
České dráhy, a.s.	80.39 %	82.14 %
RegioJet a.s.	6.08 %	11.67 %
ARRIVA vlaky s.r.o.	5.78 %	2.74 %
GW Train Regio a.s.	2.48 %	0.77 %
Die Länderbahn CZ s.r.o.	2.22 %	0.72 %
Leo Express s.r.o.	1.32 %	1.11 %
RegioJet ÚK a.s.	0.72 %	0.43 %
Leo Express Tenders s.r.o.	0.46 %	0.19 %
KŽC Doprava, s.r.o.	0.19 %	0.07 %
Others	0.36 %	0.16 %

Table 9 – Percentage share of carriers on freight transport output in 2024

Carrier/Indicator	% of trkm	% of gtkm
ČD Cargo, a.s.	53.13 %	50.98 %
METRANS Rail s.r.o.	7.14 %	10.70 %
ORLEN Unipetrol Doprava s.r.o.	3.91 %	4.87 %
LOKORAIL, a.s.	3.59 %	5.45 %
PKP CARGO INTERNATIONAL a.s.	3.54 %	4.15 %
Rail Cargo Carrier – Czech Republic s.r.o.	3.36 %	5.38 %
IDS CARGO a.s.	1.86 %	1.74 %
Retrack Czech s.r.o.	1.75 %	2.10 %
DB Cargo Czechia s.r.o.	1.55 %	2.20 %
Others	20.17 %	12.43 %

Table 10 – Number of train paths in timetable according to category (irrespective of carrier)

Indicator	2024	2023
Ordinary passenger trains (Os)	8,928	8,888
Regional fast passenger trains (Sp)	809	712
Express trains (R)	525	598
Higher-quality trains (EC, EN, Ex, IC, LE, SC, railjet)	304	271
Express freight trains (Nex)	592	560
Continual freight trains (Pn)	860	901
Handling and work-siding trains (Mn, Vleč)	862	870
Train sets (Sv)	1,468	1,368
Locomotive trains (Lv)	567	577
Správa železnic catalogue (offer) paths	536	504

International cooperation

As a whole, rail transport has global character and international cooperation is necessary to maintain its efficiency and sustainability. With regard to the EU legislation, rail transport represents a highly regulated segment, which requires high technical harmonisation at the same time. As a result of the transformation process initiated at the EU level to establish a single European railway area, Správa železnic has been actively participating in a number of EU-related initiatives, programmes and projects and cooperating with EU institutions and agencies, partner infrastructure managers and international organisations.

International relations strategy

In 2024, Správa železnic was intensively working to fulfil its vision in international relations – to become a modern and active organisation able to promote its interests at the EU level, to be a confident partner of railway infrastructure managers and carriers on the liberalised EU railway market, to consistently advocate its positions in international organisations in respect of the requirements of relevant Czech and EU legal regulations. Správa železnic operated at international level principally through its International Affairs Department. It continued to focus on promoting the interests of the Czech railway infrastructure by influencing crucial technical and technological parameters and relevant legislation. Key activities this year included formulating Správa železnic's position on the EU legislation updates as well.

European Union

Správa železnic, together with its EU partners, has been active in communicating with the European Commission and the European Union Agency for Railways (ERA). The main topic of the year was the area of introducing interoperability, in particular the ERTMS. The Správa železnic's thorough preparation for the deployment of the ERTMS-only operation on a significant part of the main lines became

a valuable source of information, which was then systematically communicated to the responsible EU bodies. The year 2024 brought changes in the composition of key EU bodies, and at the same time discussions on the next EU Multiannual Financial Framework were launched.

TEN-T revision

On 18 July 2024, the revised TEN-T Regulation entered into force, replacing the original Regulation (EU) No 1315/2013 and further developing the requirements for the TEN-T network. The revision of the TEN-T Regulation places a strong emphasis on the development of cross-border connections and the interconnection of national rail networks, in particular high-speed networks, into a single European rail network. The Core Network Corridors are replaced by differently routed European Transport Corridors (ETC). The revised Regulation introduces new mandatory parameters for the Core and Extended Core Network, in particular the requirement for a line speed of 160 km/h on the passenger transport network and the provision of a clearance profile according to the P394 standard allowing the carriage of 4 m high swap bodies on pocket wagons with a height of 27 cm above the top of the rail on at least one line of each European Transport Corridor. The revision of the TEN-T Regulation introduces operational requirements over and above the existing practice, such as the obligation to run a certain number of trains with a length of 740 m on each TEN-T line per day, the maximum length of stay of freight trains at a border crossing station or the observance of timetables for freight trains.

The Trans-European Transport network should be developed gradually in three phases with the overall aim of creating a multimodal and interoperable pan-European network meeting high-quality standards while respecting the EU's overall climate neutrality and environmental objectives. The revision of the

TEN-T Regulation introduces a new layer, the Extended Core Network. The completion dates are as follows: completion of the Core Network by 2030, completion of the Extended Core Network by 2040 and completion of the Comprehensive Network by 2050, unless otherwise specified in the Regulation.

The Core Network and Extended Core Network must be equipped with the ERTMS by 2030 and 2040, respectively. Within the framework of the revision of the Regulation, a deadline has been added for the mandatory removal of Class B national signalling system on the Core Network by 2040 and on the Extended Core Network by 2045. In the case of new lines built after 2030, the so-called ERTMS radio system, defined as ETCS level 2, which does not require line signals and uses a class A radio system, must already be used regardless of the TEN-T network layer. The same holds for the upgrading of train signalling system from 2040.

EC proposal on capacity utilisation

The EC Proposal COM(2023) 443/2 for a Regulation (EU) on the use of railway infrastructure capacity in the single European railway area is the central proposal of the Greening Freight Transport Package for the rail sector and complements the current legislation (Directive 2012/34/EU on the European railway area) and repeals the Regulation on rail freight corridors, which proved to be insufficiently effective.

The aim of the EC Proposal 443/2 is to make the operation and management of rail transport on the existing infrastructure more efficient in the face of increasing demand. The focus is on cross-border passenger and freight trains, which have poor reliability. The reform of the capacity allocation process and its increased flexibility is intended to make rail freight more attractive. To achieve the objectives, mechanisms will be set up for deeper and more effective cooperation between

infrastructure managers responsible for capacity allocation. EC Proposal 443/2 also details procedures in the event of closures or emergencies. Carriers should also benefit from the digitalisation of processes, especially through the path request interface.

Greater flexibility in the allocation of certain routes should give impetus to the development of rail freight transport, where demand is variable over time and the current system based strictly on annual planning is too rigid. The EC has decided to go down the route of deepening cooperation between infrastructure managers. In 2024, the European Commission entrusted PRIME (see further in text) with the task of elaborating the EC Proposal 443/2 and its impacts on infrastructure managers and RNE.

ERJU – Europe's Rail Joint Undertaking

A successor to the Shift2Rail joint undertaking established in 2021 under the name Europe's Rail Joint Undertaking (ERJU) is a part of the EU Horizon Europe framework programme for research and innovation. Správa železnic participates in the ERJU through the CER (Community of European Railway and Infrastructure Companies), which is a member of the so-called system pillar.

Trade fairs and conferences

At the company stand at the prestigious international railway fair InnoTrans in Berlin, Germany, Správa železnic presented the high-speed lines project for Central Europe, the ERTMS deployment plan as well as PPP projects in the field of rail transport. Thanks to the associated management meetings with representatives of partner infrastructure managers, it was also possible to deepen direct contacts and share positions on common European topics.

In connection with the deepening of relations between the Czech Republic and the Republic of Korea, further meetings of the joint working group, bilateral meetings with representatives of leading Korean railway companies and presentations by Správa železnic on development projects were held within the framework of the economic forum.

The freshly renovated Fanta building at the Prague Main Station hosted the conference High-speed Lines – Reality of the Future on 29 February 2024. An attractive part of the conference was the international panel on the European dimension of HSL, which included presentations by Herald Ruijters, Deputy Director General of DG MOVE of the EC, Judith Engel, Member of the Board of Directors of ÖBB-Infrastruktur, Ismail Ertug, DB Representative for Sustainable Mobility in Europe, Dariush Kowsar, Director for European Affairs of SNCF Réseau, and Zbigniew Szafranski, Member of the Supervisory Board of CPK in Poland. SNCF Réseau Technical Director Thomas Joindot and CER Executive Director Alberto Mazolla were speaking on the HSL Financing panel.

Thanks to its good reputation among foreign infrastructure managers, the Railway Infrastructure 2024 conference in Pilsen was also expanded to gain an international dimension. Krzysztof Waszkiewicz, Member of the PKP PLK Management Board for Railway Operability, shared his experience, Viktor Plank, Director of Strategic Planning at ÖBB-Infrastruktur, presented the Austrian ZielNetz 2040 programme, and Lionel Leullier, PPP project specialist at SNCF Réseau, presented his experience from France.

On the other hand, representatives of Správa železnic have spoken at several important foreign events, for example at the Rail Live trade fair congress in Zaragoza, Spain, or at the International Economic Forum in Karpacz, Poland.

Important partners

Thanks to the strategic steps in the area of development of bilateral relations, Správa železnic continued the established trend of cooperation with experienced partners, which enables it to accelerate further development of railways in the Czech Republic following the example of European leaders and to increase the competitiveness of rail transport. Within the framework of this cooperation, in 2024, a number of bilateral meetings were held between the Director General of Správa železnic and top representatives of major partner organisations, such as DB InfraGO, SNCF Réseau, ÖBB-Infrastruktur, ŽSR, PLK or CPK.

France

In the past year, Správa železnic succeeded in intensification of its cooperation with strong European partners, in the field of technical and technological development and in the development, design and operation of HSL. It continued to cooperate with SNCF Réseau on the preparation of the HSL system, mainly through consultancy and advisory services provided by French experts in the preparation of documentation for zoning proceedings or the Správa železnic's internal regulations for the operating of the HSL. This fulfils the contract on cooperation in the preparation of the HSL system (Agreement for the Provision of Services), which was concluded in 2021 with a duration of 8 years, i.e. until the end of 2029. The contract also provides for regular communication and supervision during the actual construction of the lines, their commissioning, maintenance and inspection. Within the framework of this cooperation, Správa železnic's experts took part in several thematic training courses and excursions in France in 2024.

Germany

Thanks to well-functioning direct relations, the conditions for potential improvements in

cross-border infrastructure to both Saxony and Bavaria have been clarified. The outcome of the working group on the Prague – Munich connection is an achievement of a higher extent of infrastructure improvements on the Bavarian side leading to an increase in capacity corresponding to the forecast transport demand from the Czech side, especially in the area of freight transport.

The preparation of the cross-border part of the New Dresden – Prague Connection, which Správa železnic is securing together with the German infrastructure manager DB InfraGO, advanced in 2024 to the state of completion of the preliminary design and recommendation of the long tunnel variant. The proposal, together with a recommendation for further steps, is ready for a decision by the German Federal Parliament. Správa železnic, together with the Ministry of Transport, took over the initiative in the preparation of a comprehensive draft text of the interstate agreement governing the conditions for the authorisation, implementation and operation of this new railway line with Germany and as a result, negotiations were completed in January 2025. The agreement is ready for the new German government with the expectation of its signature and ratification in 2025.

The exchange of experience in the ERTMS deployment is also important. In the area of traffic management, regular meetings of experts from both infrastructure managers under the name of Elbtalgruppe (Elbe Valley Group) continued with the aim of optimising traffic operation on the busiest cross-border link in the Czech Republic.

Austria

Thanks to the close multiprofessional cooperation of Správa železnic with ÖBB-Infrastruktur, there was a continuous sharing of good practices in 2024, ranging from experience in the deployment of the ETCS and the introduc-

tion of the 200 km/h speed to consultations on the equipment of railway stations intended for passenger transport and experience in the reconstruction of historical bridge structures. In September 2024, an agreement was signed in Vienna by representatives of Správa železnic and ÖBB-Infrastruktur on a joint procedure for the preparation of the high-capacity line Linz – České Budějovice and the preparation of a jointly commissioned study for examining the possibilities of further development of the railway connection České Budějovice – Linz in the form of a new line for a fast and high-capacity connection following the axis of the Transit Railway Corridor IV between Northern and Southern Europe. Intensive cooperation is also taking place in the area of exchanging experience with the ERTMS deployment, as ÖBB is the only neighbouring railway which has experience with the ERTMS-only operation on a mixed-traffic line.

Spain

In November, a Memorandum of Understanding was signed with the Spanish counterpart ADIF. The purpose of the Memorandum is to specify possible areas and modes of cooperation, with a focus on the exchange of experience in different areas of infrastructure managers' activities.

Neighbouring countries

In 2024, Správa železnic also maintained special top-level relations with partners from other bordering countries, regularly sharing information on key strategic intentions as well as discussing operating issues and amendments to contracts, with a focus on traffic control and organisation of rail transport on cross-border lines. Apart from traditionally outstanding relationships with the Slovakia-based company ŽSR, Správa železnic managed to develop active cooperation in many areas with its Polish partners PLK and also CPK, the entity responsible for development

of the Polish HSL, in particular on the coordinated preparation of the Katowice – Ostrava and Prague – Wrocław connections, for which feasibility studies have already been finalised, and on the Katowice – Ostrava project, where an environmental impact assessment has already been initiated. For the same project, together with CPK, a draft text of the interstate agreement on the permitting, construction and operation of the cross-border line was prepared and submitted to the relevant ministries at the end of the year for the initiation of official interstate negotiations.

Intergovernmental agreements

Under intergovernmental agreements, Správa železnic alongside the MoT participated in the fulfilment of these agreements, which comprise bilateral agreements on railway infrastructure development with neighbouring countries, the Slavkov/Austerlitz Declaration collaboration, collaboration of the Visegrad Group and from September 2024 also cooperation with Korean Railways on the basis of a Memorandum of Understanding between the Ministries of Transport of the countries.

ERTMS Users Group (EUG)

Správa železnic is, for the third year already, a member of the platform for infrastructure managers, where the members share technical and operational knowledge and expertise about the business impact of ERTMS implementation, maintenance, and development. EUG closely cooperates with the EU Agency for Railways (ERA), the international association of signalling companies in the railway industry, the railway operational communications industry group, and independent laboratories involved in the testing of ERTMS equipment. EUG provides consultancies and shares its knowledge and experience in implementing safe, reliable, and interoperable systems at adequate cost. All questions raised by members are discussed by experts in specialised

working groups. EUG provides education for its experts through internships and other types of training. Together, its members then decide on preferred solutions for the future interoperable network, which are further discussed with the ERA and railway industry associations. Many projects have the support of the European Commission and the railway industry, and many are co-funded by the EU within the framework of the ERJU. In 2024, Správa železnic continued its engagement with the EUG to increase its emphasis on addressing operational issues related to the ERTMS and stabilisation of specifications.

EULYNX – consortium for interface standardisation of ETCS components

Správa železnic is, for the second year already, a full member of the EULYNX consortium associating large European infrastructure managers cooperating in the development of standards for interfaces between individual control and signalling technologies, namely under ETCS. The aim of this standardisation is opening the market for various suppliers of individual components, which play a key role in ETCS implementation. The purpose of a EULYNX consortium membership is the opportunity to influence the development of interface standards with respect to specific issues of its member states, to test these standards, create prototypes, and participate in decision-making on the standards' implementation. This represents a strategic step in Správa železnic's obligation fulfilment towards European interoperability. The benefits of EULYNX and EUG memberships will lead to significant savings during ERTMS deployment. In the second year of Správa železnic's membership in EULYNX, experts continued to be involved in activities of the working groups and the preparation of the EULYNX pilot project on the regional line in the Jihlava region moved forward.

EUROLINK – harmonised timetable concept

Správa železnic continued to participate in the EUROLINK infrastructure managers' initiative as a member of the central team, which develops the concept of harmonising the timetable in the European area in the horizon of 2030. By doing so, it fulfils the idea of the TimeTable Redesign for Smart Capacity Management project (TTR) – redesign of the international timetable development process for smart capacity management. The importance of membership in this initiative is now growing in the context of forthcoming changes in the European legislation in the area of railway infrastructure capacity allocation.

RISC – Railway Interoperability and Safety Committee

The Director of the International Affairs Department of Správa železnic and the MoT representative have regularly attended the meetings of the Railway Interoperability and Safety Committee, which is the top body directly established by the European Commission to approve the wording of legislative and implementing documents relating to railway interoperability and safety. Through its membership, Správa železnic has access to a communication platform through which the ERA publishes all legislative drafts, principally those relating to the future TSI, as well as to the application of existing TSI. It is the EC's intention that future revisions of TSI should be made continuously and should reflect the pace of technological development. The MoT, together with Správa železnic, is trying to set up this process at a long-term sustainable level from the perspective of the Czech railway sector. Based on the MoT mandate, Správa železnic is the coordinator of the Czech railway sector position. The importance of the direct involvement of Správa železnic will be enhanced by the possibility to directly address the problems associated with the ERTMS-only operation.

PRIME – Platform of Rail Infrastructure Managers in Europe

The main objectives of the platform include the implementation of the single European railway area, support of the ERTMS, comparing efficiency and best practice sharing among railway infrastructure operators. Under the auspices of the European Commission, the platform activities are divided into several working groups, addressing topics such as digitalisation, financing, key performance indicators and benchmarking, implementation of EU law into national legislation, safety and security, or infrastructure charges. As a full member of the platform, Správa železnic actively participates in the working groups and in December became a member of a small team of SNCF Réseau, the acting chairperson, which organises PRIME programme including the communication with the European Commission. In 2024, a dedicated capacity working group was established to develop detailed rules for the operation of the European Network of Infrastructure Managers (ENIM), the central capacity coordination body under the Capacity Utilisation Regulation, which will replace PRIME in this role, and its executive arm, which will most likely become the RNE. Správa železnic chairs one of the four sub-groups of this working group, which deals with external relations of ENIM.

RFC – Rail Freight Corridors

In accordance with the Regulation (EU) No 913/2010 of the European Parliament and of the Council concerning a European rail network for competitive freight and related legislation, Správa železnic continued to actively participate in the bodies of the four rail freight corridors whose objective is to simplify the planning, management, and operation of freight trains on important European lines, as well as to establish technical harmonisation principles. The corridors concerned are: RFC

Baltic – Adriatic, RFC Orient/East-Med, RFC North Sea – Baltic and RFC Rhine – Danube. Since 2021, Správa železnic has been acting as a chairperson of the Management Board of the Rhine – Danube corridor, which gives it a privileged access to the informal RFC Network platform and to other meetings of different types. In 2023, the mandate of the representative of Správa železnic was extended for another term of office. Správa železnic has also been successful in the selection process for the position of a railway expert in the RFC Rhine – Danube Corridor Office. The selection took place in September 2024. This is another new experience for Správa železnic in the environment of the pan-European project RFC.

In the middle of 2024, Regulation (EU) 2024/1679 on European Transport Corridors was issued, reducing the number of rail freight corridors on the territory of the Czech Republic from four to two. During the transformation period, which will end in January 2026, Správa železnic will leave the RFC Orient/East-Med and RFC North Sea – Baltic corridors. However, the remaining two corridors on the territory of the Czech Republic include the lines to the same extent as at present. The Regulation has set two important objectives for rail freight transport, namely a maximum stay at a border crossing point of 25 minutes and arrival at destination with a maximum delay of 30 minutes.

CER – Community of European Railway and Infrastructure Companies

Within this community, Správa železnic cooperates on the preparation of position papers on EU draft legislation affecting rail transport in all areas. This comprises principally technical standardisation, digitalisation and meeting the objectives of the European Green Deal. Správa železnic's experts cooperated with CER in working groups focused on infrastructure, European corridors, safety, human resources, ERTMS and other areas. In 2024, cooperation

within the coalition of European infrastructure managers continued at both strategic and technical levels. The Director General of Správa železnic was re-elected as a member of the CER Management Committee, which allows for very close relations within the CER association and with representatives of the EU institutions. In 2024, already a third in-person meeting of the top-level CER infrastructure managers' CEOs Summit was held, with the aim of responding flexibly to EU proposals, the main topic was at that time the coordination of introduction of the ERTMS system and financing of further development of railways, especially from the EU funds. The active involvement of Správa železnic representatives in working groups, which focus exclusively on TSI revision, continued to be developed further.

RNE – RailNetEurope

Správa železnic actively participated in the activities of the international organisation known as RailNetEurope (RNE), which is a major association of European infrastructure managers and allocation bodies, as well as rail freight corridors (RFC) through affiliate membership. RNE's work focused on supporting its members in international activities to improve process efficiency, namely through harmonisation of the requirements on international railway transport, coordination of railway timetable construction across Europe including the TTR project solution and providing joint access to marketing and allocation of international paths. Cooperation in the area of development and implementation of software applications for carriers and railway infrastructure managers continued. An important factor was the cooperation of railway infrastructure managers in the area of rail system operation and preparation for changes in the functioning of the RFC corridors. In 2024, the RNE activities, beyond the framework of its regular activities and long-term projects, focused on the preparation for the assumption of the role of the so-called network coordinator (executive arm

of ENIM). Within the framework of these activities, Správa železnic emphasises the increase of efficiency and the streamlining of the structure of the individual RNE projects.

UIC – International Union of Railways

Although the EU gradually takes over the leader's role in technical standard harmonisation, UIC remains an important coordinator in HSL evolution, research and development and fundamental principles of harmonisation between the different railway systems. Správa železnic's experts participated in transposing UIC regulations into the International Railway Solutions, continued taking an active part in various working groups and in specific projects, primarily within the UIC Rail System Forum. Správa železnic's experts are involved in the ongoing activities of the UIC – in particular the Track Experts Group (TEG), the Panel of Structural Experts (POSE), the GSM-R Network Management Working Group and the EU Framework Programme for Research and Development – Horizon Europe Working Group. Správa železnic actively participates in the activities of the FRMCS (Future Railway Mobile Communication System) Working Group and moreover it continuously chooses from a wide range of optional projects. Správa železnic's representative heads the Statistical Platform.

The UIC plays an important role in sharing experience in the field of high-speed railways. Since 2023, Správa železnic has been a member of the Intercity and High-Speed Committee (ICHSC), which provides valuable opportunities to exchange best practices and discuss common issues in this field through conferences, workshops, studies and projects. Since 2024, Správa železnic has been a member of the Station Managers Global Group (SMGG), which deals with activities in the field of station and stop management and organises workshops and excursions on the latest trends within its focus. Last year, the group met in Prague, among other

things for the purpose of touring the newly renovated Art Nouveau halls of the Fanta building at the Prague Main Station for which Správa železnic received a number of compliments from foreign experts.

UNECE – United Nations Economic Commission for Europe

Together with the MoT, Správa železnic participated in the UNECE Trans-European Railway project. The aim of this long-term project is to maintain contact between partners in the East-West direction including cooperation and experience sharing in preparing infrastructure development projects. The output should include basic parameters, maps and technical descriptions of new infrastructure, communication between eastern countries and countries in our region, and support in promoting our regional interests in the European Commission.

ETSI – European Telecommunications Standards Institute

Správa železnic is a member of the ETSI which focuses on European telecommunications standards with worldwide impact. As a member, Správa železnic has unrestricted access to all published standards and specifications in this area. Správa železnic experts participated in the meetings of the Railway Telecommunications Working Group.

CEN/CENELEC – European Committee for Standardisation / European Committee for Electrotechnical Standardisation

Within the framework of the activities of CEN/CENELEC, Správa železnic experts participated in the preparation of new amendments to existing European standards on technical and electrical engineering.

Financial performance

Financial performance of Správa železnic

Správa železnic manages the state property which constitutes the railway infrastructure. It performs the function of an owner and operator of the railway within the meaning of the Act on Rail Systems and ensures the operation, operability, modernisation and development of the railway infrastructure. It also allocates capacity of the railway infrastructure on the nationwide railway and on regional railways owned by the Czech Republic. The key sources of operational performance are non-investment grants from the SFDI (for repairs and maintenance of nationwide and regional railways and the operating of the railway) and revenues from the use of the railway infrastructure by individual carriers. A basic overview of the financial performance in 2024 is shown in Table 11.

Table 11 – Financial performance of Správa železnic in 2024

Indicator	Actuals for 2024 (CZK million)
Grants from the SFDI for repairs and maintenance of the railway infrastructure	19,456
Grants from the MoT for repairs and maintenance of the railway infrastructure	1,000
Grants from the SFDI for the operating of the railway infrastructure	3,895
Other grants	113
Revenues from use of the railway infrastructure	3,528
Revenues from allocated railway infrastructure capacity	127
Purchase and sale of energy and distribution services	291
Materials, energy consumption and services	(14,986)
Personnel expenses	(15,098)
Accounting depreciation	(2,731)
Other operating revenues and expenses	2,730
Operating profit / loss	(1,675)
Exchange rate differences	0
Other financial revenues and expenses	(2)
Profit / loss from financial operations	(2)
Profit / loss	(1,677)

Grants from SFDI for repairs and maintenance of the railway infrastructure constitute revenue and are used to cover expenses relating to the operability. Under the agreement, SFDI provides non-investment funds to finance repairs and maintenance of nationwide and regional lines owned by the state and administered by Správa železnic.

Grants from the MoT for repairs and maintenance of the railway infrastructure form a one-off grant funding from the MoT intended to cover specific projects to ensure operability.

Grants from SFDI for the operating of the railway infrastructure are provided by the SFDI based on a contract concluded to finance non-investment expenses incurred to ensure the operating of the railway infrastructure.

Other grants comprise primarily purpose-built operation related grants from the SFDI for studies, and a grant from the SFDI for Construction Management Units for small non-investment expenses.

Revenues from use of the railway infrastructure represent payments for the use of the railway infrastructure by carriers. This is a significant source of income forming the inflow of financial means to cover expenses

associated with ensuring the operating of the railway infrastructure.

Revenues from the allocated railway infrastructure capacity represent Správa železnic's income pursuant to the Act on Rail Systems, which stipulates that Správa železnic is the institution in charge of capacity allocation. For more information about capacity allocation, see the Network Statement on Nationwide and Regional Railways.

Purchase and sale of energy and distribution services include expenses related to the purchase of distribution services and electricity to supply external customers connected to the local distribution network of the railways (aside from the consumption of Správa železnic itself), and expenses related to the purchase of distribution services and electricity for the supply and transfer points of electric traction. The item further includes revenue from the sale of distribution services and electricity as well as revenue from the sale of distribution services and of electricity for electric traction.

The most significant expense item comprises **operating expenses related to consumption**, i.e. consumption of materials and consumables and services. The services mainly include expenses related to ensuring the operability of

the railway infrastructure incurred in connection with repairs and maintenance provided by external suppliers.

Správa železnic's **personnel expenses** include wages and salaries, social security expenses and social expenses (namely contributions in accordance to the Corporate Collective Bargaining Agreement).

Significant operating expenses also include **accounting depreciation**, i.e. the recognition of the depreciation of fixed assets in expenses.

Other operating revenues and expenses of Správa železnic include other revenue and expense items, e.g. capitalisation of the organisation's own costs in the acquisition price of fixed assets, revenues from external production and leases, revenues from salvaged materials, and revenue from the sale of fixed assets and material less the net book value. Other items included are reimbursement of substitutive bus services to carriers due to planned restrictions of the operation of the railway infrastructure according to the Network Statement, costs of property and liability insurance, membership contributions to organisations, contributions for personal protective equipment to be used at work, taxes and other fees.

Financial outlook

Správa železnic's vision is to work closely with relevant state administration bodies in order to keep well-balanced financial performance in individual segments of its activity while not increasing Správa železnic's requirements for state budget funds.

Správa železnic's financial performance is regularly assessed and analysed in order to maintain its business and financial stability. The mandatory Key Performance Indicators (KPI) of all organisational units of Správa železnic are thoroughly examined so as not to exceed the total budgeted expenses.

In 2025, a stabilised price level of inputs is expected, which Správa železnic reflects in the expectation of future operating costs, with the balance of revenues and expenditures of Správa železnic being equal. Správa železnic places increasing emphasis on the efficient use of financial resources and the reduction of the operational and energy demands of its operations.

Internal audit and risk management

The basic legal and regulatory standards governing the activities of the Internal Audit Department were the Act No. 320/2001 Coll., on Financial Control in Public Administration and on Amendments to Certain Acts, as amended (hereinafter referred to as the Act on Financial Control), the Decree No. 416/2004 Sb., implementing the Act on Financial Control, and the International Professional Practices Framework for Internal Auditing of the Institute of Internal Auditors.

The Internal Audit Department operated as a functionally independent and separate unit from the management and executive structures of the organisation. It was engaged in objective assurance and consulting activities focused on adding value, improving processes within the organisation, improving the effectiveness of the risk management system, management and control processes, and organisational governance. Its independence and the objectivity of its activities within the framework of the organisation have been confirmed by the Audit Committee.

The starting points for the development of the risk-based Internal Audit Plan for 2024 were:

- Medium-Term Internal Audit Plan for 2024–2027;
- Cyber Security Audit Plan for 2024–2027;
- catalogue of risks of the organisation;

- requirements of the Director General and top management of the organisation for execution of internal audit assurance engagements;
- information on the status of the internal control system contained in the findings of internal audits and controls carried out;
- information on the results of findings from audits and inspections carried out by external bodies.

In accordance with the approved audit plan for 2024, the Internal Audit Department carried out a total of 12 regular and 17 follow-up internal audits across the organisation, identifying areas based on the residual risk level. The testing performed within the framework of the individual audits focused primarily on the risk areas related to:

- threatening or harming the organisation's property and rights;
- breach of information security;
- wasteful use of financial means;
- inefficient or ineffective performance of activities;
- failure to perform specified tasks or delay in performance of such tasks;
- failure to maintain the required quality of the activities carried out;
- damage to the reputation of the organisation.

Regular internal audits examined processes concerning financial control assurance, compliance with financing rules, protection of personal data, organisation of surveying activities, timetable design on the ETCS-only operation lines, readiness of transmission systems for the ETCS-only operation, set-up and operation of control activities connected to the overhead contact line, information leakage, cyber security and organisational resilience. A total of 148 observations were identified within the framework of the regular internal audits carried out, of which 41 with no findings and 107 with findings, for which 148 recommendations were made by the Internal Audit Department. The findings of significant importance were mainly in the area of cyber security. The recommendations issued were followed up by specific targeted and time-bound actions adopted by the senior management of the audited units. Their effectiveness will be verified by subsequent internal audits in 2025.

Subsequent internal audits verified the status of implementation of 166 corrective actions taken on identified deficiencies from the regular audits conducted in 2023 in the areas related to completion of capital expenditure activities, financial operations, accounting settlement of operational grants, crisis scenarios for sudden disruption of the railway infrastructure, cancellations of level crossings, control activities of the European Train Control System, public procurement, the organisation's readiness for introduction of the ESG requirements, project management, risk management system, information and communication technology strategy, data backup, data connectivity and cyber security.

In 2024, in addition to the internal audits carried out, the Internal Audit Department performed a total of 27 consulting engagements on the basis of the requests raised by the Director General or senior managers of expert departments of the Directorate General. The results of the internal audits and consultations carried out in 2024 were always discussed with

the senior management and subsequently with the Director General in accordance with the established internal audit procedure.

The added value of the activity of the Internal Audit Department manifested itself in the regulation of internal management and methodological policies, optimisation/standardisation of audited processes, the identification of audit operation risk areas, improvement of communication, identification of information security vulnerabilities of the organisation, management of the lifecycle of access authorisations to the organisation's software equipment, improvement of the effectiveness of risk management, improvement of the functioning of the internal management and control system.

No serious findings have been recorded during the internal audit activity under the provisions of Section 22(5) of the Act on Financial Control. The Internal Audit Department did not detect high or very high risk of corruption or fraudulent practices or a breach of the organisation's Code of Conduct.

The Internal Audit Department:

- was authorised, on the basis of a comprehensive external quality assessment carried out by a professionally competent and independent professional assessor, to include in its reports a statement on the compliance of the activities performed by internal auditors with the International Standards for the Professional Practice of Internal Auditing;
- successfully passed the first supervisory audit of the certification of internal audit and risk management activities in accordance with ČSN EN ISO 9001:2016 Quality Management Systems;
- provided assistance to an external audit firm during 2024 to audit the organisation's accounting and financial statements and annual accounts for 2024 to the extent necessary to verify the effectiveness of the internal control system;

- maintained, on an ongoing basis, records, evaluated and kept the organisation's bodies informed of the conclusions of controls and audits carried out by external control and audit bodies;
- prepared a summary Report on the results of financial controls for the year 2024 addressed to the Ministry of Finance (MoF).

Risk management

Consistent and systematic risk management is key to ensuring the long-term stability and sustainable development of Správa železnic. This process involves the identification, assessment and treatment of risks which may adversely affect the achievement of the organisation's strategic objectives. Since 2019, we have been using the AURIS information system, which integrates risk management with other components of the internal control system and ensures effective transfer of information on risks from their owners to senior management. We are continuously developing this system; for example, in 2024 we added the transfer of corrective actions from internal audits to the relevant risks and expanded the reporting of registered measures.

Primary responsibility for effective operation of the risk management system rests with the Director General. The seven-member Risk Management Committee plays a crucial role in this process. In particular, it assesses the overall risk position of the organisation, assesses the materiality of risks, agrees risk limits and monitors risk exceedances, approves regular summary and annual risk management reports and makes recommendations to the Director General. Day-to-day risk management is the responsibility of all managerial employees. Risk owners are obliged to continuously monitor and evaluate the status and evolution of their risks. In the event of a deterioration in the risk profile, they implement measures to reduce the likelihood of occurrence or potential impact of risks. An essential part of ensuring the time-

liness and accuracy of information is regular quarterly reporting on the status and evolution of risks to the risk manager, who coordinates the entire system.

The comprehensive approach to risk management in place enables Správa železnic not only to respond effectively to emerging threats, but also to proactively identify opportunities for improvement and innovation. As at 31 December 2024, a total of 101 risks were registered in the risk catalogue, of which 31 were classified as significant. During 2024, we focused on managing the following key risk groups.

Operational risks

The primary objective of operational risk management is to ensure safe operation of the rail system and railway transport on the railway infrastructure. The list of safety risks in the operation of rail systems and rail transport, including the assessment of the severity and the safety measures taken, is provided for in the risk catalogue, which is a part of the system for ensuring the safety of operation of the railway infrastructure and railway transport. In order to increase the efficiency of the management of the above-mentioned safety risks, a target concept for the extension of the AURIS information system with a module for the system for ensuring the safety of operation of the railway infrastructure and railway transport has been developed. Module implementation began in 2024 and the testing phase will follow in 2025.

Risk management also involves developing and constantly maintaining a system of internal policies that define the requirements for the individual components of the railway infrastructure as well as the correct procedures for performing activities related to the railway infrastructure, in accordance with European and national legislation, in particular the application of technical specifications for interoperability. In the operations and operational

management segment, risks are minimised primarily by selecting new employees with the appropriate physical and mental health and by carrying out the training and tests laid down for their future employment. The medical fitness of staff continues to be reviewed through regular and emergency medical examinations. Professional competence is maintained and improved through a series of instruction, training, seminars, courses and workshops, including verification of acquired knowledge.

In the context of risk management, the safety objectives of the system for ensuring the safety of railway infrastructure operation and railway transport are adopted annually and subsequently evaluated. The set safety objectives are based on risks and serve to eliminate them.

In the event of incidents, the causes and circumstances of their occurrence are identified, responsibility for their occurrence is ascertained and associated hazards/risks are assessed and evaluated. In the case of a new hazard/risk, an analysis is carried out to identify and describe the risk, including the identification of measures for its mitigation/prevention. Remedial measures are proposed and adopted for each incident, including implementation deadlines. Their implementation is then checked, and safety recommendations and safety measures to prevent the occurrence of incidents are prepared.

Financial risks

In the area of finance, Správa železnic focuses on the management of risks associated with liquidity and credit commitments. Since the main source of funding of the organisation is formed of grants, liquidity management is closely linked to the rules for their use, which helps to prevent potential sanctions. Income from the organisation's own activities also plays an important role, and regular monitoring of cash flow is a key tool for maintaining financial stability. No loans were drawn down or repaid during 2024.

Správa železnic actively monitors credit risks, in particular the risk of default by debtors. The status of receivables is regularly monitored and immediate steps are taken for unpaid liabilities, including the use of legal means. In the past year, the likelihood of the risk of non-payment of invoices for services delivered has been significantly reduced, which, together with the decrease in the volume of overdue receivables, confirms the effectiveness of the measures adopted.

The risk of PPP project failure has been newly identified in the list of key risks. This risk is systematically assessed to enable timely responses and minimise its impact.

Risks in the area of information technology and cyber security

Správa železnic, which is a part of the critical infrastructure of the state, fulfils the requirements imposed by the Act on Cyber Security. Concerning the significant risks, it is necessary to mention cyber security attacks from public cyberspace, the cause of which is usually linked to the war conflict and the Czech Republic's assistance to Ukraine. Other identified cybernetic attacks include misuse, damage or loss of corporate data due to breaches of availability, confidentiality or integrity.

Správa železnic reduces the identified security risks associated with information systems to an acceptable level by using specific technical or organisational measures or a combination thereof. A significant milestone within the framework of strengthening protection against cybernetic attacks and reducing risks at Správa železnic is the creation of the Cyber Security Operations Centre (SOC). This is designed to continuously monitor, detect and respond to security incidents in real time, thereby strengthening the protection of the information system of Správa železnic. The objective is early detection of anomalies or cybernetic attacks and subsequent analysis of

detected events, including rapid response to security incidents. Within the framework of cyber security, penetration testing of traffic management systems and applications is carried out at Správa železnic, thereby minimising risks to operations and increasing security.

In 2025, a major update of the key law on cyber security will take place in relation to the European NIS 2 Directive, which redefines the legal requirements for entities managing critical information infrastructure. We do not expect the emergence of new risks nor the emergence of a new specific risk management methodology in the field of cybernetic and information security, but rather a more detailed elaboration of existing risks.

Human resources risks

Správa železnic's interests regarding future employee requirements are being secured through cooperation with secondary schools and universities. Správa železnic participates in job fairs, open days of partner schools and presents itself as an interesting employer.

In accordance with the HR strategy, the age structure of key professions is analysed, and selected employees undergo special training process in order to ensure the succession of key positions. The central SAP SuccessFactors system is used to register all selection procedures and candidates and a gradual digitalisation of all key human resource processes is underway. In the course of 2024, it was decided to strengthen the role of the HR department by the processes of employer branding and HR marketing, and to introduce HR management support, especially with the aim of implementing an optimum recruitment and employee selection process. In 2025, we expect full introduction of the above-mentioned steps.

Observing both external and internal legislation as well as the Corporate Collective Bargaining Agreement ensures the conditions for social consensus and low employee turnover level,

which is supported by a funding guarantee for the operating of the railway infrastructure and its operability.

Corruption and compliance risks

Since 2020, Správa železnic has introduced a Compliance Code, which includes compliance and corruption risk management. This programme is regularly evaluated and developed within the framework of external legislative requirements and internal needs, with the aim of minimising the emergence and exposure to this type of risk, while enabling the organisation to demonstrate its efforts leading to a possible self-exculpation from corporate criminal liability in the event of a finding of wrongdoing by its employees. Since 2023, a special secure line for whistleblowing has been in operation to report suspicions of undesirable conduct. Currently, the implementation of ISO 37001:2016 Anti-Corruption Management Systems is underway in selected organisational units to assist the organisation in preventing and detecting corruption or otherwise undesirable conduct.

In 2024, the Compliance Officer received several dozen notifications, of which seven were relevant to the investigation of whether a crime or offence had been committed. In none of the cases was a violation of criminal law evidenced, nevertheless the Compliance Officer again drew the attention of the concerned departments of Správa železnic to some rather ethical and personnel-conceptual legal issues and asked for their elimination in the future. One case had already been investigated by law enforcement authorities, subsequently shelved, but in view of new facts a new investigation has been initiated already in 2023. Regular training and awareness-raising of the institution of compliance, i.e. visiting not only management staff but also rank-and-file employees, has proved very beneficial and the trained employees appreciate this approach.

Human resources

Employees

As at 1 January 2024, Správa železnic had 16,732 employees working in 136 professions and in 18 organisational parts (Správa železnic's Directorate General plus 17 organisational units) operating all over the Czech Republic.

In 2024, the process of changes in the organisational structure of Správa železnic as approved by the Supervisory Board continued, with the objective of optimising and enhancing the effectiveness of setting up of the internal processes within the organisation – both at the level of the Directorate General and organisational units. Among other things, during the centralisation of activities into the SŽ Facility organisational unit, the activities of methodical management of the administration of buildings and related utility networks and the use, disposal and acquisition of the organisation's assets were transferred from the General Directorate, as well as the car fleet operation activities from designated organisational units. The centralisation of the performance of the investment accounting activities in the Shared Services Centre (CSS), previously performed by Construction Management West and Construction Management East, was completed. The centralisation of repair services started with the change in the organisational structure

of the CTD and the Directorate General's Operability Department on 1 December 2024 and continued with the change in the organisational structure of the regional directorates on 1 January 2025.

The process of rationalisation and optimisation continued, both in connection with the hand-over of the capital expenditure constructions into operation, which resulted in a reduction in the total number of employees in operations management by 198 (i.e. by 2.8 %), and in the search for possible savings and more efficient organisation of work in all organisational units. On the other hand, staffing has been strengthened in particular in the areas of the ETCS, IT, cybersecurity and HSL preparation.

The number of employees on the register as at 31 December 2024 decreased by 21 employees to 16,872, i.e. by 0.12 % compared to the same period in 2023 (see Chart 8). The number of employees on the register as at 31 December 2024 by organisational parts of Správa železnic is shown in Chart 9. During 2024, severance payments were made to 187 employees.

Chart 8 – Development of the number of Správa železnic's employees in 2003–2024

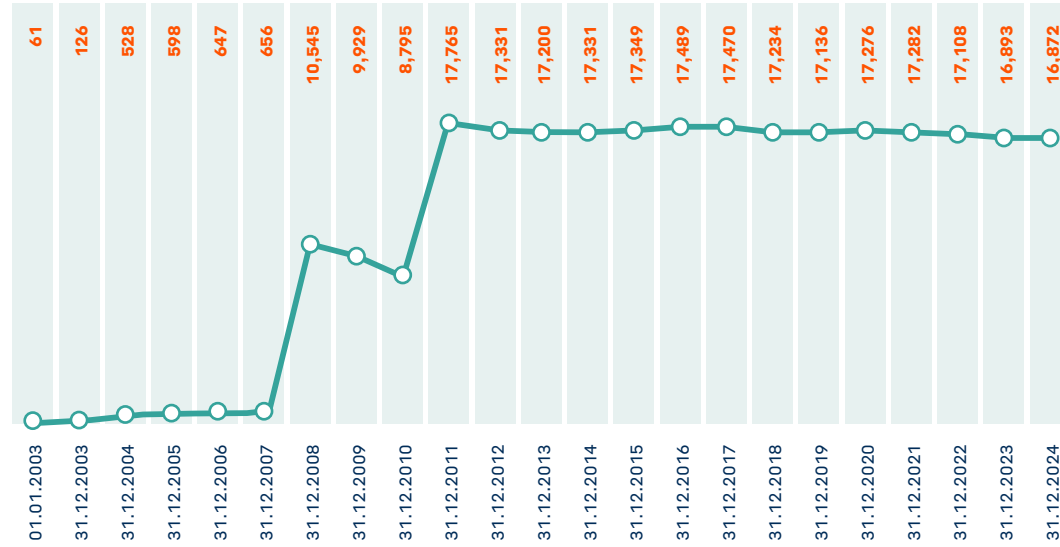
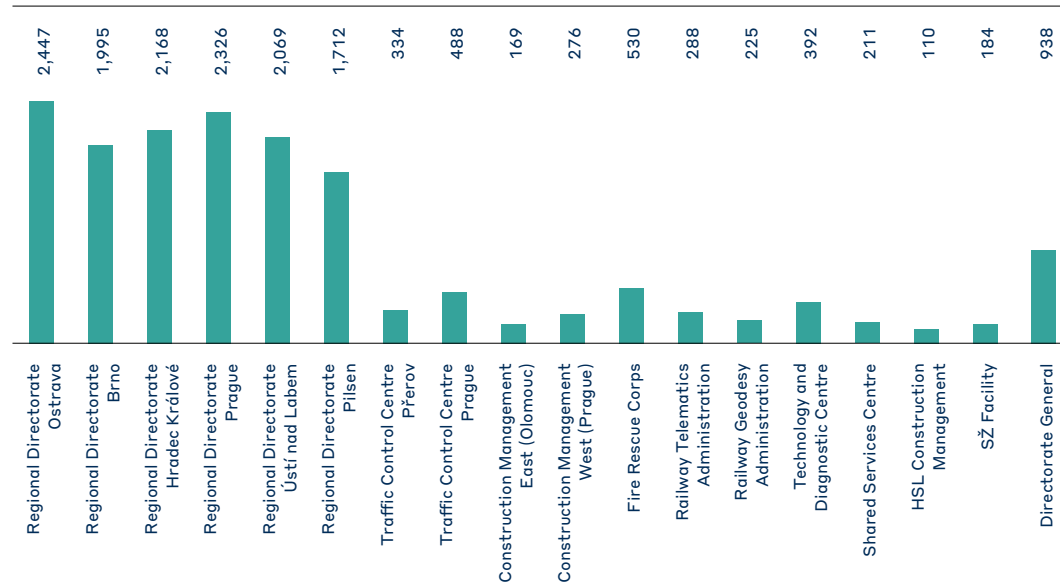


Chart 9 – Number of employees by organisational units as at 31 December 2024



The average full-time equivalent number of employees was 16,819.45 in 2024 (a year-on-year decrease by 201.50 employees, i.e. by 1.2 %).

Cooperation with trade unions

As keeping the social peace is the priority of its social policy, Správa železnic places great emphasis on cooperation with trade union organisations. As at 31 December 2024, nine trade union organisations – both multi-profession organisations and organisations representing single professions – were operating at Správa železnic. In 2024, joint meetings of the employer's and trade unions' representatives were held on a regular basis, even via the Microsoft Teams application, where information was presented and discussed with social partners, in accordance with the Labour Code and the Corporate Collective Bargaining Agreement. Two changes to the Corporate Collective Bargaining Agreement were negotiated in 2024: The first one was agreed on 20 May 2024 in connection with the modification of internal regulations. The second amendment was agreed on 22 July 2024 following the issue of Government Regulation No. 202/2024 Coll.

On 17 September 2023, collective bargaining of a new Corporate Collective Bargaining Agreement valid after 31 December 2024 was initiated. Subsequently a new Corporate Collective Bargaining Agreement for 2025 was concluded on 11 November 2024, with the following appendices:

No. 1 – Working hours, on-call duty, vacations, work obstacles;

No. 2 – Principles of remuneration of Správa železnic's employees;

No. 3 – Boarding/meal allowance and expense refunds;

No. 4 – Reconditioning curative stays for Správa železnic's employees;

No. 5 – Principles for the granting of a recruitment allowance;

No. 6 – Incentive benefit for referring a new employee.

Occupational health and safety

In 2024, there were two incidents resulting in the death of two employees of Správa železnic. Although in neither case was the employer at fault (one was a car accident), there was an increase in control activities, particularly when working on equipment on railway infrastructure in operation.

In 2024, Správa železnic recorded a total of 475 occupational injuries, 2 of which were fatal, 5 required hospitalisation for more than 5 days, 5 were associated with work incapacity not exceeding 3 days, 174 injuries required sick leaves of more than 3 days and 289 injuries were without subsequent sick leaves.

A total of 56,595 tests for alcohol and 2 tests for addictive substances were carried out to determine whether employees were under the influence of alcohol or other addictive substances.

In addition, a new system for informing people about the movement of vehicles through the workplace – the Automatic Track Warning System (ATWS) – was tested on railway infrastructure in operation. It is currently still in verification operation.

Detailed information concerning the employees of Správa železnic and the social and societal relations within the organisation is provided in Správa železnic's ESG Report for 2024.

Corporate social responsibility

The basic task of Správa železnic is to manage the Czech railway infrastructure in an economically transparent, ecologically exemplary and socially sustainable and beneficial manner. All three pillars of sustainable development (Environment, Social and Governance) are therefore an integral part of the management and activities of our organisation.

Správa železnic is a modern, flexible and customer-oriented organisation. In all its activities, it pays utmost attention to sustainable development and transparency and it generally strives to contribute to improvement of the society. Správa železnic wants to play a central role in strengthening the position of rail transport in the transport market, reducing the carbon footprint of transport and shifting as much freight as possible towards zero-emission mobility.

For full details of our corporate social responsibility, please see Správa železnic's ESG Report for 2024:



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Income statement

Statement of changes in equity

Cash flow statement

Notes to the Financial Statements

Independent Auditor's Report on Audit of the Financial Statements

Information about the audited company

Name of the accounting unit Registered office	Správa železnic, státní organizace Dlážděná 1003/7, Praha 1 – Nové město, PSČ 110 00
ID number	709 94 234
Tax ID number	CZ70994234
Statutory Body	Jiří Svoboda, Director General
Subject of business	Operating the railway infrastructure, including servicing the rail system, and ensuring its operability, maintenance, modernisation and development (main object of activities)
Audited period	from 1 January 2024 to 31 December 2024
Recipient of the report	Founder of organisation: the Czech Republic (the Ministry of Transport of the Czech Republic is entrusted with performance of the founder's function)

Information about the auditing company

Name of the company	NEXIA AP a.s.
Audit firm licence No.	No. 096
Registered office	Sokolovská 5/49, Prague 8 Karlín, 186 00
Recording carried out at	Municipal court in Prague
Recording under number	Section B, file number 14203
ID number	481 17 013
Tax ID number	CZ48117013
Phone	+420 725 573 488
E-mail	nexiaprague@nexiaprague.cz
Responsible auditor	Mikuláš Laš
Auditor licence No.	No. 2493

Independent Auditor's Report

to the Founder of Správa železnic, státní organizace

Auditor's report

We have audited the accompanying financial statements of organisation **Správa železnic, státní organizace** (hereinafter also the 'accounting unit' or 'Správa železnic'), prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise **the balance sheet as at 31 December 2024, the income statement, equity changes statement and cash flow statement for the year then ended and notes to the financial statements**, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of Správa železnic, státní organizace, as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted 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 clauses. 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 accounting unit in accordance with the Act on Auditors and the Code of Conduct 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.

Emphasis of matter

Without issuing a qualified opinion, we would like to draw attention to the fact about which Správa železnic informs in Chapter 7.4. of the Notes to the Audited Financial Statements, where it states as follows:

a) On 25 September 2024, it received a report from the European Commission on the conclusion of the prenotification process started in May 2021 without the actual prenotification having taken place, in the follow-up to the comments and requirements of the European Commission regarding the methodology for quantification of the value of the ÚMVŽST (project for the settlement of property relations in railway stations) transaction, which was submitted for the purpose of determining the terms and conditions of the transfer for consideration and the existing use of the plots of land owned by **České dráhy, a. s.** (hereinafter referred to also as 'ČD'), which are a part of the ÚMVŽST project and are used by Správa železnic for the purposes of the railway infrastructure operation.

b) Since the prenotification has not yet been successfully carried out, Správa železnic continues **not to account** for invoices/tax documents it has already received from ČD in connection with the release of unjustified enrichment for the use of the plots of land owned by ČD for the purposes of the railway infrastructure operation in the period **from 1 March 2017 to 31 December 2024**. The sum of this unjustified enrichment invoiced so far, which Správa železnic disputes and refuses to pay, and which it does not account for in the general ledger, does not reflect in its balance sheet as external resources (liabilities or provisions), does not reflect in the profit or loss and which it registers out of the balance sheet items, amounts, as at 31 December 2024, to a total of **CZK 2,970,403,000 (VAT exclusive) (CZK 3,689,717,000 VAT inclusive)**. The reason for this approach is the fact that, from the point of view of Správa železnic, there is still a high level of uncertainty regarding the specific amount of its payment obligations towards ČD.

c) In 2025, activities have already been initiated to start a new prenotification process,

which will be based on an update of the methodology for quantifying the value of the ÚMVŽST transaction, which is to reflect the comments of the European Commission. This new prenotification process will influence the further procedure for recording the ÚMVŽST transaction in the accounts and financial statements of Správa železnic. If this new prenotification process is completed positively, a situation is likely to arise in the future when the plots of land forming a part of the ÚMVŽST project will be purchased into the property of the Czech Republic and entrusted to the administration of Správa železnic, and Správa železnic will probably be obliged to pay the usual rental for the period starting from 1 March 2017. In such a situation, Správa železnic will have to **start communication about the methods of financing** such payment obligations with the Ministry of Transport of the Czech Republic and the SFDI.

Our opinion is not modified in connection with this matter.

Other information included 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 Statutory Body 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 accounting unit 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 Statutory Body (Director General), Supervisory Board and Audit Committee for the financial statements

The Statutory Body is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic, and for such internal control as the Statutory Body 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 Statutory Body is responsible for assessing the accounting unit'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 Statutory Body either intends to liquidate the accounting unit to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the organisation's financial reporting process. The Audit Committee is responsible for monitoring the organisation'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 scepticism 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 accounting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Component Management.
- Conclude on the appropriateness of the Component Management's 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 accounting unit'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 accounting unit 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.

Our responsibility is to inform the accounting unit's Statutory Body, Supervisory Board and Audit Committee 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 identified during our audit.



Mikuláš Laš

auditor designated by the audit firm as responsible for carrying out the audit on behalf of the audit firm
Auditor licence No. 2493

Prague, 31 March 2025

NEXIA AP a.s.

Sokolovská 5/49, 149 00 Praha 8
Audit firm licence No. 096



Balance sheet

in full format
as at 31 December 2024
(in thousands of Czech crowns)
Translated from the Czech original

Name and registered office of the organisation
Správa železnic, státní organizace
110 00 Praha 1 – Nové Město
Czech Republic

Identification number
709 94 234

Identification a	ASSETS b	line c	Current period			Prior period
			Gross 1	Adjustment 2	Net 3	Net 4
	TOTAL ASSETS	1	175,934,078	(122,949,661)	52,984,417	54,474,265
	B. Fixed assets	2	166,923,919	(122,671,703)	44,252,216	46,431,014
	B.I. Intangible fixed assets	3	1,563,488	(1,409,592)	153,896	151,603
B.I.2.	Intellectual property rights	4	1,419,454	(1,406,092)	13,362	58,581
B.I.2.1.	Software	5	1,417,564	(1,404,386)	13,178	58,082
B.I.2.2.	Other intellectual property rights	6	1,890	(1,706)	184	499
B.I.4.	Other intangible fixed assets	7	3,500	(3,500)	0	0
B.I.5.	Advance payments for intangible fixed assets and intangible fixed assets under construction	8	140,534	0	140,534	93,022
B.I.5.1.	Advance payments for intangible fixed assets	9	99	0	99	99
B.I.5.2.	Intangible fixed assets under construction	10	140,435	0	140,435	92,923
	B.II. Tangible fixed assets	11	165,360,431	(121,262,111)	44,098,320	46,279,411
B.II.1.	Land and buildings	12	139,725,738	(102,999,454)	36,726,284	38,839,171
B.II.1.1.	Land	13	6,792,926	(7,753)	6,785,173	6,795,363
B.II.1.2.	Buildings	14	132,932,812	(102,991,701)	29,941,111	32,043,808
B.II.2.	Plant and equipment	15	19,560,765	(18,060,948)	1,499,817	1,717,028
B.II.3.	Adjustments to acquired fixed assets	16	253,683	(196,019)	57,664	74,576
B.II.4.	Other tangible fixed assets	17	16,194	(5,690)	10,504	6,981
B.II.4.3.	Other tangible fixed assets	18	16,194	(5,690)	10,504	6,981
B.II.5.	Advance payments for tangible fixed assets and tangible fixed assets under construction	19	5,804,051	0	5,804,051	5,641,655
B.II.5.1.	Advance payments for tangible fixed assets	20	794,672	0	794,672	2,038,515
B.II.5.2.	Tangible fixed assets under construction	21	5,009,379	0	5,009,379	3,603,140

Balance sheet

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as at 31 December 2024
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110 00 Praha 1 – Nové Město
Czech Republic

Identification number
709 94 234

Identification a	ASSETS b	line c	Current period			Prior period
			Gross 1	Adjustment 2	Net 3	Net 4
C.	Current assets	22	8,890,516	(277,958)	8,612,558	7,947,928
C.I.	Inventories	23	869,193	(10,061)	859,132	795,089
C.I.1.	Raw materials	24	869,173	(10,061)	859,112	795,088
C.I.3.	Finished goods and goods for resale	25	0	0	0	1
C.I.3.2.	Goods for resale	26	0	0	0	1
C.I.5.	Advance payments for inventories	27	20	0	20	0
C.II.	Receivables	28	3,228,766	(267,897)	2,960,869	2,383,193
C.II.1.	Long-term receivables	29	9,552	0	9,552	7,302
C.II.1.1.	Trade receivables	30	161	0	161	0
C.II.1.5.	Receivables – other	31	9,391	0	9,391	7,302
C.II.1.5.2.	Long-term advances paid	32	9,391	0	9,391	7,302
C.II.2.	Short-term receivables	33	3,219,214	(267,897)	2,951,317	2,375,891
C.II.2.1.	Trade receivables	34	1,550,298	(256,570)	1,293,728	1,266,441
C.II.2.4.	Receivables – other	35	1,668,916	(11,327)	1,657,589	1,109,450
C.II.2.4.3.	Tax receivables	36	527,966	0	527,966	486,229
C.II.2.4.4.	Short-term advances paid	37	503,600	0	503,600	134,474
C.II.2.4.5.	Estimated receivables	38	588,853	0	588,853	453,928
C.II.2.4.6.	Other receivables	39	48,497	(11,327)	37,170	34,819
C.IV.	Cash	40	4,792,557	0	4,792,557	4,769,646
C.IV.1.	Cash in hand	41	3,994	0	3,994	2,847
C.IV.2.	Bank accounts	42	4,788,563	0	4,788,563	4,766,799
D.	Deferrals	43	119,643	0	119,643	95,323
D.1.	Prepaid expenses	44	105,576	0	105,576	87,684
D.3.	Accrued revenues	45	14,067	0	14,067	7,639

Balance sheet

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Translated from the Czech original

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110 00 Praha 1 – Nové Město
Czech Republic

Identification number
709 94 234

Identification a	LIABILITIES b	line c	Current period 5	Prior period 6
	TOTAL LIABILITIES	46	52,984,417	54,474,265
A.	Equity	47	44,269,547	45,980,877
A.I.	Registered capital	48	57,606,564	57,599,808
A.I.1.	Registered capital	49	57,606,564	57,599,808
A.II.	Premium and capital contributions	50	405,026	518,581
A.II.2.	Capital contributions	51	405,026	518,581
A.II.2.1.	Other capital contributions	52	405,026	518,581
A.III.	Funds from profit	53	14,975	4,360
A.III.2.	Statutory and other funds	54	14,975	4,360
A.IV.	Retained earnings (+/-)	55	(12,079,650)	(11,658,784)
A.IV.1.	Retained profits or accumulated losses (+/-)	56	(14,590,834)	(14,107,746)
A.IV.2.	Other retained earnings (+/-)	57	2,511,184	2,448,962
A.V.	Profit (loss) for the current period (+/-)	58	(1,677,368)	(483,088)
B. + C.	Liabilities	59	8,541,248	8,343,022
B.	Provisions	60	697,209	428,062
B.4.	Other provisions	61	697,209	428,062
C.	Liabilities	62	7,844,039	7,914,960
C.I.	Long-term liabilities	63	78,115	71,787
C.I.4.	Trade payables	64	78,115	71,783
C.I.9.	Liabilities – other	65	0	4
C.I.9.3.	Other payables	66	0	4

Balance sheet

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Czech Republic

Identification number
709 94 234

Identification a	LIABILITIES b	line c	Current period 5	Prior period 6
C.II.	Short-term liabilities	67	7,765,924	7,843,173
C.II.3.	Short-term advances received	68	449,130	445,850
C.II.4.	Trade payables	69	2,950,015	3,155,314
C.II.8.	Liabilities – other	70	4,366,779	4,242,009
C.II.8.3.	Payables to employees	71	857,828	843,347
C.II.8.4.	Social security and health insurance liabilities	72	459,706	434,253
C.II.8.5.	Tax liabilities and subsidies	73	2,028,747	2,573,570
C.II.8.6.	Estimated payables	74	979,838	388,061
C.II.8.7.	Other payables	75	40,660	2,778
D.	Accruals	76	173,622	150,366
D.1.	Accrued expenses	77	167,652	147,170
D.2.	Deferred revenues	78	5,970	3,196



Správa železnic, státní organizace
Jiří Svoboda
Director General



Správa železnic, státní organizace
Tomáš Čoček
Deputy Director General for Economics

Income statement

in full format
as at 31 December 2024
(in thousands of Czech crowns)
Translated from the Czech original

Name and registered office of the organisation
Správa železnic, státní organizace
110 00 Praha 1 – Nové Město
Czech Republic

Identification number
709 94 234

Identification a	Income statement b	line c	Current period 1	Prior period 2
I.	Revenue from products and services	1	10,694,720	9,688,021
A.	Cost of sales	2	20,375,182	18,823,607
A.2.	Materials and consumables	3	9,029,877	7,237,903
A.3.	Services	4	11,345,305	11,585,704
C.	Own work capitalised (-)	5	(1,479,296)	(1,066,448)
D.	Personnel expenses	6	15,098,110	14,403,895
D.1.	Wages and salaries	7	10,862,782	10,362,657
D.2.	Social security, health insurance and other expenses	8	4,235,328	4,041,238
D.2.1.	Social security and health insurance expenses	9	3,657,335	3,469,911
D.2.2.	Other expenses	10	577,993	571,327
E.	Adjustments relating to operating activities	11	2,695,822	3,225,801
E.1.	Adjustments to intangible and tangible fixed assets	12	2,712,603	3,271,602
E.1.1.	Depreciation and amortisation of intangible and tangible fixed assets	13	2,730,888	3,281,177
E.1.2.	Impairment of intangible and tangible fixed assets	14	(18,285)	(9,575)
E.2.	Adjustments to inventories	15	(158)	(614)
E.3.	Adjustments to receivables	16	(16,623)	(45,187)
III.	Other operating revenues	17	25,627,097	25,904,542
III.1.	Proceeds from disposals of fixed assets	18	239,429	118,308
III.2.	Proceeds from disposals of raw materials	19	217,392	234,530
III.3.	Miscellaneous operating revenues	20	25,170,276	25,551,704
F.	Other operating expenses	21	1,307,312	686,452
F.1.	Net book value of fixed assets sold	22	32,253	23,211
F.2.	Net book value of raw materials sold	23	217,085	233,921
F.3.	Taxes and charges	24	32,881	30,221
F.4.	Provisions relating to operating activity and complex prepaid expenses	25	269,147	(2,907,406)
F.5.	Miscellaneous operating expenses	26	755,946	3,306,505
*	Operating profit (loss) (+/-)	27	(1,675,313)	(480,744)

Income statement

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Czech Republic

Identification number
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Identification a	Income statement b	line c	Current period 1	Prior period 2
VII.	Other financial revenues	28	1,904	1,544
K.	Other financial expenses	29	3,959	3,888
*	Profit (loss) from financial operations	30	(2,055)	(2,344)
**	Profit (loss) before tax (+/-)	31	(1,677,368)	(483,088)
**	Profit (loss) after tax (+/-)	32	(1,677,368)	(483,088)
***	Profit (loss) for the accounting period (+/-)	33	(1,677,368)	(483,088)
*	Net turnover for the accounting period	34	36,179,275	



Správa železnic, státní organizace
Jiří Svoboda
Director General



Správa železnic, státní organizace
Tomáš Čoček
Deputy Director General for Economics

Statement of changes in equity

in full format
as at 31 December 2024
(in thousands of Czech crowns)
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110 00 Praha 1 – Nové Město
Czech Republic

Identification number
709 94 234

	Registered capital	Other capital contributions	Other reserve funds	Culture and social needs fund	Retained profits or accumulated losses (+/-)	Other retained earnings	Profit (loss) for the current period	Total
Balance as at 1 January 2024	57,599,808	518,581	0	4,360	(14,107,746)	2,448,962	(483,088)	45,980,877
Free-of-charge transfers of assets and other transfers	6,757	(7,289)	0	0	0	0	0	(532)
Use of the culture and social needs fund	0	0	0	(95,680)	0	0	0	(95,680)
Creation of the culture and social needs fund	0	(106,267)	0	106,295	0	0	0	28
Transfer of the profit (loss) of prior year period	0	0	0	0	(483,088)	0	483,088	0
Other retained earnings	0	0	0	0	0	62,223	0	62,223
Rounding	(1)	1	0	0	0	(1)	0	(1)
Profit (loss) for the current period	0	0	0	0	0	0	(1,677,368)	(1,677,368)
Balance as at 31 December 2024	57,606,564	405,026	0	14,975	(14,590,834)	2,511,184	(1,677,368)	44,269,547

	Registered capital	Other capital contributions	Other reserve funds	Culture and social needs fund	Retained profits or accumulated losses (+/-)	Other retained earnings	Profit (loss) for the current period	Total
Balance as at 1 January 2023	57,390,172	504,256	0	159,338	(8,787,726)	2,448,962	(5,320,020)	46,394,982
Free-of-charge transfers of assets and other transfers	209,636	65,961	0	0	0	0	0	275,597
Use of the culture and social needs fund	0	0	0	(206 613)	0	0	0	(206,613)
Creation of the culture and social needs fund	0	(51,636)	0	51,636	0	0	0	0
Transfer of the profit (loss) of prior year period	0	0	0	0	(5,320,020)	0	5,320,020	0
Other retained earnings	0	0	0	0	0	0	0	0
Rounding	0	0	0	(1)	0	0	0	(1)
Profit (loss) for the current period	0	0	0	0	0	0	(483,088)	(483,088)
Balance as at 31 December 2023	57,599,808	518,581	0	4,360	(14,107,746)	2,448,962	(483,088)	45,980,877


Správa železnic, státní organizace
Jiří Svoboda
Director General


Správa železnic, státní organizace
Tomáš Čoček
Deputy Director General for Economics

Cash flow statement

in full format
as at 31 December 2024
(in thousands of Czech crowns)
Translated from the Czech original

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Správa železnic, státní organizace
110 00 Praha 1 – Nové Město
Czech Republic

Identification number
709 94 234

	Current period	Prior period
P. Cash and cash equivalents, beginning of period	4,769,646	4,749,245
Net operating cash flow		
Z: Accounting profit (loss) from ordinary activities	(1,677,368)	(483,088)
A.1. Non-cash transactions	(21,696,631)	(24,851,199)
A.1.1. Depreciation and amortisation of fixed assets excluding the net book value of fixed assets sold and amortisation of adjustments to acquired assets and goodwill	2,730,888	3,281,177
A.1.2. Change in other adjustments and provisions	234,081	(2,962,782)
A.1.3. Profit (-) Loss (+) on sale of fixed assets	(207,174)	(95,097)
A.1.5. Use of operating grants	(24,464,406)	(25,054,988)
A.1.7. Other non-cash transactions	9,980	(19,509)
A.* Net operating cash flow before financial items, changes in working capital and extraordinary items	(23,373,999)	(25,334,287)
A.2. Changes in working capital	(178,399)	(742,236)
A.2.1. Change in receivables from operating activities, estimated receivables and deferrals	(586,211)	482,129
A.2.2. Change in short-term liabilities from operating activities, estimated payables and accruals	471,697	(1,245,863)
A.2.3. Change in inventories	(63,885)	21,498
A.** Net operating cash flow before financial balances, tax and extraordinary items	(23,552,398)	(26,076,523)
A.5. Operating grants received	24,436,675	25,052,758
A.*** Net operating cash flow	884,277	(1,023,765)

Cash flow statement

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	Current period	Prior period
Investment activity		
B.1. Acquisition of fixed assets	(36,827,967)	(34,188,834)
B.1.1. Acquisition of tangible fixed assets	(195,866)	(153,442)
B.1.2. Acquisition of intangible fixed assets	(727,029)	(6,694)
B.1.3. Acquisition of fixed assets from investment grants	(35,905,072)	(34,028,698)
B.2. Proceeds from sales of fixed assets	239,429	118,308
B.2.1. Proceeds from sales of tangible and intangible fixed assets	239,429	118,308
B.3. Investment grants received	35,822,824	35,321,306
B.*** Net cash flow from investment activity	(765,714)	1,250,780
Financial activity		
C.2. Increase and decrease in equity from cash transactions	(95,652)	(206,614)
C.2.1. Payments from funds created from net profit	(95,652)	(206,614)
C.*** Net cash flow from financing activities	(95,652)	(206,614)
F. Net increase or decrease in cash balance	22,911	20,401
R. Cash and cash equivalents, end of period	4,792,557	4,769,646



Správa železnic, státní organizace
Jiří Svoboda
Director General



Správa železnic, státní organizace
Tomáš Čoček
Deputy Director General for Economics

Notes to the Financial Statements

as at 31 December 2024



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1. GENERAL INFORMATION

1.1 General information

Správa železnic, státní organizace (Správa železnic) was established as at 1 January 2003 under the name 'Správa železniční dopravní cesty, státní organizace' (SŽDC) as one of two legal successors of České dráhy, státní organizace (ČD, s.o.), in accordance with the Act No. 77/2002 Coll., on the joint-stock company 'České dráhy', the state-owned organisation 'Správa železnic' and amending the Act No. 266/1994 Coll., on Rail Systems, as amended (the Transformation Act).

As at 1 January 2003, Správa železnic was registered in the Commercial Register maintained by the Municipal Court in Prague, section A, file number 48384. On 14 January 2020, the organisation's new name 'Správa železnic, státní organizace' was registered in the Commercial Register, following 1 January 2020 as the effective date of the Act No. 367/2019 Coll., amending the Act No. 266/1994 Coll., on Rail Systems, as amended (the Rail Systems Act), and other related laws.

The address of the registered office of Správa železnic is Dlážděná 1003/7, Prague 1 – Nové Město, postcode 110 00.

The founder of Správa železnic is the Czech Republic. The Ministry of Transport of the Czech Republic (MoT) is charged with exercising the founder's duties. The governing body in matters of settling legal remedies against Správa železnic's decisions is the MoT.

The MoT also acts as the founder of České dráhy, a. s. (ČD) and ČD Cargo, a. s. (ČD Cargo). Správa železnic has many contractual relations with ČD and its subsidiaries, the most important of which are described in note 7.3. The organisation is the beneficiary of significant funding from the Státní fond dopravní infrastruktury (State Fund for Transport Infra-

structure – SFDI). In accordance with the view of Správa železnic, ČD, ČD Cargo, and SFDI are considered related entities.

The reporting period is the calendar year. All amounts in the Financial Statements are presented in thousands of Czech crowns (TCZK), unless stated otherwise.

The Financial Statements of Správa železnic for 2024 have been prepared as at 31 December 2024.

These notes have been prepared for the accounting period starting on 1 January 2024 and ending on 31 December 2024 and include significant events which occurred after this date as well as significant changes as at the date of Správa železnic's registration.

1.2 Principal business activity

In accordance with the Transformation Act, the principal activities of Správa železnic consist of operating the railway infrastructure including rail servicing and ensuring its operability, repairs and maintenance, modernisation and development, as well as maintenance and modernisation of railway stations.

Správa železnic provides the railway infrastructure to be used by the carriers. The income from the use of the railway infrastructure is predominantly generated from the key users, i.e. ČD and ČD Cargo (refer to note 7.3).

Správa železnic generates additional major funding from grants, which are used to cover expenditures related to modernisation, development and repairs and maintenance of the railway infrastructure (refer to note 3.10).

Správa železnic also administers the assets and liabilities and assets set out in Sections 20 and 38a of the Transformation Act. These principally involve assumed receivables and liabilities, and assets specified in the Appendix

to the Transformation Act that had been administered by the MoT until 30 June 2004.

On 30 May 2007, having complied with all the requirements arising from the Act No. 458/2000 Coll., on Business Conditions and the Exercise of State Administration in the Energy Sectors and on Amendments to Certain Acts, as amended (the Energy Act), Správa železnic was granted a licence for electricity distribution by the Energy Regulatory Office in Jihlava. Správa železnic began conducting this activity on 1 July 2007. On 3 December 2007, Správa železnic also received a licence for electricity trading. This activity started on 1 January 2008.

Pursuant to the amendment to the Transformation Act, on 1 July 2008, Správa železnic assumed, through the purchase of a part of the business, the role of the operator of the nationwide railway infrastructure and regional railway infrastructure owned by the state, including certain activities related to the operating of the railway infrastructure.

Based on a Resolution of the Government of the Czech Republic, as at 1 September 2011, activities concerning traffic control at stations and on railway lines were purchased by Správa železnic from ČD.

Based on a Resolution of the Government of the Czech Republic and a contract on the purchase of a part of the plant, a part of the plant, designated as 'Railway Stations' was transferred from ČD to Správa železnic on 1 July 2016. Since this date, Správa železnic has been ensuring the railway stations' maintenance and modernisation and has been leasing vacant premises for commercial use and any residential units to individuals for housing purposes.

On 19 December 2024, Správa železnic and ČD – Telematika a.s. (ČD – Telematika) signed a contract for the purchase of a part of the plant of ČD – Telematika, which was valued by

an expert opinion of 4 July 2024 at a market value of CZK 280,100,000. The subject matter of the transfer is the organisational section responsible for the main procedural and engineering activities related to the management and servicing of the railway telecommunications assets of Správa železnic. According to the concluded purchase contract, the decisive date for the transaction is 31 August 2025. The transfer will be completed during the fourth quarter of 2025. This step reflects an effort to optimise ownership structures and increase efficiency in the field of railway telecommunications infrastructure in the Czech Republic.

1.3 Organisational structure and bodies of Správa železnic

Správa železnic is a standalone state-owned organisation and does not hold equity investments in any other entity. Správa železnic's bodies include the Supervisory Board and the Director General.

The Director General acts and signs in full on behalf of Správa železnic independently. In the absence of the Director General, the Deputy Director General acts and signs in full on behalf of Správa železnic, in the order specified in the Commercial Register.

The Director General, Jiří Svoboda, is the statutory representative of Správa železnic, managing its activities and acting on its behalf. The Statutory Deputy Director General, Mojmír Nejezchleb, authorised to act in the absence of the Director General, is recorded in the Commercial Register.

The members of the Správa železnic's management as at 31 December 2024 were:

Name	Position	Date
Jiří Svoboda	Director General	Since 23 March 2018
Tomáš Čoček	Deputy Director General for Economics	Since 4 April 2023
Mojmír Nejezchleb	Deputy Director General for Infrastructure Modernisation	Since 1 July 2013
Karel Švejda	Deputy Director General for Rail Operability	Since 16 October 2023
Jaroslav Flegl	Deputy Director General for Traffic Management	Since 1 November 2022

The members of the Supervisory Board as at 31 December 2024 were:

Name	Position	Date
Martin Červíček	Chairperson	Since 1 July 2022
Ladislav Němec	Vice-chairperson	Since 1 September 2022
Michal Šímek	Member	Since 8 February 2024
David Čermák	Member	Since 1 July 2022
Martin Kolovratník	Member	Since 1 November 2018
Pavel Čížek	Member	Since 23 November 2022
Zdeněk Zajíček	Member	Since 10 May 2023

The members of the Audit Committee as at 31 December 2024 were:

Name	Position	Date
Eva Janoušková	Chairperson	Since 11 January 2019
Lenka Hamplová	Member	Since 1 December 2018
Tomáš Klínecký	Member	Since 1 September 2022
Otakar Hora	Member	Since 12 November 2022

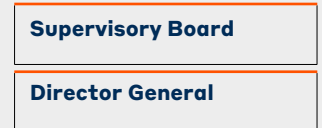
The members of the Strategy and Development Committee as at 31 December 2024 were:

Name	Position	Date
Ladislav Němec	Chairperson	Since 1 February 2018
Martin Kolovratník	Member	Since 1 December 2018
David Čermák	Member	Since 15 October 2022

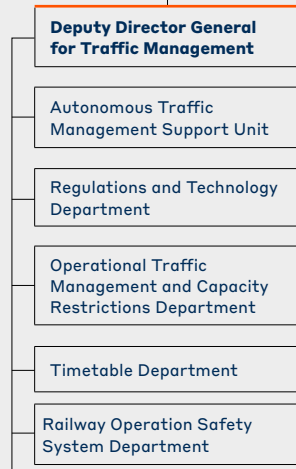
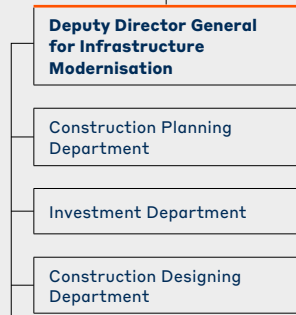
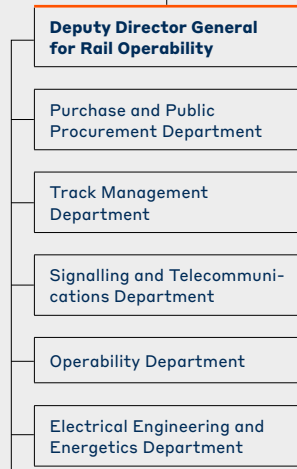
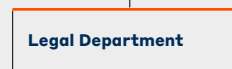


Správa železnic's organisational structure as at 31 December 2024

Corporate Bodies



Directorate General



Organisational Units

2. ACCOUNTING POLICIES AND GENERAL ACCOUNTING PRINCIPLES

Správa železnic's accounts are maintained and the Financial Statements have been prepared in accordance with the Act No. 563/1991 Coll., on Accounting, as amended ('the Accounting Act'), Decree No. 500/2002 Coll., implementing provisions of the Accounting Act, as amended, for business entities using double-entry book-keeping and Czech Accounting Standards for business entities, as amended.

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost basis except for certain areas (refer to note 3.1), the accruals principle, the principle of prudence, and the going concern assumption.

Pursuant to the Decree No. 312/2014 Coll., Decree on terms of preparation of financial statements for the Czech Republic ('the Consolidation Decree of the State'), Správa železnic has been obligated since 2016 to submit complementary consolidated statements overview as at the balance sheet date. The overview as at 31 December 2024 will be submitted by 31 July 2025 at the latest. In terms of consolidation, it is necessary to identify and eliminate mutual relations with entities specified in the List of entities consolidated by the state and other entities.

3. SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

3.1 Tangible and intangible fixed assets

Správa železnic administers state assets pursuant to the Transformation Act.

At Správa železnic, fixed assets include assets with a useful life greater than one year and valuation greater than TCZK 80 for individual

movable assets and sets and for intangible assets.

Purchased fixed assets are valued at acquisition costs, which include interest on loans provided to fund the acquisition of the assets until they are available for use where assets are financed through loans plus other expenses attributable to their acquisition.

Land acquired before 1992 is measured according to the decree of the Ministry of Finance of the Czech Republic (MoF) at the price generally valid at the time of acquisition of the property. Land acquired after 1992 is measured at acquisition cost.

Tangible and intangible assets produced internally are valued at internal cost, which includes direct costs and an allocation of manufacturing and/or administrative overheads.

Individual tangible fixed assets and intangible assets costing up to TCZK 80 are expensed at the time of acquisition and further maintained in off-balance sheet records. There is an exception for vehicles equipped with a registration plate and also, based on individual assessment, for significant assets of which Správa železnic is not the first user and which have a significant original acquisition cost (e.g. assets acquired through the purchase of a part of a business). Easements established over third-party property are recorded as other tangible fixed assets, irrespective of their acquisition cost.

Technical improvement to an individual asset exceeding TCZK 80 for the accounting period increases the acquisition cost of the fixed asset.

Assets identified during a fixed asset inventory that have not been previously included in the accounting records as well as received gifts are measured at replacement acquisition cost. When the competence for state assets management is changed free of charge, the

valuation of assets follows the valuation in the accounts of the accounting entity, which is transferring the competence.

Low-value tangible assets (including IT equipment) are maintained in off-balance sheet records, at the cost at which they were released for consumption.

	Number of years (from-to)
Software	3
Buildings	10-50
Machinery and equipment	4-20
Means of transport	8-25

The renewal, modernisation and rationalisation of fixed assets forming the railway infrastructure is mainly financed from grants, the amount of which promised for the following accounting period reflects the lifetime of the fixed assets.

At the reporting date, adjustments to fixed assets are established based on an individual assessment of the actual condition and future usability of individual items or groups of assets as part of the stocktaking process. Adjustments are established at an amount equal to the difference between the residual value and estimated selling price of the asset if it were no longer used to fulfil the organisation's main subject of activity, provided, that the estimated selling price is lower than the current residual value.

Considering the organisation's principal activities and the method of their funding by means of grants, the Organisation does not create adjustments for fixed assets based on an assessment of the economic benefits of fixed assets using the discounted cash flow method.

The acquisition cost of assets acquired after 1 January 2002 using grants is reduced by the amount of the respective grant. Assets whose acquisition was financed by investment grants

Accounting depreciation expense is calculated based on the acquisition cost and the estimated useful lives of the relevant assets. During the fixed asset use, the depreciation plan is updated based on the estimated useful lives and the expected residual value of the asset. The expected useful life is determined as follows:

are systematically recorded in sub-ledger accounts, in accordance with accounting regulations (see note 4.2.3).

Assets acquired through the purchase of a part of a business as at 1 July 2008 and 1 September 2011 and a part of a plant as at 1 July 2016, were valued by a court-appointed expert and included as part of Správa železnic's assets at the carrying residual amounts recognised by the selling organisation at the date of acquisition of the part of the business (plant).

The differences which arose between the aggregate carrying amount and purchase price of the assets represent an adjustment to acquired fixed assets, which is depreciated into expenses on a straight-line basis over 15 years (or 180 months), in accordance with the Decree No. 500/2002 Coll., as amended.

3.2 Inventory

The bulk of Správa železnic's inventories consists of material related to the railway superstructure, stored primarily in superstructure material centres, including both new material and the material salvaged from investment activities or maintenance. Other inventory items include prefabricated components, uniforms,

personal protective equipment, solid fuels, fuels, electrical materials, signalling and control equipment, and other operating materials.

Purchased inventories are measured at acquisition cost, which includes the purchase price and other expenses associated with the acquisition. Gifts received are measured at replacement acquisition cost. When the competence for state assets management is changed free of charge, the valuation of assets follows the valuation in the accounts of the accounting entity, which is transferring the competence.

Materials salvaged upon liquidation of fixed assets or during repairs are measured at replacement acquisition cost.

Adjustments to inventories are established based on suggestions of individual inventory committees, which determine the amount of unused, damaged or degraded inventories during stocktaking. Adjustments are established either at an amount equal to the carrying amount of inventories designated for liquidation or, for inventories for sale, at an amount equal to the difference between the carrying amount and net realisable value (estimated selling price depreciated by the costs incurred during the selling process), provided that the net realisable value is lower than the current carrying amount. In the income statement, the establishment of and accounting for adjustments is presented in the item Adjustments to inventories.

Acquisitions and releasing of inventories are accounted for by using the method 'A'.

3.3 Receivables

Upon origination, receivables are stated at their nominal value. Receivables acquired through assignment are valued at acquisition cost.

Receivables due within one year of the reporting date are presented as short-term. Other receivables are presented as long-term.

At the reporting date, the organisation established tax-deductible adjustments to receivables in accordance with Act No. 593/1992 Coll., on Reserves for Determining the Income Tax Base, as amended. Accounting adjustments were recognised in respect of receivables based on an analysis of the credit status of customers and the age structure of receivables. In the profit and loss account, the establishment and release of adjustments is presented in Adjustments to receivables.

3.4 Equity

The registered capital balance as at 1 January 2003 was equal to the carrying amount of assets net of liabilities assumed as at the date on which SŽDC (now Správa železnic) was registered (refer to note 7.1).

On 1 July 2004, the assets specified in the Appendix to the Transformation Act, which were transferred from the MoT to Správa železnic, were recorded in the registered capital account. In addition, the subsidies granted by the MoT for the purchased part of a business and the part of a business subsidies from ČD were also recorded in the registered capital account.

Changes in registered capital are recorded in cases of transfers of land to the State Land Office, free-of-charge transfers of assets, corrections of accounting errors in the register of land by matching them with the Cadastre of Real Estate, or by additional adjustments made to the scope and value of assets and liabilities taken over by Správa železnic as at 1 January 2003.

Správa železnic contributes to the reserve fund whenever profit is generated.

The creation and use of the Cultural and Social Needs Fund are regulated in accordance with the Act No. 349/2023 Coll., amending certain acts in connection with the consolidation

of public budgets. Since the reserve fund had been fully utilised, from 2018, Správa železnic makes contributions to the Cultural and Social Needs Fund from other capital resources. The fund is utilised in compliance with Správa železnic's approved policies for creation and use of the Cultural and Social Needs Fund and in accordance with the Corporate Collective Bargaining Agreement.

3.5 Provisions

Správa železnic establishes provisions for significant risks of negative effects of pending litigations or other justified third-party claims which have not yet been resolved by litigation, for compensation for injuries and diseases (also for former employees of ČD, s.o.), for pension supplements to former employees of ČD, s.o. and for unpaid salary and other personnel costs (MOON) related to the ended accounting period.

Provisions for significant risks of negative effects of litigations, recognised in the books of accounts and disclosed within liabilities in the Balance Sheet, are made where there is more than a fifty-percent risk that Správa železnic will be obliged to make a payment (financial performance) to a third party based on the facts which have occurred in the 2024 financial year or previous financial years, and at the same time a reasonable and supportable estimate of that future payment can be made.

Each risk (each case) of passive litigation is assessed individually for the purpose of justifying and correctly recognising provisions for existing risks, with the resulting assessment and decision on the amount of provisions taking into account the professional opinions and statements of internal legal departments, cooperating external law firms representing Správa železnic in litigation and the professional departments of the organisation to whose activities the litigation relates.

Provisions for possible other justified claims of third parties which are not yet resolved by litigation are created only when the probability of a certain future expense (payment to a third party) arising as a result of events that have already occurred is high or very high and at the same time a relevant and substantiated estimate of this future payment is made. The establishment of such provisions is always based on the necessary legal and economic opinions.

A provision for payments relating to compensation for injuries and occupational diseases and for extra pension payments to former employees of ČD, s. o., is established at the present value of estimated future payments arising from claims originating as at the reporting date, based on a statistical analysis of available historical information. The provision has been reviewed as at the reporting date.

The provision for MOON is made up of the amount of expected unpaid salaries of management staff, mainly based on an assessment of the fulfilment of Key Performance Indicators (KPIs), including statutory levies.

3.6 Liabilities

Upon origination, liabilities are stated at their nominal value. Liabilities due within one year of the reporting date are presented as short-term. Other liabilities are presented as long-term.

3.7 Long-term Liabilities

Long-term liabilities are stated at their nominal value.

Long-term liabilities are reported with maturity exceeding one year from the date of the Financial Statements, and also liabilities with no fixed maturity dates (e.g. bid bonds, sureties, security deposits).

3.8 Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the Czech National Bank (CNB) official rate at the first working day of the month. Where a foreign currency is purchased or sold in exchange for Czech currency, the exchange rate of the bank executing the transaction is applied. When accounting for foreign travel expenses, the CNB official rate at the date on which the advance was provided to the respective employee is applied. Where employees on business trips use company payment cards, related travel expenses are accounted for using the CNB rate of exchange for the date the business trip commences.

At the reporting date, receivables and liabilities and the final balances of financial assets denominated in foreign currencies are converted to Czech crowns at the CNB official rate at that date.

Any foreign exchange gains or losses are credited to other financial revenues or debited to other financial expenses, as appropriate.

Správa železnic does not use any financial instruments to hedge against currency risk.

3.9 Income tax

Current legal entity income tax comprises an estimate of tax payable calculated based on the taxable income, using the tax rate valid as at the first day of the accounting period, and any adjustments to taxes payable for previous periods. The tax base is differed from the profit recognised in the profit and loss account as it does not include the entries of incomes or costs which are taxable or deductible in other periods. In addition, it does not include entries which are non-taxable or non-tax deductible.

Until 2022, Správa železnic followed the accounting and recognition of deferred tax under the accounting policies for businesses,

which result in the mandatory recognition of a deferred tax liability, whereas a deferred tax asset can only be accounted for and recognised in the balance sheet if it is significantly more likely than not that it will be utilised in future accounting periods against tax liabilities (tax payable) that will arise in future periods.

In the 2022 financial year, Správa železnic assessed the actual recoverability of deferred tax assets in a situation where a positive corporate tax base is not achieved as unlikely, and that is why Správa železnic has no longer offset the deferred tax liability against new tax assets.

From the 2023 financial year onwards, Správa železnic has abandoned the accounting and recognition of deferred tax, as in the current conditions of Správa železnic's management it is unlikely that Správa železnic will have a positive income tax base. Therefore, the balance of deferred tax as at 31 December 2023 has been charged to equity.

This approach to accounting and recognition of deferred tax, where no deferred tax is accounted for, will be applied at Správa železnic throughout the period when the organisation's management does not result in a positive profit and at the same time a positive corporate income tax base. If in the future there are systemic changes in the conditions for achieving a positive corporate tax base, Správa železnic will proceed to re-accounting for deferred tax in accordance with the accounting procedures for entrepreneurs.

3.10 Grants

Správa železnic receives grants in accordance with applicable Czech legislation.

Správa železnic does not account for an entitlement to a grant as a receivable from the grant provider. An indisputable entitlement to a grant only arises upon utilising the funds granted and billing them to the provider. Until utilised and billed, the funds belong to the provider.

Non-investment grants primarily comprise grants from SFDI and from the state budget of the Czech Republic. These grants are intended to cover expenses related to ensuring the operability of the railway infrastructure, including repairs and maintenance of passenger railway stations, to ensure to ensure its operation. Non-investment grants are credited to other operating revenues, observing the matching and accrual principle of expenses, for the payment of which they have been provided.

Investment grants comprise grants intended to cover expenditure related to restoring and modernising the railway infrastructure and station buildings. These grants include funds relating to individual infrastructure modernisation projects approved by the Government, as well as funds relating to the development phase of specific projects. These funds are provided by SFDI and the EU. Investment grants are accounted for as a reduction in the cost of the respective fixed assets. Správa železnic records assets under construction until the moment the investment grant is received. After the grant has been received and payments to suppliers made, the cost of the fixed asset under construction is reduced by the grant and the asset is further recorded on off-balance sheet (sub-ledger) accounts.

3.11 Revenues

Revenues are recognised on an accrual basis i.e. in the period to which they relate in terms of substance and timing.

In addition to non-investment grants, the bulk of Správa železnic's revenues is composed of proceeds arising from the use of the railway infrastructure. Other significant revenue items relate to electricity distribution and sale of electricity, in which Správa železnic has been engaged since 1 January 2008, based on a licence granted to Správa železnic by the Energetický regulační úřad (Energy Regulatory Office) and to rental from leased non-residential premises at railway stations.

3.12 Use of estimates

The presentation of Financial Statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statement and the reported amounts of revenue and expenses during the reporting period. The management of Správa železnic believes that the estimates (concerning, for example, the amounts of provisions, adjustments, contingencies and estimates of assets and liabilities) and assumptions used represent the best possible estimates relating to the events which are to occur in future accounting periods that management has made on the basis of information known at the date of the Financial Statements. The estimates used which are carried forward are reviewed and updated for the purpose of the Financial Statements.

3.13 Changes in accounting policies

There were no significant changes in accounting policies in 2024.

3.14 Sale of assets

In connection with the amendment to the Act on Rail Systems made by the Act No. 367/2019 Coll., Section 38a(3) of the Transformation Act was repealed with effect from 15 January 2020, which read as follows: 'The property listed in the Annex to this Act intended for the payment of the liabilities of the state-owned organisation "České dráhy" shall be deemed to be permanently unnecessary for the state and its disposal shall not require the consent of the Government. Správa železniční dopravní cesty (SŽDC) shall proceed in the transfer of such property to other legal or natural persons in accordance with a special law.'

On the basis of this amendment, from 15 January 2020, the disposal of the property listed in the Annex to the Transformation Act is subject to the same legal regime applicable to the disposal of other immovable property under the management rights of Správa železnic. When disposing of the immovable property of the Czech Republic listed in the Annex to the Transformation Act, which it has the right to manage, Správa železnic proceeds in accordance with Section 20(4) of this Act and, in cases where it assumes the necessity of the consent of the Government of the Czech Republic, secures such consent, as in the case

of sales of immovable property under the management rights of Správa železnic not listed in the Annex to the Transformation Act.

3.15 Leased assets

Správa železnic leases assets constituting the railway infrastructure, as well as property in railway stations for commercial and non-commercial purposes (gardens, parking spaces), including flats. The rental area is monitored in terms of rentals of non-residential premises, plots of land and buildings (containing mainly commercial premises) and for rentals of

flats. While the non-residential sector is based directly on market behaviour and existing contracts, the level of rental charged for flats and the possibility of adjusting thereof must respect certain additional legal restrictions.

Particular emphasis is placed on a uniform approach across all regional directorates, which has been successfully demonstrated not only in the implementation of the inflation rate, but also in the updating of contractual lease terms and the general adjustment of rentals for flats to the level of the price prevailing at the time and place.

4. ADDITIONAL INFORMATION ON THE BALANCE SHEET AND INCOME STATEMENT

4.1 Intangible fixed assets

4.1.1 OVERVIEW OF MOVEMENTS IN INTANGIBLE FIXED ASSETS

	Other intangible fixed assets	Intangible fixed assets under construction	Advances paid	Software	Other intellectual property rights	Total
Acquisition cost						
Balance as at 1 January 2024	3,500	92,923	99	1,418,674	1,890	1,517,086
Additions	0	726,592	0	0	0	726,592
Disposals	0	0	0	(1,110)	0	(1,110)
Transfers to off-balance sheet	0	(679,080)	0	0	0	(679,080)
Transfers	0	0	0	0	0	0
Balance as at 31 December 2024	3,500	140,435	99	1,417,564	1,890	1,563,488
Accumulated amortisation						
Balance as at 1 January 2024	(3,500)	0	0	(1,360,592)	(1,391)	(1,365,483)
Adjustments to additions	0	0	0	(44,904)	(315)	(45,219)
Other additions	0	0	0	0	0	0
Adjustments to disposals	0	0	0	1,110	0	1,110
Transfers	0	0	0	0	0	0
Balance as at 31 December 2024	(3,500)	0	0	(1,404,386)	(1,706)	(1,409,592)
Net book value as at 1 January 2024	0	92,923	99	58,082	499	151,603
Net book value as at 31 December 2024 (balance sheet, line B.I.)	0	140,435	99	13,178	184	153,896

Additions to fixed assets under construction mainly represent technological development of software applications, purchase of licences and technical improvement to SAP system from grant sources, which are subsequently transferred to off-balance sheet records.

4.2 Tangible fixed assets

4.2.1 OVERVIEW OF MOVEMENTS IN TANGIBLE FIXED ASSETS

	Land	Buildings	Machinery and equipment*)	Motor vehicles	Adjustments to acquired fixed assets	Tangible fixed assets under construction	Other tangible fixed assets	Advances paid	Total
Acquisition cost									
Balance as at 1 January 2024	6,805,276	133,457,825	17,945,894	1,922,007	253,683	3,603,140	11,479	2,038,515	166,037,819
Additions	14,772	21,902	5,823	163,401	0	37,021,434	4,917	3,275,020	40,507,269
Disposals	(27,136)	(772,920)	(438,812)	(43,716)	0	(10,128)	(321)	(4,518,863)	(5,811,896)
Transfers to off-balance sheet	0	0	0	0	0	(35,372,761)	0	0	(35,372,761)
Transfers	14	226,005	5,562	606	0	(232,306)	119	0	0
Balance as at 31 December 2024	6,792,926	132,932,812	17,518,467	2,042,298	253,683	5,009,379	16,194	794,672	165,360,431
Accumulated amortisation									
Balance as at 1 January 2024	0	(101,354,884)	(16,913,217)	(1,237,605)	(179,107)	0	(4,498)	0	(119,689,311)
Adjustments to additions	0	(2,261,211)	(236,629)	(145,228)	(16,912)	0	(1,194)	0	(2,661,174)
Other additions	0	0	0	0	0	0	0	0	0
Adjustments to disposals	0	667,461	436,673	35,050	0	0	2	0	1,139,186
Transfers	0	(8)	8	0	0	0	0	0	0
Balance as at 31 December 2024	0	(102,948,642)	(16,713,165)	(1,347,783)	(196,019)	0	(5,690)	0	(121,211,299)
Adjustments									
Balance as at 1 January 2024	(9,913)	(59,133)	0	(51)	0	0	0	0	(69,097)
Change in adjustments	2,160	16,074	0	51	0	0	0	0	18,285
Balance as at 31 December 2024	(7,753)	(43,059)	0	0	0	0	0	0	(50,812)
Net book value as at 1 January 2024	6,795,363	32,043,808	1,032,677	684,351	74,576	3,603,140	6,981	2,038,515	46,279,411
Net book value as at 31 December 2024 (balance sheet, line B.II.)	6,785,173	29,941,111	805,302	694,515	57,664	5,009,379	10,504	794,672	44,098,320

*) The item 'Machinery and equipment' also includes low-value assets.

The most significant additions to tangible fixed assets put into use in 2024 are represented by the recording of transport means in the amount of TCZK 163,401.

The most significant disposals of tangible assets in 2024 are represented by the disposal of the assets due to new capital construction with an acquisition cost of TCZK 947,012 and a net book value of TCZK 61,633.

As at 31 December 2024, the organisation registers tangible fixed assets under construction with acquisition cost of TCZK 5,009,379. The balance of tangible assets under construction mainly represents the construction of railway corridors, (refer to note 6.4), and the construction works to modernise and renovate the railway infrastructure incomplete as at 31 December 2024. The largest items among these are e.g. Optimisation of the Havířov – Havířov střed line section, Modernisation of the Pardubice railway node, Reconstruction of the Dětmárovice – Petrovice u Karviné – state border line, Optimisation of the Karlštejn (excl.) – Beroun (excl.) line, Electrification, including pre-electrification adjustment, of the line Brno – Zastávka u Brna, 2nd stage.

Additions to tangible assets under construction predominantly include the acquisition cost of railway corridors and construction works to

modernise and renovate the railway infrastructure in 2024, where the grant used to finance the constructions has not been accounted for before 31 December 2024. Transfers to off-balance sheet are made once the investment grant that decreases the asset's acquisition cost is recorded. In 2024, subsidised tangible and intangible assets totalling TCZK 36,051,841 (as at 31 December 2023 totalling TCZK 33,629,874) were transferred to the off-balance sheet accounts.

According to the Rules for funding from the SFDI, Správa železnic as the recipient of grants, was allowed to use invoices for advance payment, the amount of which corresponds with the estimated invoicing for the payment of expenses associated with capital construction activities, which are to arise at the beginning of 2025. Advances created this way which were utilised in 2024 for the acquisition of investments connected primarily with construction parts related to the modernisation and reconstruction of railway infrastructure are reported in advances for the acquisition of tangible fixed assets and as at 31 December 2024 totalling TCZK 794,672 (as at 31 December 2023 totalling TCZK 2,038,515). The advances will be accounted for in the course of 2025.

4.2.2 INVESTMENT GRANTS

	2024	2023
SFDI for construction and modernisation, state share, OPT, CEF, EIB, RRF	38,781,577	38,906,828
Total investment grants from SFDI	38,781,577	38,906,828
EU funds	304,514	83,850
Contributions from cities, municipalities, regions and other entities	2,000	0
Total	39,088,091	38,990,678

Investment grants for construction and modernisation primarily include state funds from the SFDI and funds from the Recovery and Resilience Facility (RRF), as well as subsequent funds from the Operational Programme Transport (OPT2 and OPT3), the CEF (CEF1 and CEF2) infrastructure fund, funds from the European Investment Bank (EIB), provided through the MoF. SFDI ensures the payment of European grants and at the same time, it partly participates in co-financing. In 2024, funds of TCZK 23,365,644 were drawn from SFDI from national sources, including sources to cover national shares of European investment projects, of which the special grant provided in 2024 to cover flood damage was included in the financing of the capital construction investments in the amount of TCZK 44,019, drawdown from the RRF totalling TCZK 2,290,466. Besides, in 2024 funds totalling TCZK 6,384,855 were provided from the OPT2 and OPT3, TCZK 6,055,319 from the CEF1 and CEF2, and a loan of TCZK 685,293 was provided by the EIB. To a lesser extent, according to the abovementioned overview, grants drawn from outside the SFDI were used as well.

4.2.3 ASSETS NOT PROVIDED FOR IN THE BALANCE SHEET

The value of fixed assets financed from grants and other sources listed in off-balance sheet accounts at acquisition cost without taking

into account depreciation as at 31 December 2024 amounts to TCZK 432,229,507 (as at 31 December 2023, the cost price was TCZK 396,501,797).

The above-mentioned fixed assets represent the core volume of fixed assets which Správa železnic manages and uses for its core business activities (see note 4.2.4).

The aggregate amount of low-value tangible assets not reported in the balance sheet as at 31 December 2024 in the FaMa+ system amounts to TCZK 1,360,197 (as at 31 December 2023 it was TCZK 1,297,922). These are items worth up to TCZK 80, which are recorded in the operational records. In accordance with the legislation in force, these items are expensed at the time when they are sent for consumption.

The aggregate amount of low-value tangible assets not reported in the balance sheet as at 31 December 2024 in the AuditPro system amounts to TCZK 300,809 (as at 31 December 2023 it was TCZK 294,933). These are items worth up to TCZK 80, which are recorded in the operational records. In accordance with the legislation in force, these items are expensed at the time when they are sent for consumption.

4.2.4 OVERVIEW OF THE STATUS AND CHANGES IN THE FINANCIAL VOLUME OF FIXED ASSETS FINANCED FROM GRANTS AND REPORTED IN THE SUB-LEDGER ACCOUNTS

	Software	Other intangible assets	Intangible fixed assets under construction	Land	Buildings	Machinery, equipment and other tangible assets	Motor vehicles	Tangible assets under construction	Total
Acquisition cost									
Balance as at 1 January 2024	369,771	0	374,802	1,870,998	192,452,140	65,404,567	3,036,837	132,992,682	396,501,797
Additions (Transfers from the balance sheet)	511,492	0	167,588	289,084	71,532	463,568	71,207	34,477,370	36,051,841
Other additions	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	(5,587)	(123,743)	(160,480)	(32,307)	(2,014)	(324,131)
Transfers (including assets put into use)	292,923	2,290	(285,478)	294,198	12,432,079	5,328,009	96,877	(18,160,898)	0
Balance as at 31 December 2024	1,174,186	2,290	256,912	2,448,693	204,832,008	71,035,664	3,172,614	149,307,140	432,229,507
Adjustments									
Balance as at 1 January 2024	(199,369)	0	0	0	(55,702,008)	(35,395,550)	(960,406)	0	(92,257,333)
Change in adjustments	(160,879)	(32)	0	0	(5,249,667)	(3,811,363)	(219,529)	0	(9,441,470)
Balance as at 31 December 2024	(360,248)	(32)	0	0	(60,951,675)	(39,206,913)	(1,179,935)	0	(101,698,803)
Residual value as at 1 January 2024	170,402	0	374,802	1,870,998	136,750,132	30,009,017	2,076,431	132,992,682	304,244,464
Residual value at 31 December 2024	813,938	2,258	256,912	2,448,693	143,880,333	31,828,751	1,992,679	149,307,140	330,530,704

In accordance with the provisions of Section 47 of Decree No. 500/2002 Coll., as amended, the assets recorded on the off-balance sheet are not depreciated, however, these fixed assets also wear out and become obsolete objectively, and it is therefore necessary to monitor their amortisation. In the accounting period of 2024, Správa železnic introduced a new depreciation section in the off-balance sheet accounting records in SAP, which is used to determine the amount of accounting depreciation and the residual value (i.e. depreciated value) of fixed assets acquired from grant funds. The amount of calculated accumulated adjustments and calculated depreciation is recorded in off-balance sheet accounts and does not affect the values reported in the balance sheet and income statement. The amount of accounting depreciation recorded for the 2024 financial year for these fixed assets

was TCZK 9,441,470 (TCZK 8,927,031 in 2023). After taking into account adjustments totalling TCZK 101,698,803 (as at 31 December 2023 totalling TCZK 92,257,333) the **total net value** of the assets acquired from the grants **would then be TCZK 330,530,704** (as at 31 December 2023 it amounted TCZK 304,244,464).

Tangible assets under construction primarily include constructions related to the modernisation and renovation of the railway infrastructure for which occupancy permits have not been issued as at the reporting date and therefore were not put into use for accounting purposes.

The most significant additions to tangible assets under construction comprised the following projects in 2024: Electrification, including pre-electrification adjustment of the line

Brno – Zastávka u Brna, 2nd stage, Renovation of the Vlkov u Tišnova (excl.) – Křižanov (excl.) line section, Modernisation of the Praha-Bubny (incl.) – Praha-Výstaviště (incl.) line section, modernisation of the Pardubice railway node, Double-tracking of the Branický bridge – Praha-Krč – Spořilov railway line, Modernisation of the Praha-Bubny (incl.) – Praha line section.

In 2024, the most significant disposal of tangible assets under construction in the off-balance sheet represents the liquidation of constructions due to new investment construction works.

4.2.5 PLEDGED ASSETS

Správa železnic had no assets encumbered by a lien as at 31 December 2024.

4.2.6 ASSETS HELD UNDER FINANCE AND OPERATING LEASES

As at 31 December 2024, does not record any fixed assets acquired on a leaseback basis (as at 31 December 2023 the purchase cost was TCZK 31,600). In 2024 all remaining lease agreements concluded with ING Lease, s.r.o. and Financial Found a.s. were terminated.

4.2.7 ASSETS ACQUIRED FREE OF CHARGE

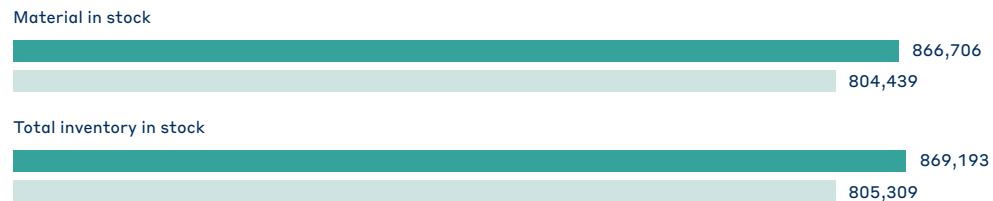
In 2024, Správa železnic acquired free of charge tangible fixed assets at the replacement cost of TCZK 5,226 (in 2023 it was TCZK 65,961), in the form of delimitations amounting to TCZK 13,104 (in 2023 it was TCZK 210,606). In total, in 2024, Správa železnic acquired free of charge assets of TCZK 18,330 (in 2023 it was TCZK 276,567).

Assets acquired free of charge and by donation include assets recorded within tangible fixed assets and low-value tangible assets based on a contract, usually a contract on free-of-charge transfer or a contract to make a donation. This concerns assets transferred to Správa železnic

related to induced investments of entities such as towns and municipalities where the assets are part of the railway infrastructure and are managed – pursuant to the law – by Správa železnic.

4.3 Inventories

	Balance as at 31 December 2024	Balance as at 31 December 2023
Material in stock	866,706	804,439
Material in transit	2,467	869
Production in progress	0	0
Goods in stock	0	1
Advances paid for inventory	20	0
Total gross value (balance sheet line C.I.)	869,193	805,309
Adjustment to inventories	(10,061)	(10,220)
Total net value (balance sheet line C.I.)	859,132	795,089



■ Balance as at 31 December 2024

■ Balance as at 31 December 2023

Material inventories consist of standby inventories of spare parts for switches for TEN-T railway lines and other railway superstructure material and security inventories of other types of switches to ensure the smooth operation of the railway and the elimination of slow runs. In 2023, the Framework Agreement 14626/2023-SŽ-GŘ-O8 was concluded with the company DT – Výhybkárna a strojírna, a.s., for the supply of spare parts for switches. The prices of spare parts for railway superstructure material in this agreement are 40–60 % higher than the prices in the previous agreement. For this reason, the stock of material at

the Regional Directorate Ostrava and at the centre for railway superstructure material in Hranice na Moravě has increased. Deliveries of spare parts of the railway superstructure material under the agreement have a delivery period of 3 months. For this reason, the quantity of spare parts at the Hranice railway superstructure material centre is increased. The stocks of material in the warehouses of the specialised facilities for electrical technology and power engineering and telecommunication and signalling equipment have been increased due to more frequent thefts on the equipment maintained.

4.4 Short-term receivables

The total amount of short-term receivables as at 31 December 2024 amounts in gross value to TCZK 3,219,214 (as at 31 December 2023 it was TCZK 2,659,573). Adjustments for short-term receivables were made in the total amount of TCZK 267,897 (in 2023 this amount was TCZK 283,682).

4.4.1 TRADE RECEIVABLES

	Balance as at 31 December 2024	Balance as at 31 December 2023
Short-term receivables before due date	1,258,132	1,154,131
Short-term receivables past due date	292,166	380,278
Total gross value (balance sheet, line C.II.2.1.)	1,550,298	1,534,409
Adjustment to receivables	(256,570)	(267,968)
Total net value (balance sheet, line C.II.2.1.)	1,293,728	1,266,441



■ Balance as at 31 December 2024

■ Balance as at 31 December 2023

Significant amounts of receivables before as well as past their due dates include, similarly to previous years, receivables for the use of the railway infrastructure owed by such companies as ČD, ČD Cargo and RegioJet a.s.

Total receivables more than five years overdue as at the date of the Financial Statements amounted, as at 31 December 2024, to TCZK 177,725 (as at 31 December 2023 it was TCZK 263,344), adjustments at a level of 100 % have been made for these receivables. These are receivables after the commencement of legal

proceedings or receivables in bankruptcy or insolvency proceedings.

4.4.2 SHORT-TERM ADVANCES PAID

Short-term advances paid as at 31 December 2024 amounted to TCZK 503,600 (as at 31 December 2023 this amount was TCZK 134,474). The year-on-year increase relates mainly to the short-term advances paid for the purchase of traction energy, which Správa železnic has been providing to all carriers using the dependent electric traction since 1 January

2019. The balance was further influenced by advances paid to contractors for activities connected to repairs and maintenance of railway infrastructure and advances paid for energy and services related to premises used by Správa železnic and leased premises.

4.4.3 ESTIMATED RECEIVABLES

Estimated receivables as at 31 December 2024 amounted to TCZK 588,853 (as at 31 December 2023 they amounted to TCZK 453,928).

The balance of estimated receivables was mainly influenced by recording the estimate of ancillary services in the form of traction electricity supplied to carriers of TCZK 480,716 (in 2023 it was TCZK 294,114), which Správa železnic has been providing to all carriers using the dependent electric traction since 1 January 2019.

Another portion relates to legal claims for expected insurance settlements from insur-

ance companies of TCZK 20,807 (in 2023 it was TCZK 8,215) and damages claimed from the guilty parties of TCZK 19,867 (in 2023 it was TCZK 78,103). In addition, asset estimates are recorded for the estimated consumption of self-generated thermal energy, which is to be billed to tenants when actual 2024 consumption is determined.

4.5 Cash / Cash flow overview

Total cash as at 31 December 2024 amounted to TCZK 4,792,557 (as at 31 December 2023 it was TCZK 4,769,646). The most significant item in this regard is the balance of bank accounts amounting to TCZK 4,788,563 (as at 31 December 2023 it was TCZK 4,766,799).

For the purpose of the statement of cash flows, cash and cash equivalents are defined to include cash in hand, cash in transit, cash at bank and other financial assets whose valuation can be reliably measured and which can be readily converted into cash.

Cash flows from operating, investing or financing activities are presented in the statement of cash flows on an unadjusted basis.

4.6 Prepaid expenses

Prepaid expenses as at 31 December 2024 amount to TCZK 105,576 (as at 31 December 2023 they amounted to TCZK 87,684). Prepaid expenses largely include deferred operating expenses of Správa železnic related to the principal business activities of the following year (licences, rental payments, insurance, prepayments, motorway vignettes, etc.).

	Balance as at 31 December 2024	Balance as at 31 December 2023
Cash in hand	3,994	2,847
Cash at the bank	4,788,563	4,766,799
Total (balance sheet, line C.IV.)	4,792,557	4,769,646

4.7 Equity

There were no changes in the value of the registered capital in 2024 due to the movements of assets transferred from ČD under the Transformation Act (increased by TCZK 296 in 2023 as a result of corrections to the Cadastre of Real Estate entries for subdivided land).

In 2024, the registered capital was influenced in particular by delimitation of assets where the net book value of assets taken over free-of-charge totalled TCZK 13,104 (in 2023 it was TCZK 209,340).

There was an increase in the Other retained earnings due to a reassessment of the esti-

mates made for the use of the railway infrastructure in the amount of TCZK 62,223.

The organisation plans to transfer the accounting loss incurred in the current period of 2024 to the item Accumulated loss of previous years.

4.8 Provisions

The organisation's approach to making provisions is described in paragraph 3.5. The table below presents a summary of the provision balances as at the date of the Financial Statements of 31 December 2024 and the changes in provisions (additions and release) during the accounting period.

	Balance as at 31 December 2023	Additions	Utilisation / Release	Balance as at 31 December 2024
Provisions for litigations with Grandi Stazioni Česká republika s.r.o.	283,063	14,200	0	297,263
Provisions for litigations with AFI Karlin s.r.o.	19,857	17,989	0	37,846
Provisions for litigations with Traťová strojní společnost, a.s.	0	57,833	0	57,833
Provisions for litigations with Metrostav a.s.	0	136,020	0	136,020
Provisions for other litigations	21,710	36,940	2,422	56,228
Provision for compensation for job-related accidents and occupational diseases	10,350	8,384	10,350	8,384
Provision for extra pension payments	2,082	1,635	2,082	1,635
Provision for unpaid payroll and other expenses	91,000	102,000	91,000	102,000
Total (balance sheet, line B.)	428,062	375,001	105,854	697,209

The creation of provisions for litigation results from the status of Správa železnic's incurred and pending passive litigation (litigation in which the organisation acts as a defendant) and the assessed risks of future payments by Správa železnic to third parties who have made relevant claims. The risks of such payments are assessed on the basis of the procedural status of the relevant legal proceedings, previous decisions in the case and, where appropriate, out-of-court negotiations.

With reference to the final judgement of the District Court for Prague 1 of 2 November 2023, No. 13 C 58/2021-189, in conjunction with the judgement of the Municipal Court in Prague of 28 March 2024, No. 16 Co 19/2024-216, delivered to Správa železnic on 11 April 2024, Správa železnic was ordered to pay ČD a total of TCZK 2,434 representing the costs of the first-instance proceedings in the amount of TCZK 2,423 and the costs of the appeal proceedings in the amount of TCZK 11 (paid on 18 April 2024). On the basis of this fact, the created provision of TCZK 2,423 was derecognised.

In view of the development of the disputes between Grandi Stazioni Česká republika, s.r.o. and AFI Karlin s.r.o., the provisions made so far for the disputes with these entities have been increased by TCZK 32,189, with this increase resulting from the increase in risks and interest accruals for 2024 (see note 6.2 for details).

In addition, provision has been increased in 2024 for ongoing historical litigations with carriers where the matter concerns potential overpayments of track operation charges in respect of the 2012 Network Statement amendment. The increase in the provision by TCZK 36,941 was made following a review of past accounting transactions and the associated adjustments to the balances of the 2024 accounting period, where resources for these potential future expenditures had previously been made in the accruals. In this way, the recognition of these

potential expenditures in the organisation's liabilities was unified.

New provisions were made in 2024 for the expected negative impacts of litigation with Metrostav a.s. and Traťová strojní společnost, a.s. (see note 6.2 for more details). In the case of Metrostav a.s., the subject matter of the disputes is the reimbursement of additional costs and damages arising from contracts for work. In view of the fact that the subject matter of the dispute is capital expenditure, the provisions consist only of the estimated amount of interest on late payments of TCZK 136,020 (interest for the period up to 31 December 2024), which, according to current expectations and forecasts, the organisation should bear in its costs and pay in future periods.

The subject matter of the dispute with Traťová strojní společnost, a.s. (TSS) is compensation for damage in the amount of TCZK 87,878, including accessories, which the organisation, according to the counterparty, allegedly caused to the SUM 1000 reconditioning machine owned by TSS. In view of the progress of the dispute to date, current expectations and predictions of the possible negative impacts of this dispute on the organisation, a provision of TCZK 57,833 is made as at 31 December 2024.

4.9 Long-term liabilities

4.9.1 TRADE LIABILITIES

	Balance as at 31 December 2024	Balance as at 31 December 2023
Retention	1,128	1,736
Bid bonds, security deposits, sureties	2,998	2,986
Cash deposits received from customers	73,989	67,061
Total (balance sheet, line C.I.4.)	78,115	71,783

Retention

Balance as at 31 December 2024	1,128
Balance as at 31 December 2023	1,736

Bid bonds, security deposits, sureties

Balance as at 31 December 2024	2,998
Balance as at 31 December 2023	2,986

Cash deposits received from customers

Balance as at 31 December 2024	73,989
Balance as at 31 December 2023	67,061

Balance as at 31 December 2024

Balance as at 31 December 2023

Long-term trade payables primarily include cash deposits and sureties received from customers. Other significant items are retention payments, bid-bonds, security deposits and sureties associated with construction works.

4.10 Short-term liabilities

4.10.1 SHORT-TERM ADVANCES RECEIVED

Short-term advances received as at 31 December 2024 amounted to TCZK 449,130 (as at

31 December 2023 they amounted to TCZK 445,850). Short-term advances received were influenced principally by prepayments for services related to lease, and for the purchase of electricity, which Správa železnic has been providing to all carriers that use the dependent electric traction since 1 January 2019. The advances received further include advances for ancillary services relating to the lease of non-residential premises as well as flats, the provision of easements, where Správa železnic is the obligated party.

4.10.2 TRADE PAYABLES

	Balance as at 31 December 2024	Balance as at 31 December 2023
Payables before due date	2,915,135	2,933,953
Payables past due date	34,880	221,361
Total (balance sheet, line C.II.4.)	2,950,015	3,155,314

Payables before due date

Balance as at 31 December 2024	2,915,135
Balance as at 31 December 2023	2,933,953

Payables past due date

Balance as at 31 December 2024	34,880
Balance as at 31 December 2023	221,361

Balance as at 31 December 2024

Balance as at 31 December 2023

An essential part of payables before their due dates predominantly relate to investment construction works carried out by such contractors as EUROVIA CS, a.s., OHLA ŽS, a.s., Elektrizace železnic Praha a.s. and Subterra a.s. Payables past their due date represent mainly invoices received before the end of 2024, which

4.10.3 STATE – TAX LIABILITIES AND GRANTS

	Balance as at 31 December 2024	Balance as at 31 December 2023
Undrawn investment grants from SFDI	1,878,817	2,444,146
Investment contributions of cities, municipalities, regions and other entities	14,197	23,598
Undrawn non-investment grants from CEF	33,222	5,580
Income tax withheld on behalf of employees	102,174	99,945
Other taxes	337	301
Total (balance sheet, line C.II.8.5.)	2,028,747	2,573,570

The balance of unrecognised investment grants as at 31 December 2024 represents a liability from drawn grants from SFDI of TCZK 1,878,817. The main reasons for not recognising investment grants to the full 2024 limit amount are primarily ex-ante advance payments which are to be paid and accounted for only in 2025.

Správa železnic maintains no tax arrears with respect to the relevant tax authorities.

4.10.4 ESTIMATED PAYABLES

As at 31 December 2024, estimated payables amounted to TCZK 979,838 (as at 31 December 2023 it was TCZK 388,061) and represent mainly an estimate for unbilled supplies of electricity, heat, water and gas supplies in the amount of TCZK 700,334 (in 2023 it was TCZK 60,687) and contingency of TCZK 193,081 for the reimbursement of the costs of substitu-

were paid at the beginning of 2025. Payables which are more than five years overdue as at the date of the Financial Statements do not exist.

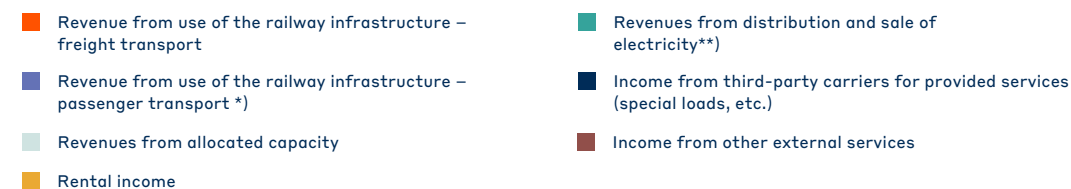
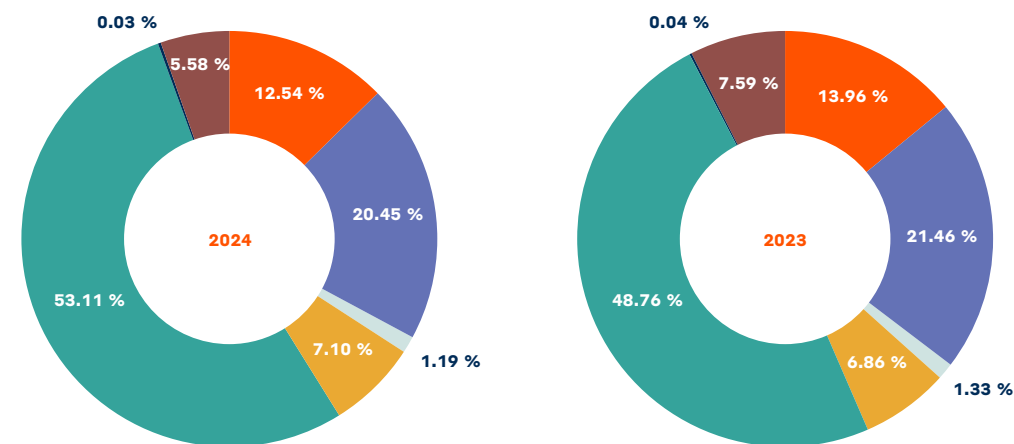
tive bus services to carriers under the Network Statement (in 2023 it was TCZK 96,805).

4.11 Accrued expenses

As at 31 December 2024, accrued expenses amounted in total to TCZK 167,652 (as at 31 December 2023 they amounted to TCZK 147,170), of which the largest item was the cost associated with tax documents received relating mainly to investment activities amounting to TCZK 112,514 (TCZK 126,447 as at 31 December 2023) and for the billing of energies for 2024 (in 2023 it was taken into consideration in the estimated payables), the approval of which took place after the date of the Financial Statements.

4.12 Revenues from the sale of the organisation's own products and services

	2024	2023
Revenue from use of the railway infrastructure – freight transport	1,340,992	1,351,317
Revenue from use of the railway infrastructure – passenger transport*)	2,186,600	2,079,470
Revenues from allocated capacity	126,806	129,276
Rental income	759,104	664,875
of which: revenue from the rental of non-residential spaces, land, and buildings	639,465	559,050
revenue from the rental of apartments without related services	119,639	105,825
Revenues from distribution and sale of electricity**)	5,679,948	4,723,540
Income from third-party carriers for provided services (special loads, etc.)	4,178	3,862
Income from other external services	597,092	735,681
Total (income statement, line I.)	10,694,720	9,688,021



*) This also includes revenues from the use of ČD approach routes

***) Detailed breakdown is provided for in the following table

All revenues were generated in the Czech Republic.

Revenues from the use of railway infrastructure for passenger and freight transport have slightly increased in overall volumes, except for freight carriers in the ČD Group.

Total rental income in 2024 was TCZK 759,104, with a total of 9,922 lease contracts recorded (in 2023 it was TCZK 664,875, with a total of 9,822 lease contracts recorded). Compared to the previous period of 2023, there was an increase in revenues by 14.2 %, in particular through the consistent application of inflation clauses.

As at 31 December 2024, there were recorded 7,543 lease contracts for the rental of

non-residential premises, land and buildings, with total revenue of TCZK 639,465 (TCZK 559,050 in 2023 with 7,311 lease contracts recorded). Compared to the previous period of 2023, there was a significant increase in revenues of 14.4 %.

The most important commercial partners include Lagardere Travel Retail, a.s., DELIKO-MAT s.r.o., RAILREKLAM, spol. s r.o., JPServis, a.s., CONTEG Czech, s.r.o.

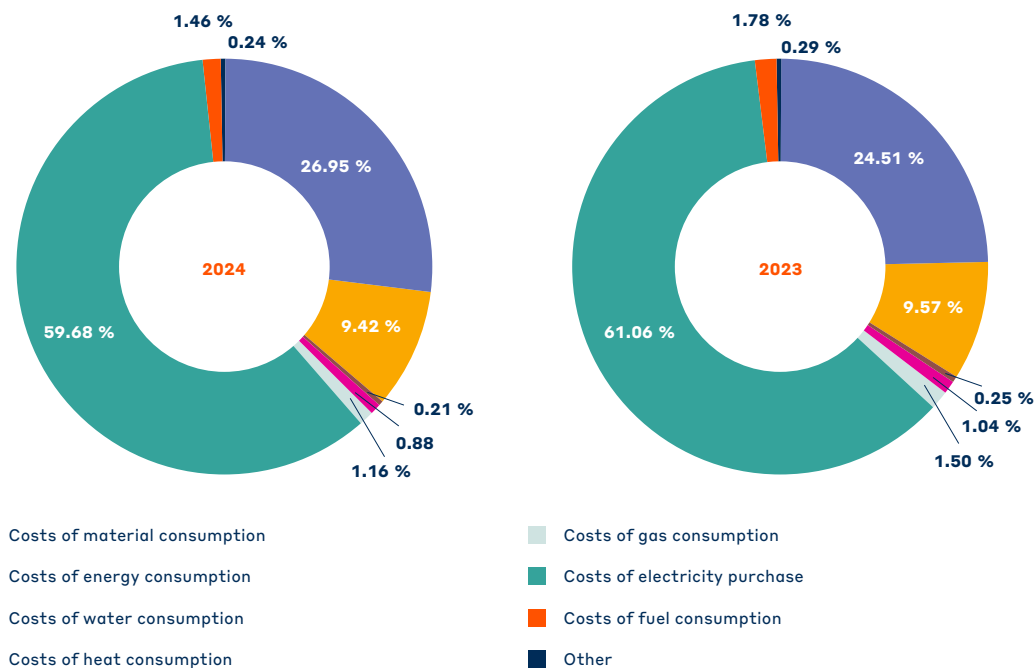
For 2024, there were recorded 2,387 lease contracts for flats, with total revenues of TCZK 119,639 (TCZK 105,825 in 2023 with 2,511 lease contracts recorded). Compared to the previous period of 2023, there was a significant increase in revenues of 13.1 %.

**) Revenues from distribution and sale of electricity	Measurement unit	2024	2023
Traction electricity	TCZK	5,161,101	4,208,937
	MWh	1,312,970	1,283,536
Non-traction electricity	TCZK	548,847	514,603
	MWh	89,790	88,498
Total revenues from distribution and sale of electricity (Table 4.12)	TCZK	5,679,948	4,723,540

Správa železnic has been acting, since 1 January 2019 and pursuant to the Act on Rail Systems, as the provider of ancillary services in the form of supplies of traction power electricity for the needs of all carriers using the dependent electric traction.

4.13 Consumption of materials and energies

	2024	2023
Costs of material consumption	2,433,996	1,774,229
of which repair and maintenance activities	999,955	745,820
Costs of energy consumption	850,819	692,828
Costs of water consumption	18,959	18,005
Costs of heat consumption	79,784	75,144
Costs of gas consumption	105,013	108,458
Costs of electricity purchase	5,388,797	4,419,156
Costs of fuel consumption	132,199	128,910
Other	20,310	21,173
Total (income statement, line A.2.)	9,029,877	7,237,903



The increase in the cost of material consumption was mainly due to the accounting of material for simple renovation projects.

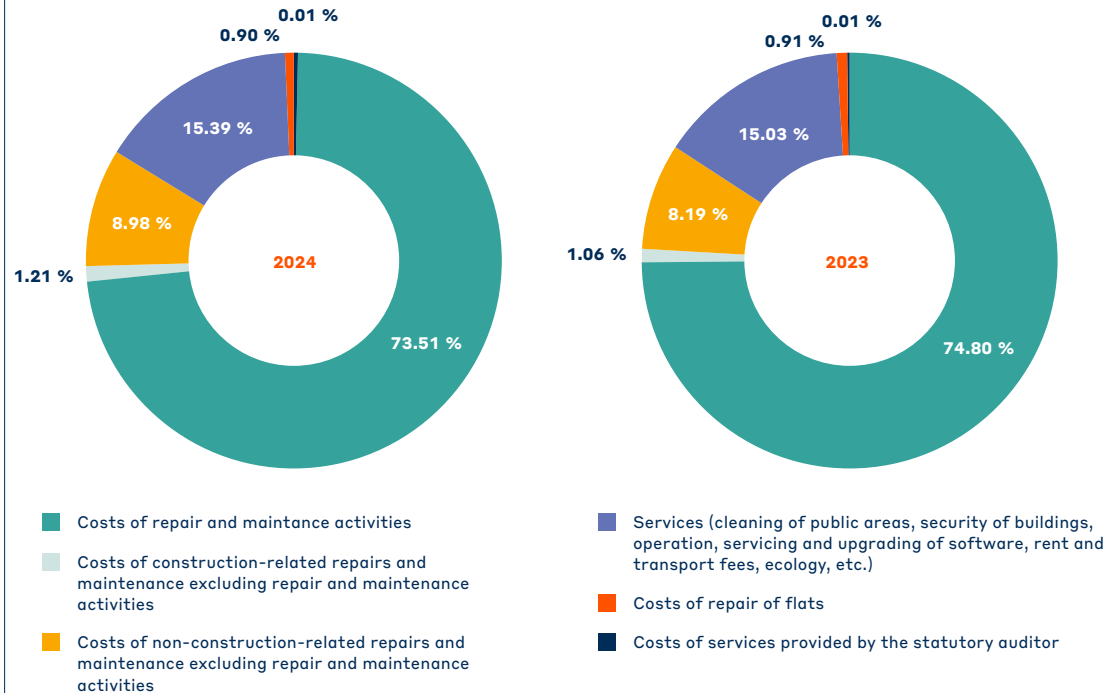
There was also an increase in the consumption of materials for repair and maintenance activities.

Due to the increase in spot prices for the power component of electricity and the increase in

transport performance, the cost of electricity purchases increased in 2024 as well. For non-traction consumption, the increase is also due to the fact that the fee for renewable energy sources started to be charged again.

4.14 Purchase of services

	2024	2023
Costs of repair and maintenance activities	8,339,527	8,666,153
of which: construction-related repairs and maintenance	6,990,150	7,510,709
others	1,349,377	1,155,444
Costs of construction-related repairs and maintenance excluding repair and maintenance activities	137,291	122,750
Costs of non-construction-related repairs and maintenance excluding repair and maintenance activities	1,018,941	948,938
Services (cleaning of public areas, security of buildings, operation, servicing and upgrading of software, rent and transport fees, ecology, etc.)	1,745,955	1,741,214
Costs of repair of flats	102,612	105,307
Costs of services provided by the statutory auditor	979	1,342
of which: statutory audit of the annual Financial Statement	979	979
other non-audit services	0	363
Total (income statement, line A.3.)	11,345,305	11,585,704



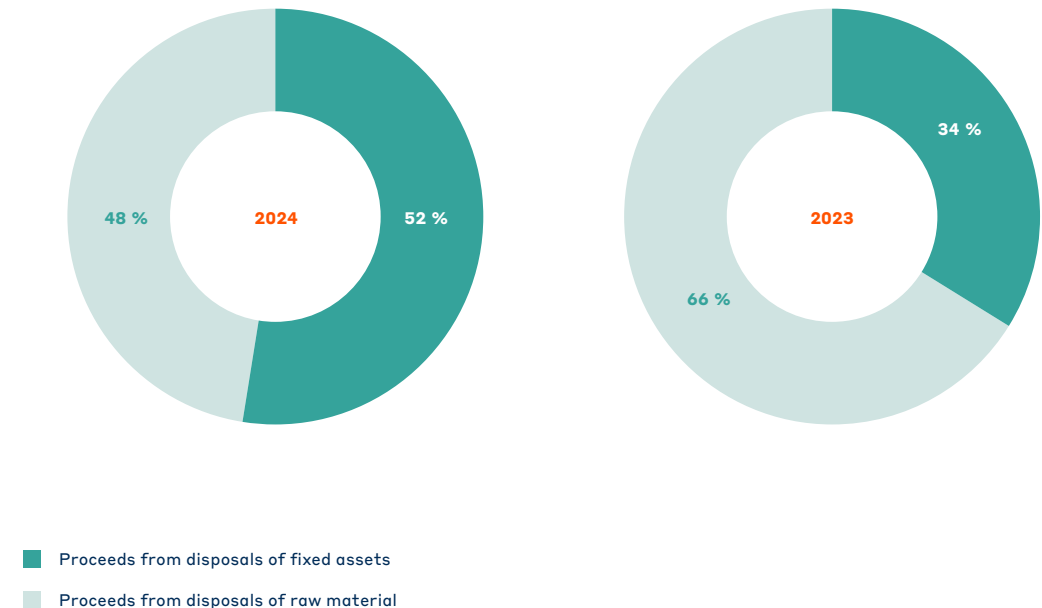
The major portion in the cost of services are the regular costs of repair and maintenance activities reflecting the intensity of repairs and maintenance while ensuring the operability of nationwide and regional railways. Repair and maintenance activities represent projects that

are contracted based on tender laws and form part of Správa železnic's Comprehensive Plan for Repairs and Maintenance. These services are recorded separately to enhance the transparency of the Organisation's records.

4.15 Other operating revenues

4.15.1 SALES REVENUES

	2024	2023
Proceeds from disposals of fixed assets	239,429	118,308
of which: immovable assets	231,674	111,354
movable assets	7,755	6,954
Proceeds from disposals of raw materials	217,392	234,530
of which: material	6,198	7,366
metal waste	211,194	227,164
Total (income statement, line III.1. and III.2.)	456,821	352,838

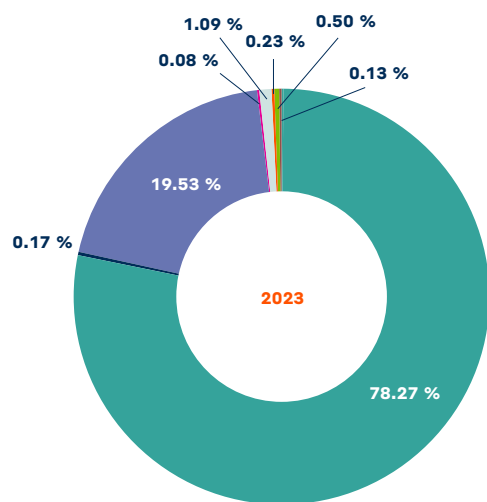
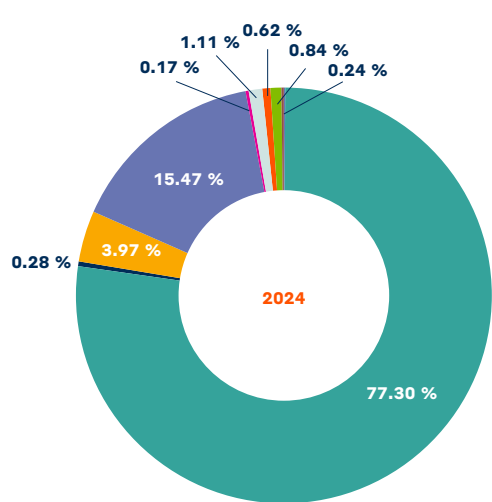


In 2024, one sale of immovable property was made for a price above TCZK 100,000 (VAT exclusive), namely the local railway 'Praha-Malešice – Praha-Žižkov', including the plots of land in question, all situated in the

cadastral district of Malešice and cadastral district of Žižkov. The purchase price of the transaction was TCZK 152,868, the purchaser was the Capital City of Prague.

4.15.2 OTHER OPERATING REVENUES

	2024	2023
Grants from SFDI for repairs and maintenance of nationwide and regional railways	19,455,981	20,000,000
Non-investment grants from SFDI – operating purpose	69,461	44,403
Non-investment grants from the state budget	999,998	390
Grants from SFDI for operating of the railway infrastructure	3,895,000	4,990,000
Other grants	43,967	20,195
Proceeds from recovered material	278,181	277,057
Received contractual penalties and default interest	156,034	58,611
Claims for compensation from insurance companies and for shortages and damages	210,929	127,878
Other	60,725	33,170
Total (income statement, line III.3.)	25,170,276	25,551,704

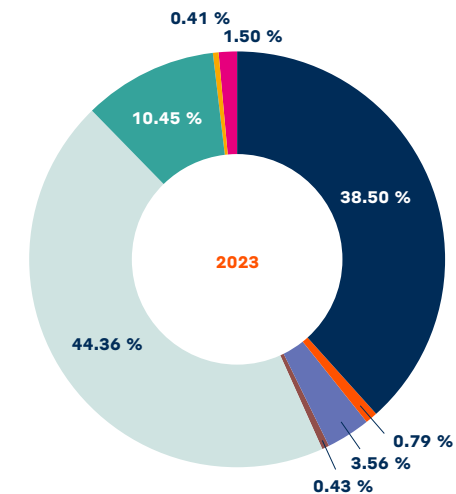
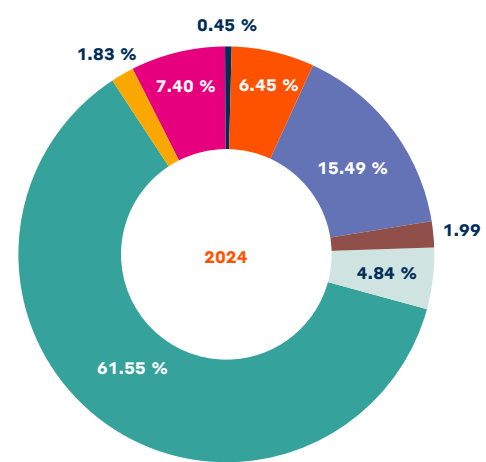


- Grants SFDI for repairs and maintenance of nationwide and regional railways
- Non-investment grants from SFDI – operating purpose
- Non-investment grants from the state budget
- Grants from SFDI for operating of the railway infrastructure
- Other grants
- Proceeds from recovered material
- Received contractual penalties and default interest
- Claims for compensation from insurance companies and for shortages and damages
- Other

The slight decrease in revenues is mainly due to a decrease in the volume of grants received from the SFDI, which was partially offset by an increase in the non-investment grant from the state budget. These resources were used in the operational area to finance repair and maintenance costs.

4.16 Other operating expenses

	2024	2023
Fines and penalties, default interest	3,422	1,273,046
Costs arising from the failure to employ the disabled	48,758	26,280
Insurance of assets and liability insurance	117,088	117,686
Membership contributions	15,060	14,334
Liability damages caused to third-party property	36,618	1,466,622
Costs arising from replacement bus services for interrupted passenger services	465,301	345,401
Contribution to the maintenance of personal protective equipment and accessories	13,747	13,624
Other	55,952	49,512
Total (income statement, line F.5.)	755,946	3,306,505



- Fines and penalties, default interest
- Costs arising from the failure to employ the disabled
- Insurance of assets and liability insurance
- Membership contributions
- Liability damages caused to third-party property
- Costs arising from replacement bus services for interrupted passengers services
- Contribution to the maintenance of personal protective equipment and accessories
- Other

The significant reduction in other operating expenses in 2024 was achieved mainly through a decrease in the area of fines and penalties from terminated lawsuits, as well as low costs related to liability damages caused to third-party property.

4.17 Other financial revenues

Financial revenues principally include foreign exchange gains arising from the conversion of foreign currency transactions.

4.18 Other financial expenses

Financial expenses predominantly include foreign exchange losses from the conversion of foreign currency transactions and bank charges.

4.19 Net turnover

The amendment to the Accounting Act adopted within the framework of the so-called consolidation package, which is effective from 1 January 2024, brought a change in the definition of net turnover, which is reported in the income statement. Whereas in the 2023 financial year net turnover was defined as revenue less sales discounts, from 1 January 2024 net turnover includes only revenue from the sale of goods and provision of services. For the purpose of determining net turnover, revenue from the sale of products and goods and from the provision of services means, in the case of entities established for the purpose of earning a profit and accounting in accordance with the accounting policies for entrepreneurs, the revenue on which the entity's business model is based. For accounting units whose main activity is not business activity, the Accounting Act applicable from 1 January 2024 provides that net turnover means the total amount of revenue for the accounting period.

Správa železnic is a state-owned organisation which was not established for the purpose of making a profit and whose object of activity is

not business activity, while at the same time applying normal accounting procedures for entrepreneurs. The essence of the activity of Správa železnic is that it manages the property constituting the railway infrastructure (ensures its maintenance, repairs and development) and is the operator of the rail system. A key part of the revenues is made up of operating grants from the SFDI and other similar operating sources, e.g. from the state budget; the amount of these operating grants represents the majority component of the annual operating revenues of Správa železnic (in 2024 they reflect approximately 70 % of the total operating revenues).

In connection with the above, Správa železnic proceeds in determining the amount of net turnover for the year 2024 by setting the net turnover as the total revenues of the accounting period of 2024 less revenues of an extraordinary non-repeatable nature which do not normally occur in the accounting period and are not related to the normal activities of Správa železnic. Such income includes in particular the consequences of litigation in the form of liquidated damages, interest on late payments, etc. The definitional content of the net turnover reported for 2024 is therefore not significantly different from the net turnover reported in 2023.

Správa železnic reported total revenues of TCZK 36,323,721 in 2024, revenues of an exceptional non-recurring nature totalled TCZK 144,446 in 2024. **Net turnover for 2024 therefore amounts to TCZK 36,179,275** (for 2023 it amounted to TCZK 35,594,107 – the methodology for determining its amount is materially comparable).

Based on the methodology set by Správa železnic, the cumulative materiality level for 2025 will be TCZK 18,090, calculated at the level of 0.05 % of net turnover for the 2024 accounting period (in 2024 it was TCZK 17,797, calculated from net turnover for 2023).

5. EMPLOYEES, EXECUTIVES AND STATUTORY BODIES

5.1 Personnel expenses and number of employees

The average recalculated number of Správa železnic's employees and executives and the related current personnel expenses for 2023 and 2024:

2023	Average headcount	Wages and salaries	Social security and health insurance	Other expenses	Total personnel expenses
Employees	17,016	10,324,955	3,462,811	571,265	14,359,031
Executives *)	5	34,946	6,168	62	41,176
Supervisory Board and its committees	0	2,756	932	0	3,688
Total (income statement, line D.)	17,021	10,362,657	3,469,911	571,327	14,403,895

*) 2023 personnel expenses (including expenses in respect of former executives) utilised in 2023 from the provision established in 2022 for personnel expenses incurred in this year totalled TCZK 17,309.

2024	Average headcount	Wages and salaries	Social security and health insurance	Other expenses	Total personnel expenses
Employees	16,729	10,830,259	3,650,588	577,904	15,058,751
Executives *)	5	29,695	5,791	89	35,575
Supervisory Board and its committees	0	2,828	956	0	3,784
Total (income statement, line D.)	16,734	10,862,782	3,657,335	577,993	15,098,110

*) 2024 personnel expenses (including expenses in respect of former executives) utilised in 2024 from the provision established in 2023 for personnel expenses incurred in this year totalled TCZK 11,995.

As at 1 January 2024, Správa železnic employed 16,732 employees working in a total of 18 organisational parts – in 17 organisational units according to the scope of their activities and regions, as well as in the Directorate General based in Prague, which ensures the strategic and organisational roles in the organisation.

During 2024, the process of changing the organisational structure of Správa železnic, approved by the Supervisory Board, continued with the aim of optimising and efficiently setting up individual processes in the organisation, both at the level of the Directorate General and other organisational units. Among other things, within the framework of centralisation of activities into the SŽ Facility organisational unit, there was a transfer of activities of methodical management of the administration of buildings and related utility networks and of the use, disposal and acquisition of the organisation's assets from the Directorate General, as well as a transfer of car operation activities from designated organisational units. The centralisation of the performance of the investment accounting activities in the Shared Services Centre, previously performed by Construction Management West and Construction Management East, was completed. The centralisation of repair services was initiated by the change in the organisational structure of the Technology and Diagnostics Centre and the Directorate General's Operability Department as at 1 December 2024 and continued by the change in the organisational structure of the regional directorates as at 1 January 2025.

The process of rationalisation and optimisation related to the handover of the investment structures into operation continued, resulting in a reduction of the total number of operation control employees by 198 (i.e. 2.8 %), as well as to the search for possible savings and more efficient organisation of work in all organisational parts. On the other hand, there has been a strengthening of staffing, particularly in the areas of ETCS, IT, cyber security and high-speed line preparation.

During 2024, severance payments were made to 187 employees.

As at 31 December 2024, the organisation employed 16,872 employees (as at 31 December 2023 it was 16,893), which means a decrease of 21 employees compared to the situation as at 31 December 2023.

5.2 Loans, credit or other benefits provided

In 2023 and 2024, members of the Správa železnic's management did not receive any borrowings, loans or any other bonuses in addition to their basic salaries and bonuses agreed in management contracts approved by the Supervisory Board.

In 2024, bonuses totalling TCZK 2,828 were paid to members of the Supervisory Board and members of its committee (in 2023 they amounted to TCZK 2,756).

6. CONTINGENT LIABILITIES AND OTHER OFF-BALANCE SHEET COMMITMENTS

6.1 Off-balance sheet commitments

6.1.1 ENVIRONMENTAL LIABILITIES

Deliverables from the performed across-the-board environmental audit of the assets owned by the state with the right of management for Správa železnic (2008) and other available analyses indicate that the level of proven pollution is lower than originally anticipated (this also relates to the distribution of assets of ČD, s.o., in the past in compliance with the Transformation Act). As such, it is not necessary to continue the intensive monitoring of these areas. However, this was only a partial sample of areas with potential legacy contamination. For this reason, it is not possible to calculate the total potential future liabilities arising from damage caused by prior activities (potential legacy environmental burdens including soil and water pollution, etc.).

It is impossible to determine the liabilities related to the prevention of potential future damage (predominantly due to accident leakage of harmful substances caused by incidents and accidents). With regard to the above-mentioned facts, the actually incurred costs for the prevention of environmental damage (including potential environmental damage) are recognised as operating expenses as part of ensuring of the operability of the railway infrastructure – in case of confirming the originator of an environmental accident such costs are being re-billed.

With respect to the modernisation of the railway infrastructure, environmental protection is an integral part of the preparatory project documentation and environmental costs form a part of the acquisition cost of a new investment

construction. These include, for example, the implementation of noise protection measures, most often in the form of noise barriers, with the aim of reducing the noise burden on the population living in the vicinity of the railway line. Other noise protection measures implemented include the installation of windows with increased soundproofing in combination with forced ventilation, the installation of rail absorbers (side rails) or grinding of the top of the rails, vibration reduction, measures are also implemented if necessary.

In 2024, total non-capital expenditures related to the area of the environment were approx. TCZK 1,015,459 (in 2023 they amounted to about TCZK 950,165). Capital expenditures related to the area of noise protection systems when modernising railway lines were calculated at TCZK 88,272 (in 2023 they amounted to TCZK 71,650).

Other capital expenditures which primarily relate to the planned activities on the property of Správa železnic, whose nature helps to protect the environment (for example by reducing electricity consumption of buildings, switching to a more efficient heating method, photovoltaics, construction of water and sewage connections, installation of a fat separator, installation of waste collection bins, etc.) were valued at TCZK 958,869 in 2024 (in 2023 they amounted to TCZK 171,205).

6.2 Litigations

6.2.1 GRANDI STAZIONI ČESKÁ REPUBLIKA, S.R.O.

In connection with the purchase of a part of a facility, a lease contract concluded with Grandi Stazioni Česká republika, s.r.o., (GS) was transferred to Správa železnic, which concerned the lease of the station Praha hlavní nádraží (Prague Main Station). This contract expired on 15 October 2016. Under the provisions of this contract, GS calculated the value of leasehold

improvements on assets performed during the lease term in the total amount of TCZK 776,503. Subsequently, Správa železnic asked GS to support this value with relevant documents. Based on the submitted documents Správa železnic accepted the amount of TCZK 565,684 and paid it to the Grandi Stazioni's account in 2016.

Správa železnic refused to pay the remaining amount of TCZK 210,819 and on 2 November 2016, GS filed an action with the District Court in Prague 1 for the payment of the above amount including appurtenances (contractual penalty of 0.5 % per day from the outstanding amount and the statutory default interest). On 5 April 2019, the Prague 1 District Court issued a judgement dismissing GS action. Within the appellate proceedings, on 3 December 2019, the Municipal Court in Prague affirmed part of the first-instance court judgement but revoked the other part involving the principal of TCZK 176,392 and a related contractual penalty for the period after 18 January 2017, referring the matter back to the Prague 1 District Court for further consideration.

GS then filed an application with the Supreme Court for appellate review of part of the Municipal Court in Prague's decision dated 3 December 2019, which upheld the first instance ruling related to the dismissal of the title to a portion of the contractual fine and part of the default interest subject to the litigation. The Czech Supreme Court decided on the application for appellate review in its ruling dated 14 December 2020, which ruling revoked the part of the judgement of the Municipal Court in Prague affirming the dismissing judgement of the District Court of Prague 1 on the claim for the payment of the statutory default interest of 8.05 % per annum from TCZK 565,684 for the period from 21 October 2016 until 25 November 2016, and the claim for the payment of contractual penalty of 0.5 % per day from TCZK 742,077 for the period from 24 October 2016 until 25 November 2016, and from TCZK 176,393 for the

period from 26 November 2016 until 18 January 2017, stating that with regard to the above portions of the claims, the matter is returned to the Municipal Court in Prague for further proceedings. The reason for reversing the judgement was the conclusion of the Supreme Court on partially incorrect and partially insufficient and therefore non-reviewable justification of the mentioned part of the judgement of the Municipal Court in Prague. Subsequently, the Municipal Court in Prague also revoked the dismissive judgement of the District Court in Prague 1 and referred the matter back to the District Court for further consideration.

The subject matter of the proceedings, conducted by the District Court for Prague 1, whose last hearing took place on 14 November 2024, are the principal amount of TCZK 176,393, default interest (the amount of which as at 31 December 2024 was set at TCZK 120,870) and contractual penalties claimed by the claimant (the amount of which as at 31 December 2024 amounts to TCZK 2,731,294 (these contractual penalties are considered by Správa železnic as unjustified and completely disproportionate). Through its resolution of 21 July 2022, the court ordered the drawing up of a further expert report by the expert office Grant Thornton Appraisal services a.s. (Grant Thornton), which was handed over to the court on 24 November 2023. However, according to Správa železnic, this expert report is deficient and incorrect in terms of its content. For that reason, Správa železnic has responded to the deficiencies identified by submitting three detailed written observations the purpose of which was also to present a summary of the arguments of Správa železnic against the defendant's principal, default interest and liquidated damages. At the last hearing, the court admitted in evidence some of the documents not yet produced, particularly accounting documents. On the basis of this supplementary evidence, it announced that it would send supplementary questions to the Grant Thornton expert institute. At the end of the hearing, the court invited GS to supplement

its allegations and evidence regarding the acquisition costs of the technical evaluation of the subject matter of the lease, and Správa železnic and the Czech Republic – Ministry of Finance to specify all the circumstances from which the defendants alleged that GS had acted contrary to good morals in claiming the contractual penalty, as well as the circumstances which would justify the court's proposed decision to moderate the contractual penalty. The next court hearing in the case was scheduled for 20 February 2025.

Based on an assessment of the current developments in this litigation, and taking into account the contents of the Grant Thornton expert report, submitted at the end of 2023, Správa železnic is of the opinion that there remains a significant risk of partial failure of Správa železnic in the legal proceedings in question. For this reason Správa železnic has decided to maintain a provision for this lawsuit, which was previously established, and to further increase it by default interest for 2024, so that the amount of the provision can cover the principal amount claimed in the lawsuit without inadequate contractual penalties and updated default interest. The total amount of the provision as at 31 December 2024 is therefore TCZK 297,263.

6.2.2 AFI KARLIN S.R.O.

On 23 October 2017, AFI Karlin s.r.o. (AFI) filed a lawsuit against Správa železnic for damages in the amount of TCZK 22,860, including accessories. The damages claimed in the lawsuit are alleged to represent AFI's increased costs for the construction of the office building project, caused by the alleged construction of the rail system in violation of the approved design documentation and the Správa železnic's failure to ensure the stability of the track bed.

A reciprocal action for damages in the amount of TCZK 26,144 with accessories was filed by Správa železnic against AFI on 27 April 2018. The damages claimed in the action are

intended to represent the costs of remediating the failure of the geometric position of the track and the walls securing the slope above the track, caused by the excavation works during the construction of the office building. In the proceedings before the District Court for Prague 7, on 25 November 2024, Správa železnic proposed that the cases should be joined for convenience to the joint proceedings before the District Court for Prague 1.

In the litigations against Správa železnic for TCZK 22,860, the District Court for Prague 1 issued, on 29 March 2023, a judgment Ref. No. 20 C 180/2017-344, ordering Správa železnic to pay AFI the amount of TCZK 12,700, including accessories. On 28 March 2024, on the basis of an appeal filed by Správa železnic, the Municipal Court in Prague annulled the contested judgment and returned the case back to the District Court for Prague 1. The last hearing in the case took place on 11 September 2024, where the development of the litigation to date was recapitulated. At the end of the hearing, the court invited Správa železnic to comment on the expert report submitted by AFI and its supplement prepared by the VSB – Technical University of Ostrava and AFI to submit a specification of the claims asserted in the action. The next hearing in the case was scheduled for 26 February 2025 for the examination of the expert.

On the basis of an assessment of the development of this dispute to date, Správa železnic decided to increase the provision for the consequences of this dispute so that the amount of the provision could cover the full amount of the principal and default interest. As at 31 December 2024, the total amount of the provision is therefore TCZK 37,846.

6.2.3 TRAŤOVÁ STROJNÍ SPOLEČNOST, A.S.

On 8 August 2022, Traťová strojní společnost (TSS) filed an action against Správa železnic for damages in the amount of TCZK 87,878,

including accessories, allegedly caused to the SUM 1000 recovery machine owned by TSS. The damage occurred in an incident on 20 August 2019 when a diesel locomotive of PKP CARGO INTERNATIONAL a.s. struck the gate of the depot building and subsequently, behind the gate, a parked machine owned by TSS.

On 27 June 2024, the District Court for Prague 1 upheld TSS's action in its entirety. On 23 July 2024, Správa železnic filed an appeal against the judgement, which was subsequently supplemented and substantiated in detail on 25 October 2024. The Municipal Court in Prague scheduled a hearing regarding the appeal for 5 March 2025.

Based on the development of this dispute so far, Správa železnic perceives a significant risk that it will be ordered by a final decision to pay a certain amount of liquidated damages and related default interest in favour of TSS. The amount of this possible future payment obligation is quantified by Správa železnic in the amount of TCZK 57,833 and a provision for this dispute is recognised in this amount as at 31 December 2024, as in its opinion the amount of damages incurred does not correspond to the quantification made by TSS.

6.2.4 METROSTAV A.S. (PILSEN – ROKYCANY)

On 23 March 2021, Metrostav a.s. (Metrostav) filed an action against Správa železnic for payment of additional costs arising from the contract for work on the construction project known as 'Modernisation of the Rokycany – Pilsen Line'.

The last court hearing in this case took place on 22 January 2025.

With regard to the amount of the claim and the complexity of the litigation, Správa železnic decided to create a provision in the amount of

TCZK 111,465 which represents 50 % of the default interest claimed in the lawsuit.

6.2.5 METROSTAV A.S. (PRAHA-HOSTIVAŘ – PRAHA HLAVNÍ NÁDRAŽÍ)

On 18 May 2023, Metrostav filed an action against Správa železnic for the replacement of the manifestation of will and compensation for damages arising from the contract for the implementation of the work known as Optimisation of the Praha-Hostivař – Praha hlavní nádraží line section.. The subject matter of the dispute is thus the possible reimbursement of additional capital expenditures of Správa železnic, whereby in the event of failure, Správa železnic would bear only the accessories and costs of this dispute in its costs, which it would be obliged to pay in future periods.

On 14 January 2025, the Supreme Court of the Czech Republic rejected Metrostav's extraordinary appeal for the refund of the court fee of TCZK 3,600 for the lawsuit. It is therefore foreseeable that a substantive hearing of the case before the Municipal Court in Prague will commence in the near future. However, the date of the hearing has not yet been determined.

With regard to the amount of the claim exercised, its detailed analysis and the overall complexity of this litigation, Správa železnic decided to make a provision of TCZK 24,554, corresponding to potential default interest as at 31 December 2024 on 50 % of the claim principal.

6.3 Property relations

Správa železnic's records also include a number of plots of land with unclear ownership titles. These cases are reviewed on an ongoing basis as the data included in the Cadastre of Real Estate is digitised. Adjustments, if any, are charged against equity accounts (refer to note 3.4).

6.4 Projected commitments associated with corridor construction

Balance as at 31 December 2024	Construction work undertaken to date	The estimate of the remaining expenses	Total estimated expenses
Corridor I	40,759,568	0	40,759,568
Corridor II	39,016,291	0	39,016,291
Corridor III	56,990,987	12,919,944	69,910,931
Corridor IV	35,586,910	499,006	36,085,916
Total	172,353,756	13,418,950	185,772,706

With a view to fully link the Czech railway infrastructure to the European infrastructure, Správa železnic is overseeing the construction of railway transit corridors. The construction of the Corridor I was completed in 2004 and the construction of the Corridor II was completed in 2007. The construction of the Corridors III and IV is currently in progress.

Implementation of the Corridor III from the state border Mosty u Jablunkova – Dětmárovice – Přerov – Česká Třebová – Prague – Pilsen – Cheb, state border, was approved by Government Resolution No. 575 of 5 June 2002.

Implementation of the Corridor IV from the state border Horní Dvořiště – České Budějovice – Prague was approved by Government Resolution No. 1317 of 10 December 2001.

In 2015, the Government approved the above total expected expenses by Government Resolution No. 269.

7. OTHER INFORMATION

7.1 Formation and incorporation of Správa železnic

On 1 March 2002, the Transformation Act and the Act No. 77/1997 Coll., on State Enterprise, as amended (the State Enterprise Act) came into force. On the basis of this Act, ČD, s. o., discontinued its activities and operations on 31 December 2002, and SŽDC (now Správa železnic) and the ČD company were formed as its legal successors effective from 1 January 2003.

Správa železnic assumed the assets comprising the railway infrastructure while ČD assumed the assets used to operate railway transportation. In addition, Správa železnic took over the majority of receivables and payables while ČD assumed only trade receivables and payables before their due dates and receivables and payables arising from employment arrangements with its employees. Both entities assumed the assets and liabilities at their book values.

The Transformation Act was amended in April 2004 under which, as at 1 July 2004, Správa železnic took over the original assets of ČD, s. o., earmarked for the settlement of the payables of ČD, s. o., which had passed on to the MoT under the original wording of the Transformation Act.

While the apportionment of the assets between the successor companies was made on a best effort basis to ensure the appropriate and legally consistent apportionment of assets and liabilities, alternative interpretations of certain provisions of the Transformation Act remain. This specifically relates to tangible fixed assets and their source of funding. The Financial Statements of Správa železnic do not include any adjustments that might be necessary as a result of any such future revisions of the applied interpretations and the

resulting impacts on the reported components and amounts of Správa železnic's assets and liabilities.

7.2 Significant factors impacting Správa železnic's activities and operations

Správa železnic was formed pursuant to, and its activities and operations are governed by, the Transformation Act, the Act on Rail Systems and other general legal regulations governing the position of state organisations. The above legislation, inter alia, sets out the scope of Správa železnic's assets or its role in operating and ensuring the operability of the railway infrastructure in the public interest.

Under the amendment to the Transformation Act, Správa železnic assumed the activities of the railway infrastructure operator on 1 July 2008. For this reason, the contract between Správa železnic and ČD for the operability of the railway infrastructure was discontinued as at 30 June 2008, and the contract was replaced by individual contracts defining mutual relations between Správa železnic and ČD.

Pursuant to Resolution of the Government of the Czech Republic No. 486 of 22 June 2011, on the transfer of remaining railway operating activities (Rail Servicing) from ČD to Správa železnic and in relation to the Commercial Code, a purchase of a part of the business was realised on 1 September 2011. The subject matter of the purchase was Rail Servicing, i.e. traffic control in railway stations and on railway lines.

Based on Resolution No. 1546 of the Government of the Czech Republic dated 21 December 2015 on the purchase of a part of a facility designated as 'Railway Stations', the transfer from ČD to Správa železnic was carried out on 1 July 2016. The subject matter of the

purchase comprised land, buildings, movable assets and other, together with sub-ledger accounts, inventories, receivables, liabilities and accruals/deferrals.

On 19 December 2024, Správa železnic and ČD – Telematika a.s. signed a contract for the purchase of a part of the plant of ČD – Telematika, which was valued by an expert opinion of 4 July 2024 at a market value of TCZK 280,100. The subject matter of the transfer is the section responsible for the main procedural and engineering activities related to the management and servicing of the railway telecommunications assets of Správa železnic. According to the concluded purchase contract, the decisive date for the transaction is 31 August 2025. The transfer

will be completed during the fourth quarter of 2025. This step reflects an effort to optimise ownership structures and increase efficiency in the field of railway telecommunications infrastructure in the Czech Republic.

Správa železnic provides carriers with the railway infrastructure for use in the public interest for an officially determined price, which is set in compliance with the Act No. 526/1990 Coll. on Prices. The proceeds from payments for the use of the railway infrastructure are not sufficient to offset the costs involved in operating, maintaining and developing the railway infrastructure. As such, the financing of Správa železnic's activities is dependent upon grants from the state and/or other entities.

7.3 Transactions with major customers ČD and ČD Cargo

Significant revenues generated by Správa železnic from its relationship with ČD:

	2024	2023
Sales from use of the railway infrastructure – passenger transport*)	1,805,633	1,740,994
Sales from use of the railway infrastructure – freight transport	2,563	2,258
Revenues from allocated capacity	59,579	60,636
Revenues from distribution and sale of electricity	3,105,448	2,438,161
Fire Rescue Corps services	631	398
Telecommunication network operation services	12,297	45,677
Total	4,986,151	4,288,124

*) This also includes revenues from the use of approach routes

As at 31 December 2024, Správa železnic recorded amounts due from and to ČD at the net amount resulting in a receivable of TCZK 252,758 (as at 31 December 2023 in the amount of TCZK 312,598). The amount which is reported in the balance sheet as a part of

trade receivables and advances paid by ČD is TCZK 603,717 (in 2023 it was TCZK 587,970). Trade payables, including received prepayments, totalled TCZK 350,959 (in 2023 it amounted to TCZK 275,372).

Significant revenues generated by Správa železnic from its relationship with ČD Cargo:

	2024	2023
Sales from use of the railway infrastructure – passenger transport	3	3
Sales from use of the railway infrastructure – freight transport	568,904	676,825
Revenues from allocated capacity	24,875	27,786
Revenues from distribution and sale of electricity	822,777	709,790
Fire Rescue Corps services	507	517
Telecommunication network operation services	30,941	38,028
Total	1,448,007	1,452,949

As at 31 December 2024 Správa železnic recorded amounts due from ČD Cargo, a.s. at the net amount resulting in a receivable as at 31 December 2023 of TCZK 123,149 (as at 31 December 2023 it was TCZK 120,932). The amount which is reported in the balance sheet as a part of trade receivables amounted, as at 31 December 2024, for ČD Cargo, to TCZK 183,625 (as at 31 December 2023 it was TCZK 181,776). Trade payables including received prepayments amounted, as at 31 December 2024, to TCZK 60,476 (as at 31 December 2023 it was TCZK 60,844).

7.4 Project for settlement of property relations in railway stations

On 21 January 2025, Správa železnic received a tax document from ČD for monetary compensation in connection with unjustified enrichment from the use of ČD plots of land included in the project known as project Settlement of Property Relations in Railway Stations Circuit (ÚMVŽST) for the period from 1 January 2024 to 31 December 2024 and together with it also the corrective tax document for the said period of 2024, which adjusts the invoiced amount for 2024 according to the Methodology for the quantification of the transaction value of the ÚMVŽST, prepared by Grant Thornton Appraisal services a.s. and TPA Valuation & Advisory s.r.o., to TCZK 478,032

(i.e. TCZK 578,418, VAT inclusive). The total amount of the tax documents sent for the period from 1 March 2017 to 31 December 2024, after reduction due to changes in the methodology for the valuation of the ÚMVŽST transaction, amounts to TCZK 2,970,403 (i.e. TCZK 3,689,717, VAT inclusive). The due date for the invoiced monetary compensation is set at 31 December 2026.

Within the framework of the planned ÚMVŽST transaction, no purchase contract or settlement agreement has yet been concluded between Správa železnic and ČD in accordance with the procedure pre-notified by the European Commission, which would regulate the transfer of ownership of the plots of land in question or their use from 1 March 2017 to the present time. The authorities of the European Commission did not approve the previous uniform Methodology for the Valuation of Immovable Property, on the basis of which the subject matter of the ÚMVŽST transaction is valued. On the contrary, this previous methodology was objected by the European Commission on several important points.

On 25 September 2024, a communication was sent via the Office for the Protection of Competition that the European Commission was concluding the original prenotification process started in May 2021. As a consequence, the Ministry of Transport, as the founder of Správa

železnic (Section 17a of the State Enterprise Act and Section 19(6) of the Transformation Act), has not yet approved the purchase price of the plots of land included in the ÚMVŽST project determined by an expert opinion prepared in accordance with the methodology for the valuation of immovable property; the terms of the settlement between Správa železnic and ČD have thus not yet been approved by the competent authorities of the Czech Republic. At the same time, however, activities have been initiated to start a new prenotification process (expected to begin in the first quarter of 2025), which will be based on an update of the methodology for quantifying the ÚMVŽST transaction value, reflecting the objections of the European Commission.

In the opinion of Správa železnic, the joint prenotification proposal of Správa železnic and ČD and its approval by the European Commission is an important precondition for the future settlement between Správa železnic and ČD in the matter of the ÚMVŽST project. The new prenotification proposal envisages, subject to the approval of the European Commission, the conclusion of a contractual relationship between Správa železnic and ČD at a future date, when only such a contract will result in the obligation of Správa železnic to pay ČD certain monetary compensation in connection with unjustified enrichment from the use of ČD's plots of land included in the ÚMVŽST project. This assessment of Správa železnic is confirmed by the methodological opinion of the General Financial Directorate, which considers the compensation in question to be payment for the service provided for the long-term use of the plots of land, which will be subject to tax in the future on condition that a valid legal relationship is established between Správa železnic and ČD, the conclusion of which will meet the requirements of the applicable European legislation.

With regard to the discordantly completed process of the previous prenotification started

in May 2021, a new prenotification process being initiated, the results of which are difficult to predict, and the contractual relationship between Správa železnic and ČD not yet concluded, which would regulate the final settlement between Správa železnic and ČD within the framework of the ÚMVŽST project, Správa železnic continues to contradict and refuse to comply with all the above-mentioned tax documents for monetary compensation in connection with unjustified enrichment from the use of ČD plots of land included in the ÚMVŽST project. The reason for this approach is that there is still a high degree of uncertainty as to the specific amount of the payment obligation of Správa železnic towards ČD.

Správa železnic does not account for all these tax documents of ČD for the period from 1 March 2017 to 31 December 2024 in the general ledger, it does not reflect them in the balance sheets and income statements, it does not pay them and does not create accounting provisions from operating costs to cover them, because Správa železnic is not able to objectively quantify its future payment obligations, to which it will be obliged with a high probability, when the amount of this obligation is also conditional on the approval opinion of the European Commission. Therefore, information on these possible future obligations of Správa železnic to ČD is presented to the users of the Financial Statements in the form of information presented in the notes to the Financial Statements.

Further procedure of the accounting treatment of the ÚMVŽST transaction in the accounting books and Financial Statements of Správa železnic will be influenced by the development of the ÚMVŽST project solution, in particular by the new prenotification process. If this process is completed positively, a situation will probably arise in the future when the plots of land forming a part of the ÚMVŽST project will be purchased into the property of the Czech Republic and entrusted to the administration

of Správa železnic. In such a situation Správa železnic will have to initiate communication with the Ministry of Transport and the SFDI about the method of financing.

8. SUBSEQUENT EVENTS

The Government of the Czech Republic, by its Resolution No. 76 of 29 January 2025, dismissed Michal Šimek from his position as a member of the Supervisory Board of the state-owned organisation Správa železnic as at 31 January 2025 and appointed Tomáš Martinec as a new member as at 1 February 2025.

On 28 February 2025, an accident occurred on the line near the railway station Hustopeče nad Bečvou for so far unknown reasons – derailment of 17 tank wagons of the carrier transporting chemical substance – benzene, subsequent combustion and leakage of chemical substances. The matter is being investigated by the law enforcement authorities, by Správa železnic's Railway Operation Safety System Department as well as the Drážní

inspekce (Railway Inspectorate). The parties have received a communication from the Czech Environmental Inspectorate (ČIŽP) with reference No. ČIŽP/48/2025/1066 in connection with the accident on 4 March 2025, which, with reference to the general regulation of the Act on Rail System, called on both the Operator and the Carrier to take specific measures to prevent environmental danger and other negative environmental consequences. The final amount of the damage, in view of the ongoing investigation and the subsequent work related to the removal of the chemical load, has not yet been quantified and will be claimed from the guilty party.

As at the date of the Financial Statements, the organisation's management is not aware of any material subsequent events affecting the Financial Statements as at 31 December 2024.

Prague, 28 March 2025



Jiří Svoboda
Director General

Persons responsible for the Annual Report

Affirmation

We hereby affirm that the information stated in the Annual Report for 2024 is accurate and that no material circumstances known to us that may affect the accurate and proper assessment of Správa železnic, státní organizace, have been omitted.



Jiří Svoboda
Director General



Tomáš Čoček
Deputy Director General
for Economics

The closing date of the present Annual Report is as at 28 March 2025

Annual Report on the Provision of Information

Správa železnic, státní organizace
Dlážděná 1003/7, 110 00 Praha 1

Annual Report on the Provision of Information in compliance with Section 18 of the Act No. 106/1999 Coll., on Free Access to Information for 2024

File No. 10055/2025-SŽ

Pursuant to Section 18 of Act No. 106/1999 Coll., on Free Access to Information (hereinafter referred to as the 'InfZ') Správa železnic, státní organizace, releases the Annual Report on the Provision of Information for 2024.

Requests made under the above-mentioned act are handled, on behalf of Správa železnic, by authorised employees of the Directorate General's Legal Department in cooperation with all organisational units and expert departments of Správa železnic, státní organizace, depending on the nature of the request.

a) Number of submitted requests for information	184
– Number of issued decisions to dismiss the request	35
– Number of issued decisions to dismiss a part of the request	45
b) Number of submitted appeals against the decisions	21
c) Number of closed court proceedings	1
d) Number of exclusive licences provided	0
e) Number of complaints filed under Section 16a	12
– Number of complaints filed under Section 16a(1)(a)	7
– Number of complaints filed under Section 16a(1)(b)	2
– Number of complaints filed under Section 16a(1)(c)	2
– Number of complaints filed under Section 16a(1)(d)	1

To point c) of the Annual Report of Správa železnic

Judgement No. 5 As 108/2023-53 of 12 July 2024 – the cassation complaint by which the company České dráhy, a. s. sought the annulment of the judgement of the Municipal Court in Prague, No. 14 A 38/2021-121, is dismissed. On the basis of the above-mentioned judgement of the Municipal Court, Správa železnic, státní organizace, provided RegioJet a.s. with the information required under the contract on the adjustment of the legal relations of information service carriers of 24 June 2016 (hereinafter referred to as ‘the Contract’):

- a) Text wording of Clause 1.10. of the Contract;
- b) Annex No. 1 to the Contract;
- c) Annex No. 2 to the Contract.

To point c) of the Annual Report, Správa železnic furthermore adds that the cost of the legal representation in court proceedings amounted to CZK 0. Other cost related to the court litigations amounted to CZK 0.

To point e) of the Annual Report, Správa železnic states to individual complaints as follows:

1. disagreement with the handling of the request – information other than the requested information was provided; handled by reconsideration through the provision of the requested information;
2. disagreement with the handling of the request – non-specific information provided; handled by reconsideration through the provision of the specific information;
3. disagreement with the handling of the request – referred to public information which does not prevent effective use by the applicant; returned by the superior authority with an order to process the request again;
4. disagreement with the handling of the request – the information was not provided to the extent requested by the applicant; the complaint was rejected;
5. disagreement with the provision of partial information without issuing a decision rejecting part of the request; handled by reconsideration through the issuing of a decision rejecting a part of the request;
6. disagreement with the provision of partial information while failing to issue a decision rejecting a part of the request; the superior authority found the complaint unfounded;
7. disagreement with the amount of the payment; the superior authority reduced the amount of the payment to 0 CZK;
8. disagreement with the handling of the request – information requested not provided; handled by reconsideration through provision of requested information;

9. the applicant has not had a part of the request for information processed after the deadline has passed; handled by reconsideration through provision of remaining requested information;
10. disagreement with the amount of the payment; the complaint has not been decided on by the superior authority by the time this Annual Report is issued;
11. disagreement with the handling of the request – information requested not provided; the complaint has not been decided on by the superior authority by the time this Annual Report is issued;
12. the applicant has not had a part of the request for information processed after the deadline has passed; the complaint is referred to the superior authority as unfounded; the complaint has not been decided on by the superior authority by the time this Annual Report is issued.

Prague, 27 February 2025



Richard Cihlár
Director of Legal Department

Requirements under Section 21 of the Accounting Act, as amended

The present Annual Report has been prepared in the context of the statutory requirements for the structure of an annual report under Section 21 of Act No. 563/1991 Coll., on Accounting, as amended.

Apart from information necessary to fulfil the purpose of an annual report, the present Annual Report contains financial and non-financial information as prescribed by law:

a) on events which occurred after the balance sheet date and that are material for fulfilling the purpose of the annual report:

The events after the balance sheet date are stated in the chapter Events after the date of the financial statements of the Notes to the Financial Statements.

b) on the expected development of the accounting unit's activity:

It is expected that Správa železnic will continue to carry out its activity in the present scope, in accordance with the Act on Rail Systems, as amended. More information is disclosed in the chapters Modernisation and development of railway infrastructure – further development and Financial performance – financial outlook.

c) on research and development activities:

Správa železnic is engaged in a number of science and development projects, mainly as an application guarantor. More detailed information is disclosed in the chapter Research, development and innovation.

d) on acquisition of own shares or interests:

Správa železnic is not a capital corporation and does not hold a share in another capital corporation.

e) on activities in the field of environmental protection and on labour (industrial) relations:

Správa železnic is an environmentally responsible organisation and endeavours to minimise the impact of railways on the environment (more detailed information is disclosed in the in the ESG Report for 2024). As one of the most significant employers, the organisation provides its employees with a wide range of benefits, encourages their development and ensures a safe work environment. More detailed information is disclosed in the chapter Human resources.

f) on whether the entity has a branch or another part of a business establishment abroad:

Správa železnic does not have a branch or another part of a business establishment abroad.

g) as required by other statutory provisions:

Pursuant to the Act No. 107/1991 Coll., on Free Access to Information, Správa železnic publishes an annual report on the provision of information. The report is contained in the chapter Annual Report on the Provision of Information.

List of abbreviations

AFI	AFI Karlín, s.r.o.
ATWS	Automatic Track Warning System
BIM	Building Information Modelling/Management
CEF/CEF2	Connecting Europe Facility / Connecting Europe Facility 2
CEN	European Committee for Standardisation
CENELEC	European Committee for Electrotechnical Standardisation
CER	Community of European Railway and Infrastructure Companies
CNB	Czech National Bank
COIS	National Operations and Information Centre
CPK	Centralny Port Komunikacyjny Sp. z o.o.
CSNF	Cultural and Social Needs Fund
CSS	Shared Services Centre
CTD	Centre for Technology and Diagnostics
CTU	Czech Technical University in Prague
ČD	České dráhy, a.s.
ČD Cargo	ČD Cargo, a.s.
ČD, s.o.	České dráhy, státní organizace
ČEZ	ČEZ Prodej, s.r.o.
DB	Deutsche Bahn
DTM	Digital technical map
DTMŽ	Digital technical map of railways
DUSL	Design Documentation under the so-called Line Act
DZD	Documentation for Zoning Decision (construction location)
EC	European Commission
EIA	Environmental impact assessment
EIB	European Investment Bank
ERA	European Union Agency for Railways
ERJU	Europe's Rail Joint Undertaking
ERMTS	European Rail Traffic Management System
ETCS	European Train Control System
ETSI	European Telecommunications Standards Institute
EU	European Union
EUG	ERTMS Users Group
EULYNX	Consortium for interface standardisation of ETCS components
EUROLINK	Harmonised timetable concept initiative

FRC	Fire Rescue Corps of Správa železnic
FRMCS	Future Railway Mobile Communication System
Grant Thornton	Grant Thornton Appraisal services, a.s.
GS	Grandi Stazioni Česká republika, s.r.o.
GSM-R	Global System for Mobile Communication – Railway
gtkm	Gross tonne-kilometres
HSL	High-speed line(s)
IRS	International Railway Solutions
KPI	Key Performance Indicators
LDS	Local Distribution System
MoF	Ministry of Finance of the Czech Republic
MoT	Ministry of Transport of the Czech Republic
MS Teams	Communication software (Microsoft Teams)
MUV	Multi-purpose motor trolley/vehicle
ÖBB	Österreichische Bundesbahnen
OHS	Occupational health & safety
OP EIC	Operational Programme Enterprise and Innovation for Competitiveness
OPT2/OPT3	(Operational) Programme Transport (within the European Union)
PDPS	Detailed Design (Design Documentation for Construction Implementation)
PKP	Polskie Koleje Państwowe S.A.
PKP PLK	PKP Polskie Linie Kolejowe S.A.
PMC	Preliminary Market Consultation
PPP	Public Private Partnership
PRIME	Platform of Rail Infrastructure Managers in Europe
PVPP	Photovoltaic power plant
RFC	Rail Freight Corridor(s)
RISC	Railway Interoperability and Safety Committee
RMP	Repair and maintenance projects
RNE	RailNetEurope
RRF	Recovery and Resilience Facility
RS	Fast Connection(s)
SFDI	State Fund for Transport Infrastructure
Shift2Rail	Initiative for focused research and innovation under the EU Horizon programme
SNCF	Société nationale des chemins de fer français
SSC	Shared Services Centre

SŽDC	Správa železniční dopravní cesty, státní organizace
SŽG	Railway Geodesy Administration
SŽT	Railway Telematics Administration
TACR	Technology Agency of the Czech Republic
TCC	Traffic Control Centre
trkm	Train kilometre
TEN-T	Trans-European Network – Transport
TSI	Technical specification for interoperability
TTR	TimeTable Redesign for Smart Capacity Management
UIC	International Union of Railways
ÚMVŽST	Project for the settlement of property relations in railway stations
UN	United Nations
UNECE	United Nations Economic Commission for Europe
ŽSR	Železnice Slovenskej republiky



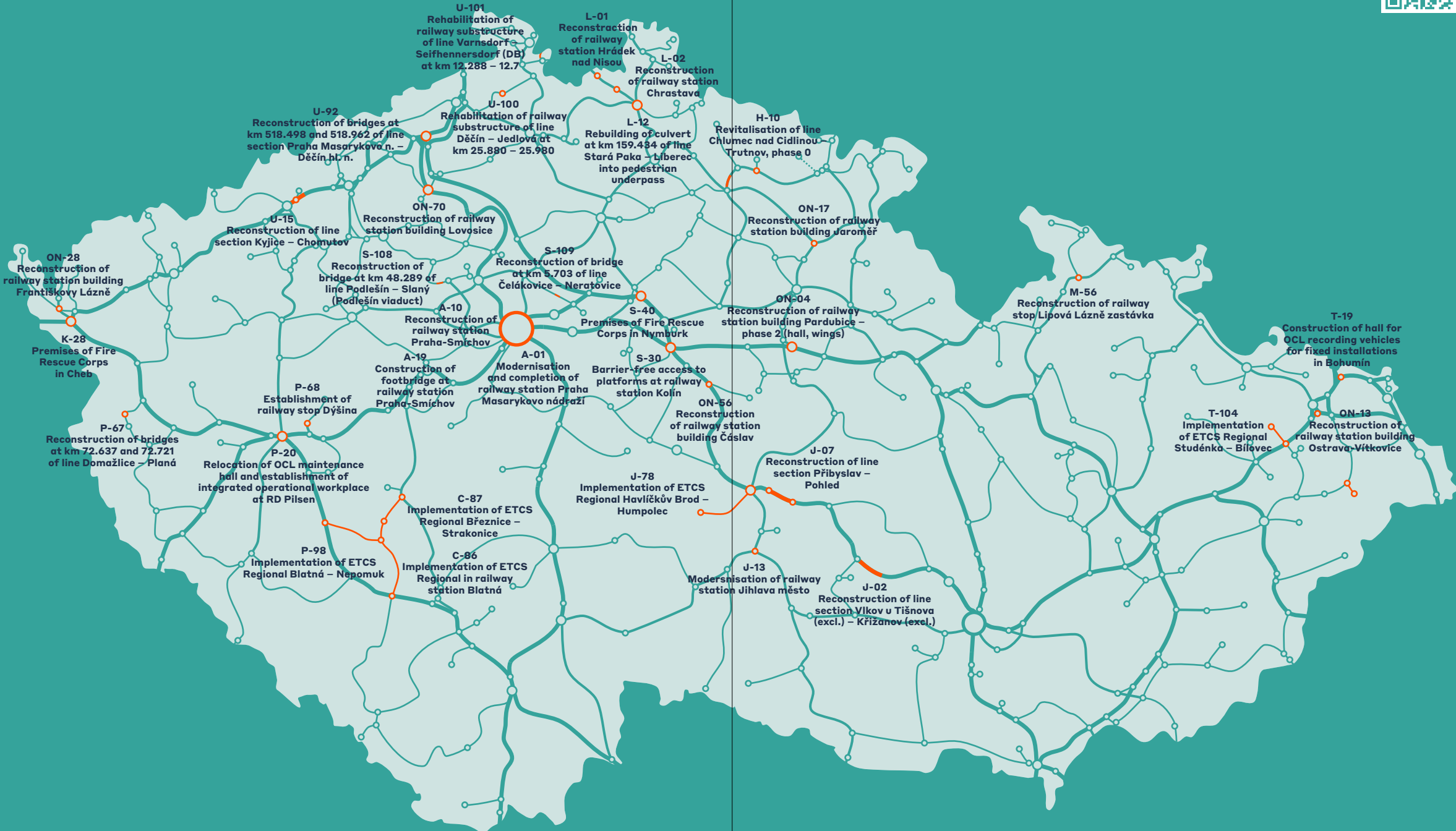
Significant construction works completed in 2024

Interactive map of Správa železnic



Significant construction works started in 2024

Interactive map of Správa železnic



Identification and contact details

	
Organisation's name Founder	Správa železnic, státní organizace Czech Republic (the Ministry of Transport of the Czech Republic being entrusted with the function of the organisation's founder)
Date of incorporation Identification number	1 January 2003 70994234
Registration court Registered under	Prague Section A, File No. 48384
Registered office	Praha 1 – Nové Město, Dlážděná 1003/7, Post code 110 00, Czech Republic
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