

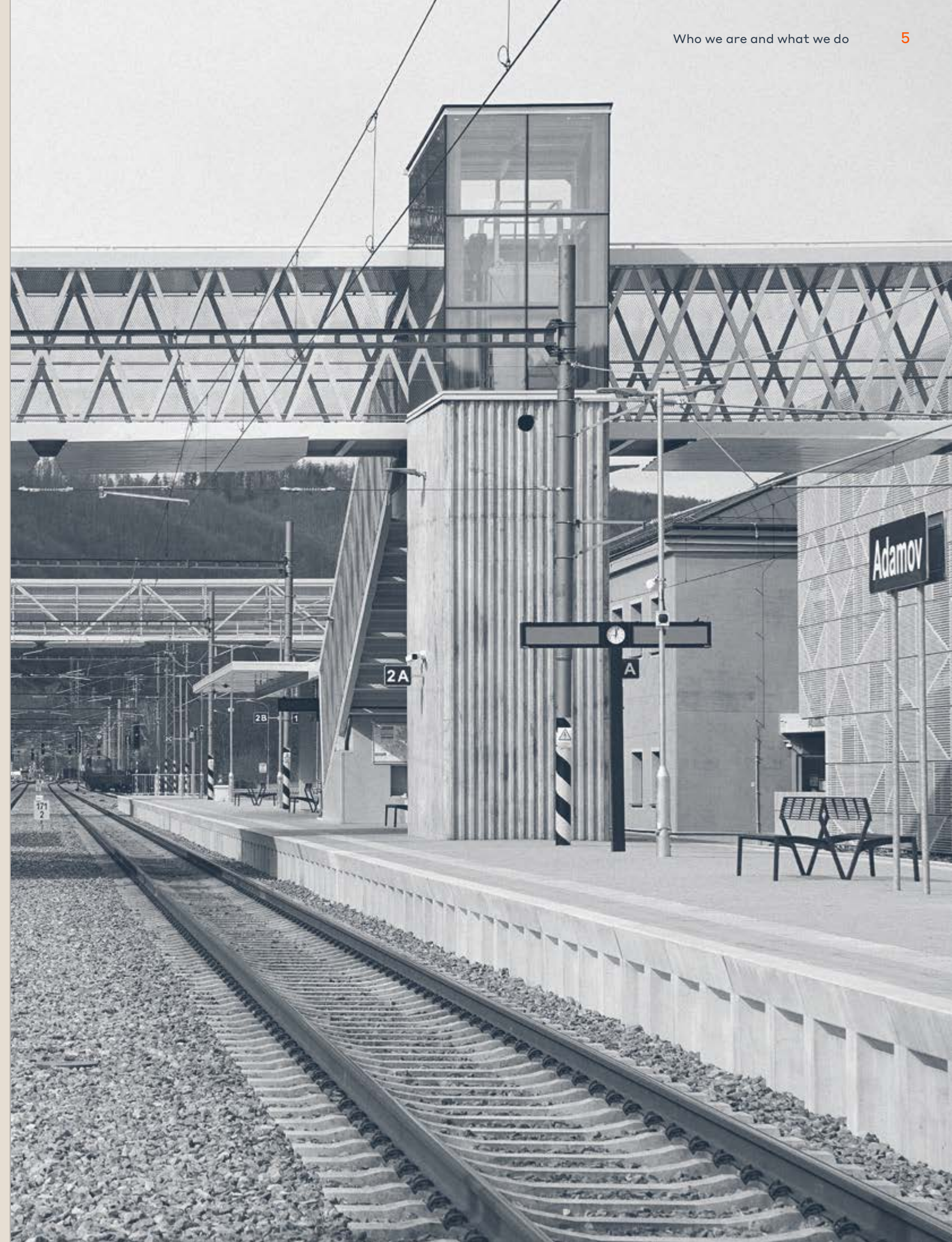
Annual Report 2023

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Who we are and what we do

We manage, administer and innovate the railway network and thousands of railway stations all over the Czech Republic. We are Správa železnic, which means “the railway infrastructure manager” and this is a selection of various matters of interest which have happened this year on the railways in the Czech Republic.



2023 through the eyes of the Director General

**Ladies and Gentlemen,
Dear Business Partners,**

The year 2023, which was exceptional for Správa železnic due to the twenty-year anniversary of our existence, has brought a number of challenges again, similar to the previous years. Some of them are being addressed through our long-term strategies, while the others have come suddenly and tested our ability to respond and innovate quickly. I would like to begin this Annual Report by highlighting the regular as well as extraordinary work and efforts of every employee of Správa železnic.

We, the railway people, often say that the beauty of rail transport lies in the wide range of industries and human activities which it encompasses. The multitude of professional disciplines actively operating in Správa železnic is a reflection of this fact. For passengers, this beauty is then projected in the individual details, visible in the sometimes even breathtaking architecture of railway stations, modern train stops as well as purely technological constructions.

In 2023, we had a budget of 64 billion crowns, of which 39 billion crowns were earmarked for capital expenditures. Thanks to these resources, we have started the next stage of the modernisation of the railway line from Prague to Kladno with a branch line to the airport. The Praha-Bubny railway station will undergo major modernisation, a new stop will be built at the Prague Exhibition Centre and the railway line between them will be double-tracked and electrified. At the same time, we obtained a building permit last year and also selected a contractor for the modernisation of the Prague Masaryk Station, so that the implementation has started as early as the beginning of 2024. In addition, design work has been commenced on the railway line section between Veleslavín and Ruzyně.

One of the most important milestones last year was the completion of the modernisation of the railway line on the first corridor between Ústí nad Orlicí and Brandýs nad Orlicí. We increased the maximum speed to 110 km/h, which is as high as the curves of the Tichá Orlice valley will allow, and we increased the safety and fluency of traffic in this busy line section. On the first corridor, we also finished the complete renovation of the railway line section from Velim to Poříčany or the construction between Brno and Blansko, including the extensive renovation of the Adamov station.

The line sections Soběslav – Doubí and Sudoměřice u Tábora – Votice are newly prepared for the speed of 200 km/h, where only the deployment of the European Train Control System (ETCS) is left to increase the maximum speed. The European Train Control System is now on 903 kilometres of railway lines, this year the line sections Ústí nad Orlicí – Lichkov, Beroun – Plzeň – Cheb and Přerov – Česká Třebová has been equipped with this system.



The Havlíčkův Brod railway line has passed the stress test. Traffic from the corridor leading through Česká Třebová was diverted to the railway artery between Prague and Brno via the Highlands (Vysočina Region). From April 2021, we were providing a public pushing service, which was used by almost 6,000 freight trains in the period until July 2023. A major renovation project for freight traffic to Germany was completed between the Děčín východ and Děčín-Prostřední Žleb railway stations. The line was completely renewed, the bridge over the Elbe was replaced and the Děčín tunnel was rehabilitated.

The preparation of high-speed lines (HSL) is gaining momentum, and we are currently designing already one half of the future network – over 300 kilometres of railway lines. We have completed the documentation for zoning decision for the section of the “VRT Jižní Morava (HSL South Moravia)” between Modřice and Šakvice. Preparation of the two sections of the “VRT Moravská brána (HSL Moravian Gate)” between Prosenice and Ostrava is also progressing, with work on the project reaching its final stages. On the line from Prague to Dresden, we are designing the Prague – Lovosice exit section as well as the Czech part of the cross-border “VRT Krušnohorský tunel (HSL Ore Mountains Tunnel)”. For the first time, the VRTmobil – a mobile information centre – has travelled to the regions to present the preparation process and the future benefits of the HSL to the public with participation of experts.

The year 2023 was again marked by important renovations of station buildings. There were 65 buildings in various stages of development. Completion of the renovation work was finalised especially for those situated in the regions, for example in Písek, Karviná, Kravaře ve Slezsku or Sokolnice-Telnice. Another beautiful example is also the renovation of the historical halls of the Fanta building, the largest Art Nouveau monument in the Czech Republic, which we opened to the public for the first time at the end of the year. Although it is often more laborious, we are trying to preserve the original architecture as much as possible. People often recognise cities by their station buildings, which tell their own story in their own language. This richness in turn attracts more and more passengers to travel by train.

Last year, we devoted considerable effort just to communicating with the public. We explained in detail the reasons for the construction of the new bridge at Výtoň, and we also launched a special website for renovation of the Fanta building. Across social media, we have attracted thousands of new fans. We took full advantage of this, especially when communicating the topic of safety, which culminated in the nationwide prevention campaign entitled “We Will Miss You”.

I believe that the Annual Report for the past year illustrates well how the Czech railway network has moved forward and underlines what the goal of all our activities is. To ensure fast, safe and increasingly comfortable travel across the country and to enable people with disabilities to do the same. I wish to Správa železnic and all our staff every success in the years to come.

Prague, 22 March 2024



Jiří Svoboda
Director General

“We have had a successful year. The most resonant projects were the completion of the extensive modernisation of two sections of the corridor from Prague to České Budějovice and the complete reconstruction of the railway line between Brno and Blansko.”



“Thanks to the sufficient financial support, we can continue the set pace of modernisation of the railway network. This will also have a positive effect on the preparation of high-speed lines, which is proceeding very intensively.”



Mojmír Nejezchleb
Statutory Deputy Director General
and Deputy Director General
for Infrastructure Modernisation

“The year 2023 meant the beginning of the greatest change in the railway signalling system. The experience from the first ever exclusive operation under the European Train Control System (ETCS) between Olomouc and Uničov will be used on other railway lines as well.”



Karel Švejda
Deputy Director General
for Rail Operability

“Thanks to our teamwork, we have convinced two major European banks about the quality of our projects. We are successfully developing a PPP project for the Prague Airport with the European Bank for Reconstruction and Development. The EIB then provided us with the largest ever preferential loan for railway construction projects in the Czech Republic.”



Tomáš Čoček
Deputy Director General
for Economics

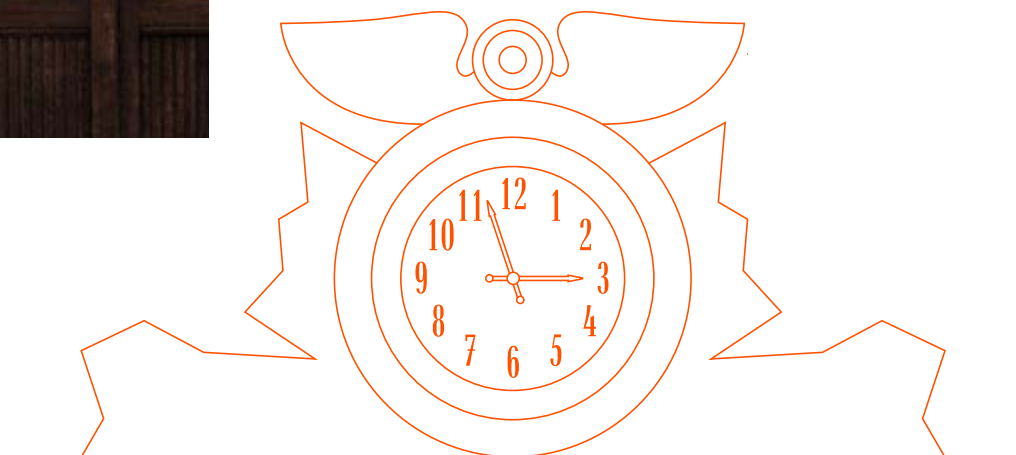
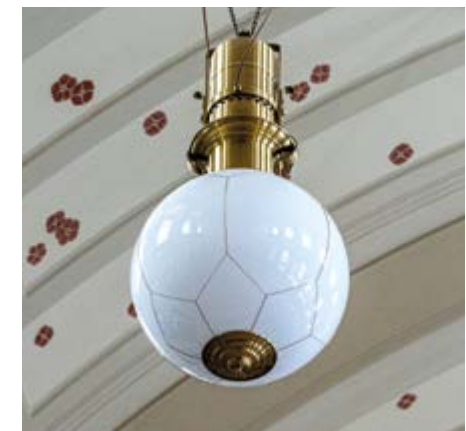
“Despite the high pace of modernisation and extensive railway line maintenance, we have managed to reduce train delays and return timetable stability to the required level in 2023.”



Jaroslav Flegl
Deputy Director General
for Traffic Management



The beauty of the detail, the uniqueness of the whole. The Art Nouveau Fanta's building at Prague Main Station was built between 1901 and 1909. In 2023, we completed the comprehensive reconstruction of this gem, which makes rail travel in the Czech Republic a unique artistic experience. Interior work included the repair and restoration of the Fanta's Hall, the Column Hall, the corridor, the café, and the VIP lounge according to the original design by architect Josef Fanta. The paintings and reliefs were also restored, the windows and doors were renovated and, finally, a restoration survey of the gilded design of the emblem of the First Republic, which was discovered in the Fanta's Hall under layers of non-original paint.



Year 2023 in figures

CZK **64** billion forming the total budget

CZK **39** billion intended for investments

CZK **20.8** billion to ensure the operability of the railway infrastructure

7,987 buildings under administration managed by Správa železnic

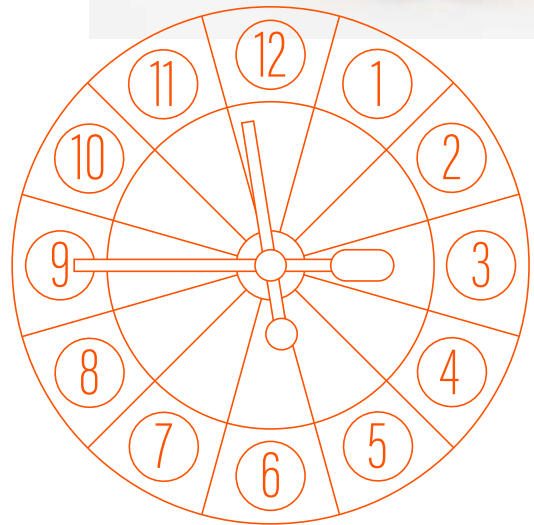
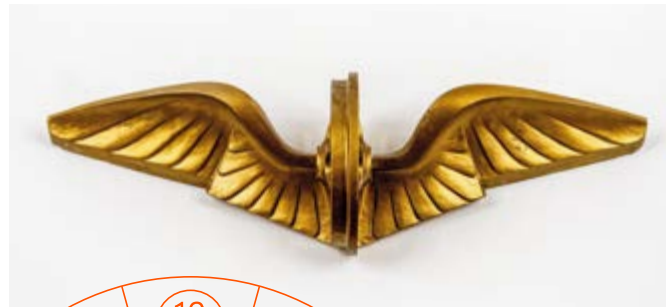
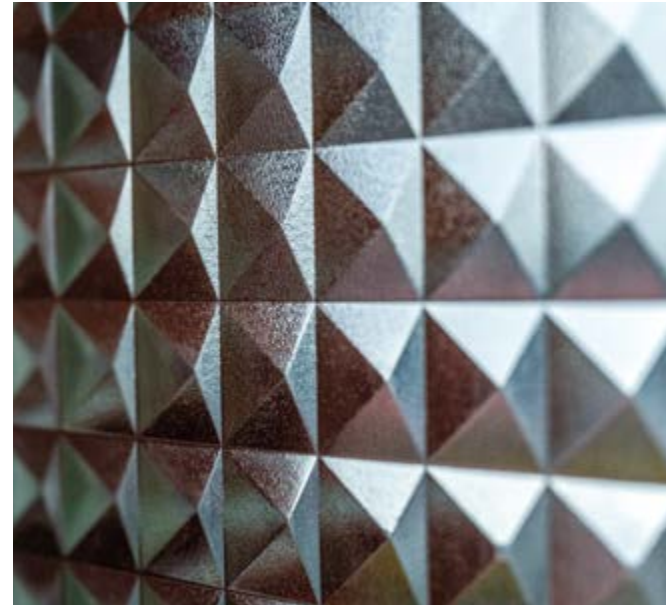
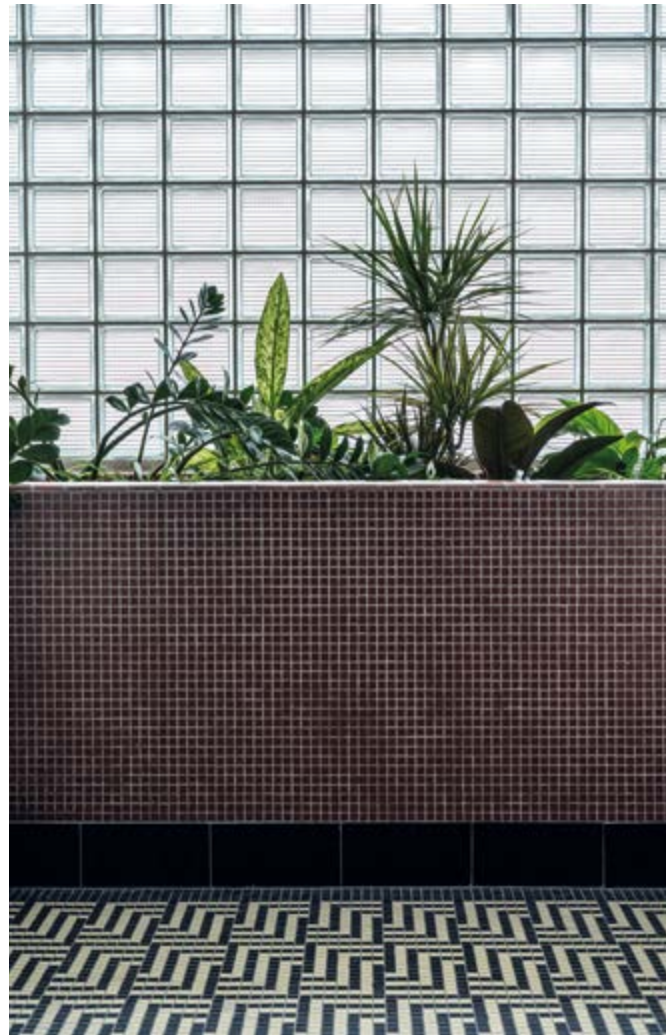
9,349 km of total railway line length

2,631 railway stations and stops

6,728 bridges

169 tunnels





A strictly geometric landmark of Pardubice and at the same time the finest functionalist railway station with a hotel in post-war Czechoslovakia. The building was opened in May 1958 and was designed by architects Karel Řepa, Karel Kalvoda and Josef Danda. The interior and exterior of the former hotel has been fundamentally renovated and the building now serves as an educational centre of Správa železnic. In addition to the interior renovation, the building also received a replacement of windows and doors, and the restoration of the roof and façade, including the original ceramic tiles. Replicas of the lamps and mosaics on the floor and on the columns were made according to the original designs.





Mission and strategic priorities

Development and modernisation, higher line speed and higher railway infrastructure capacity

The most important projects in this strategic segment include undoubtedly the preparation of high-speed lines (HSL). Among other things, we are also focusing on improving the performance of selected freight lines, removing speed restrictions, digitisation, connectivity and network development.

Reliable, safe and smooth railway operation

We ensure the full operability of the railway network and are constantly working to improve operational safety. This includes all activities which lead to a reduction in the number of incidents on the railway network. These include, for example, the cancellation of level crossings or implementation of the ETCS.

Railway as an environment-friendly mode of transport

Our activities play a key role in the so-called green transformation, acceleration of decarbonisation and modernisation of the entire transport and mobility system. Shifting a significant part of inland freight transport and a part of road passenger transport from road to rail is one of the priorities of the European Green Deal. Rail transport is essential in reducing negative environmental impacts and improving the safety and health of citizens of the Czech Republic.

A modern system connected to the European rail network

The operational connectivity of the European rail system and the development of the trans-European transport network is one of our key strategic themes. In order to ensure this, we are taking an active approach to harmonisation of the infrastructure performance and implementation of new technologies, especially in the area of deployment of the ERTMS/ETCS (European Rail Traffic Management System / European Train Control System) and telematics applications.

Maximum customer friendliness, active and open communication

We always ensure openness and transparent provision of up-to-date information. In addition to traditional media channels, we make extensive use of multimedia platforms, all key social networks as well as podcasts, for example.



Správa železnic as a platform for research, development and innovation in practice

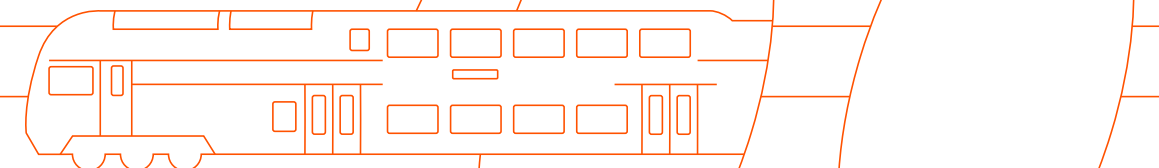
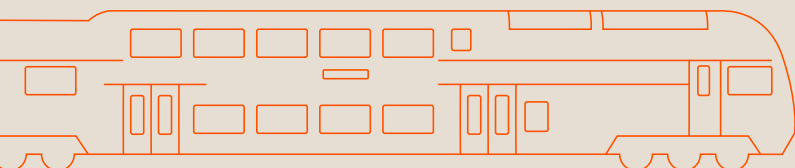
We are involved in a number of science and research projects, primarily in the role of application guarantor. We focus primarily on areas with significant application potential and also with an emphasis on reducing the environmental impacts of railway operations. Our research and development activities naturally reflect current and expected trends in digitisation and smartification. We publish the Scientific and Technical Collection of Správa železnic, which is a platform for dissemination of knowledge in the field of the latest technology and techniques.

Správa železnic – a prestigious employer with attractive career prospects

We do appreciate the work of our employees and we are aware that the success of the entire organisation is based on particular people. We meet our commitments, both in terms of remuneration and provision of employee benefits, as well as training and occupational health services. We cooperate closely with trade unions.

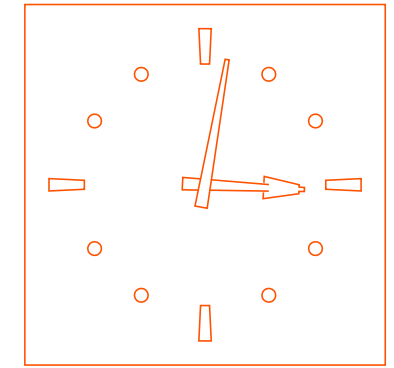
Longest tunnel in the Czech Republic

Currently, the longest tunnel on the Czech railway network are the tubes of the Ejpvovice tunnel near Pilsen. They are over four kilometres long and are regularly cleaned once every three months, always at night, when no trains run through the tunnel. Checks on technological equipment are even more frequent.





The station building in Havířov from architect Josef Hřejsemnou is one of the most important examples of the Brussels style with an overlap to brutalism on the territory of the Czech Republic. The building was completed in 1969. After a complete reconstruction, it was transformed into a multifunctional centre Fénix designed for sports and cultural events. A unique 65 square metre coloured glass mosaic by the world-famous artist and glass designer Vladimír Kopecký was preserved during the restoration.



Milestones of 2023

January

We celebrated twenty years from establishment of our organisation.

We started another part of modernisation of the railway line from Prague to Kladno with a branch to the airport, between the Praha-Bubny railway station and the new Praha-Výstaviště stop.

On the line from Olomouc to Uničov, we launched exclusive train operation under the supervision of the ETCS.

We selected the designer of the future VRT Střední Čechy (HSL Central Bohemia), which is to connect Poříčany and Světlá nad Sázavou. This means that already more than 300 km of the planned high-speed network has now entered into the design phase.

February

At the crossing in Vendryně neighbouring on Třinec, we have launched the fully-fledged operation of the first automated camera system for recording drivers' offences on railway crossings.

Freight trains started to use the new bridge over the Elbe in Děčín. Its construction was a part of the reconstruction of the railway line between the eastern railway station in Děčín and Prostřední Žleb.

March

We opened the reconstructed Opava západ railway station building for passengers.

April

The VRTmobil – a mobile information centre focused on the preparation of high-speed lines – went to the regions for the first time.

We performed the disassembly of a historical steel bridge in the Prague district of Holešovice. It has become an exhibit of the upcoming national railway museum.

We completed the reconstruction of the line sections from Adamov to Blansko and to Brno-Maloměřice. Concerning the town of Adamov itself, we opened a car park at the new railway station building.

May

The traffic carrying capacity of the busy corridor section between Velim and Poříčany was improved by switches at the new Cerhenice and Tatce branch lines. We have thus ceremoniously completed the overall modernisation of the railway line section.

The Safe Railway Preventive Train for schoolchildren aged 12 to 18 visited Brno, Česká Třebová and Hradec Králové.

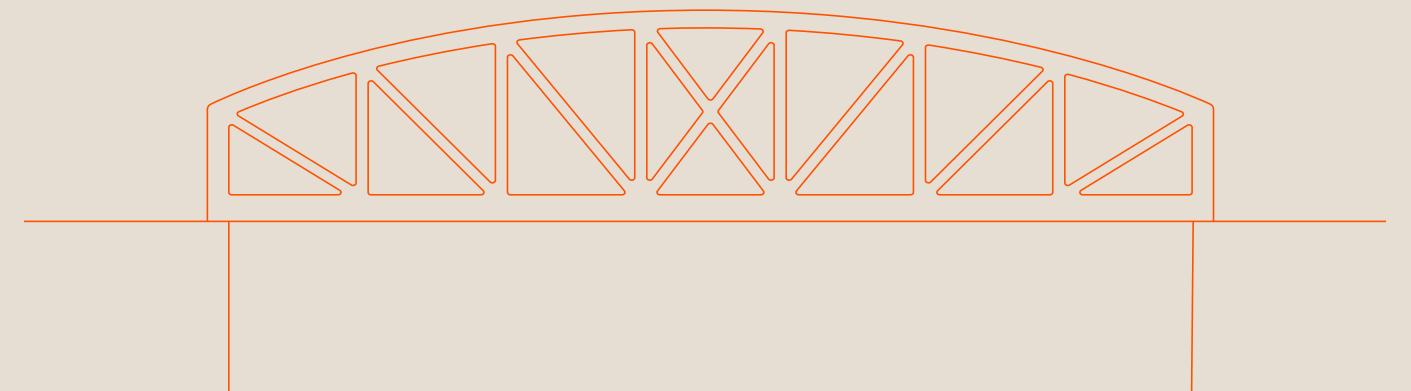
We inaugurated the double-track relocation of the railway line between Soběslav and Doubí u Tábora. At the same time, we completed work on the new transport terminal in Soběslav.

June

Twenty years of the Správa železnic's existence were commemorated by the Ride of Legends, which took place in Prague at the Masaryk Station and on the adjacent Negrelli Viaduct.

We presented ourselves to the public at the Rail Business Days trade fair in Ostrava.

20 YEARS



July

In cooperation with České dráhy and Drážní úřad (the Rail Authority), we have launched a preventive safety campaign aimed at young people. It included TV spots broadcast under the common slogan “We Will Miss You”.

We have completed most of the work on the section between Ústí nad Orlicí and Brandýs nad Orlicí. As a result, the express trains between Prague and Brno returned to the Tichá Orlice valley.

The public pushing service on the diversion route via Havlíčkův Brod, which was used by almost 6,000 freight trains, also ended in this context.

In Prague, we started the reconstruction and double-tracking of the Braník Bridge and the follow-up section to Krč and Spořilov. On the other hand, we successfully completed the work between the main and Koterov railway stations in Pilsen. Among other things, a new Plzeň-Slovany stop was built there.

August

An expert committee has selected the winner of the architectural and urban design competition for the renovation of the main railway station in Nymburk. The competition winner is architect Tomáš Hanus.

We have completed the modernisation project on the corridor between Smíchov and Radotín in Prague. It also included the construction of a new four-track section.

September

We have selected the designer of the high-speed line between Vršovice and Běchovice in Prague. The construction will also include the construction of the fourth track in the section from Libeň to Běchovice.

Within the framework of the ongoing modernisation of the most important railway junction in Eastern Bohemia, we have started the construction of a new stop known as Pardubice centrum.

We successfully completed the first part of the reconstruction of the functionalist railway station building in Pardubice. In this phase, we renovated mainly the high-rise building of the former hotel, which now serves as a training centre of Správa železnic.

October

We have started modernisation of the Brno-Královo Pole railway station and also a part of the third corridor between Karlštejn and Beroun.

We completed reconstruction works on the railway station building in Písek. We built a modern platform at the Semily station. We equipped the line between Přerov and Česká Třebová with the single European Train Control System.

November

We have launched operation of a new surveillance centre which will significantly strengthen the protection of the railway network against increasing cybernetic attacks.

We have started the reconstruction of the Vlkov u Tišnova station and the follow-up section to Křižanov.

The Henning Larsen Architects studio from Denmark won with its draft design the competition for the new design of the Prague Main Station's check-in facility.

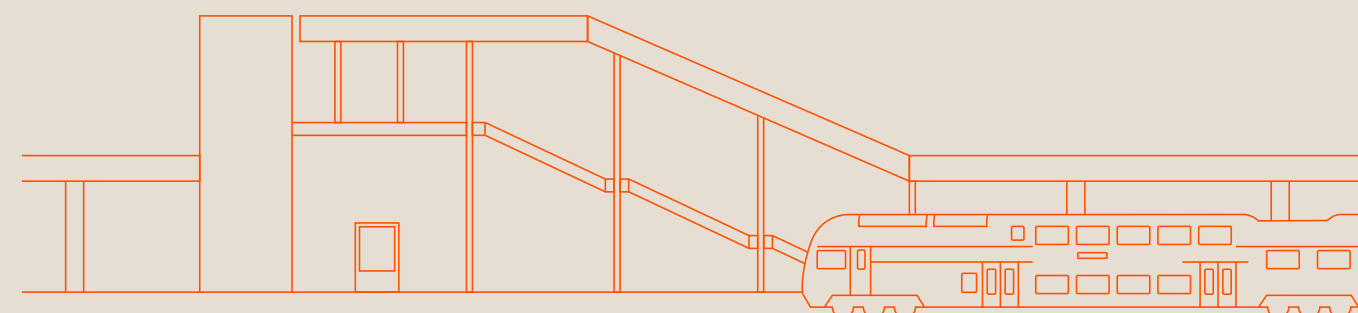
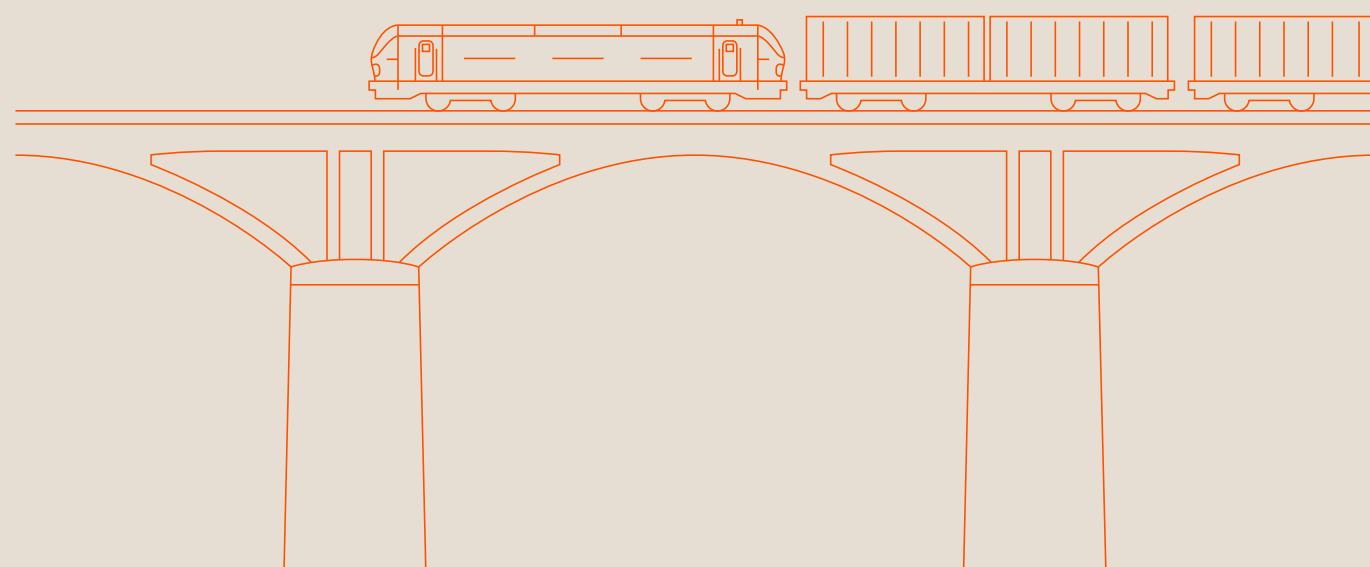
December

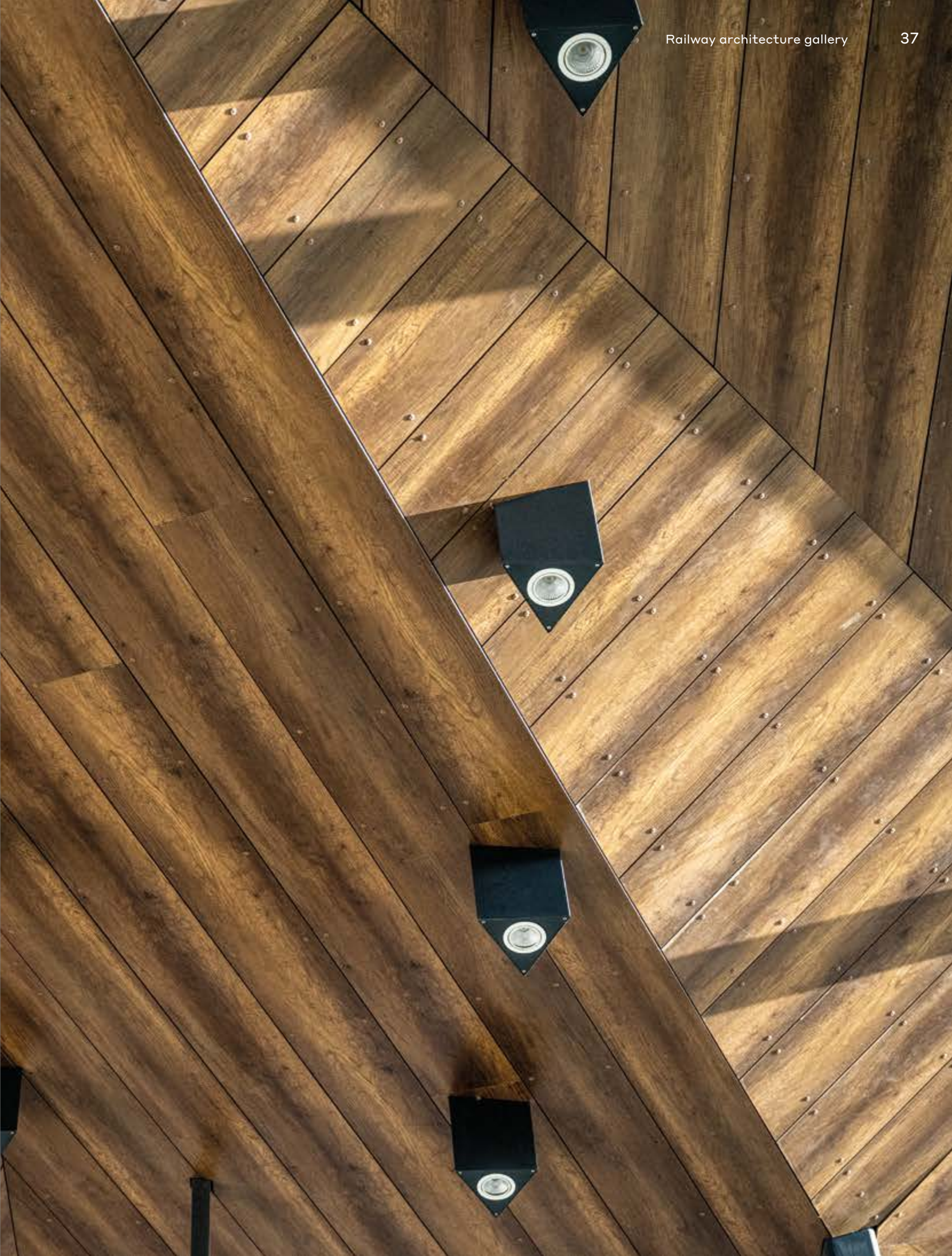
We opened the newly renovated interiors of the listed historical Fanta building at the main railway station in Prague to the public.

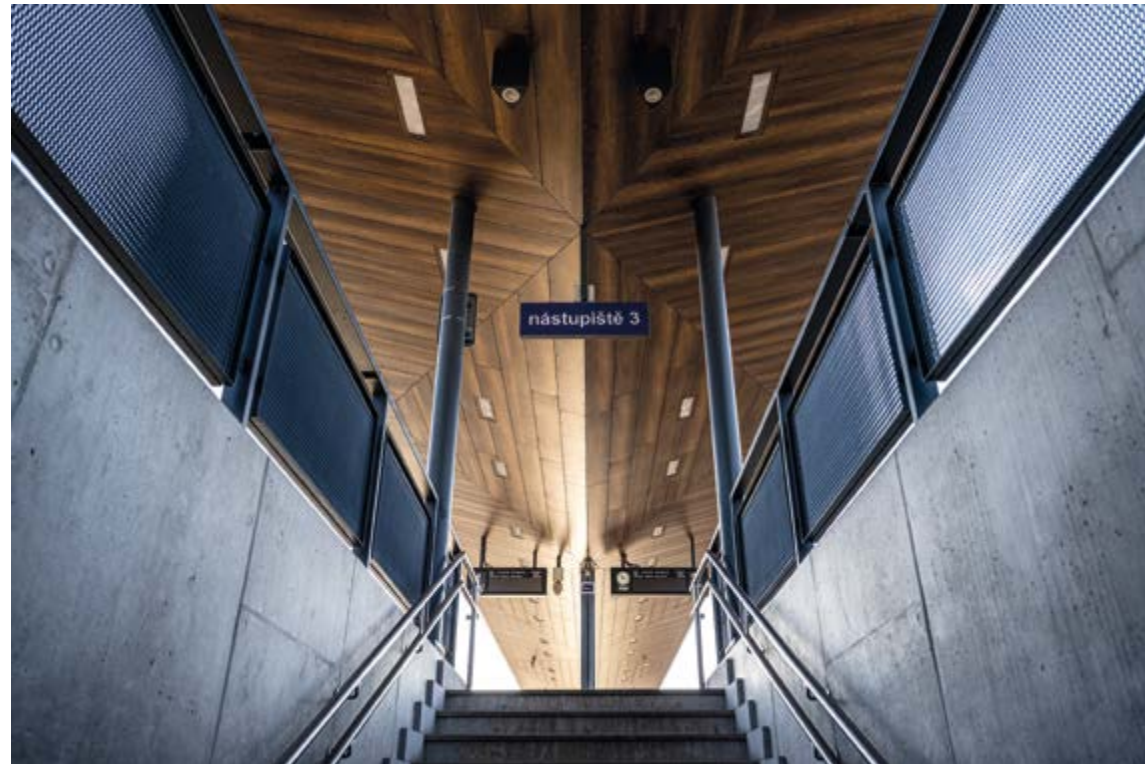
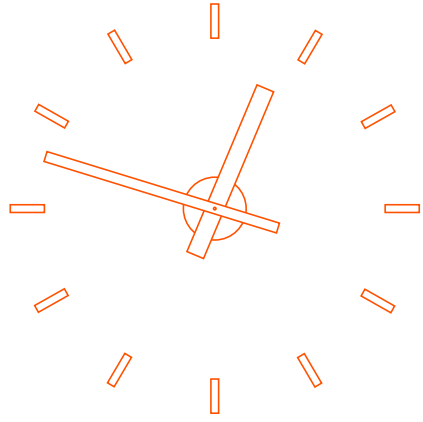
We have also newly equipped the sections from Pilsen to Cheb and to Beroun with the ETCS.

The first vending machine for filtered water began to operate at the Prague Main Station. In quick succession, we also installed the machines at other busy stations in the Czech Republic.

With the beginning of the new timetable, the new stops “Praha-Rajská zahrada” and “Orel” started to serve passengers.



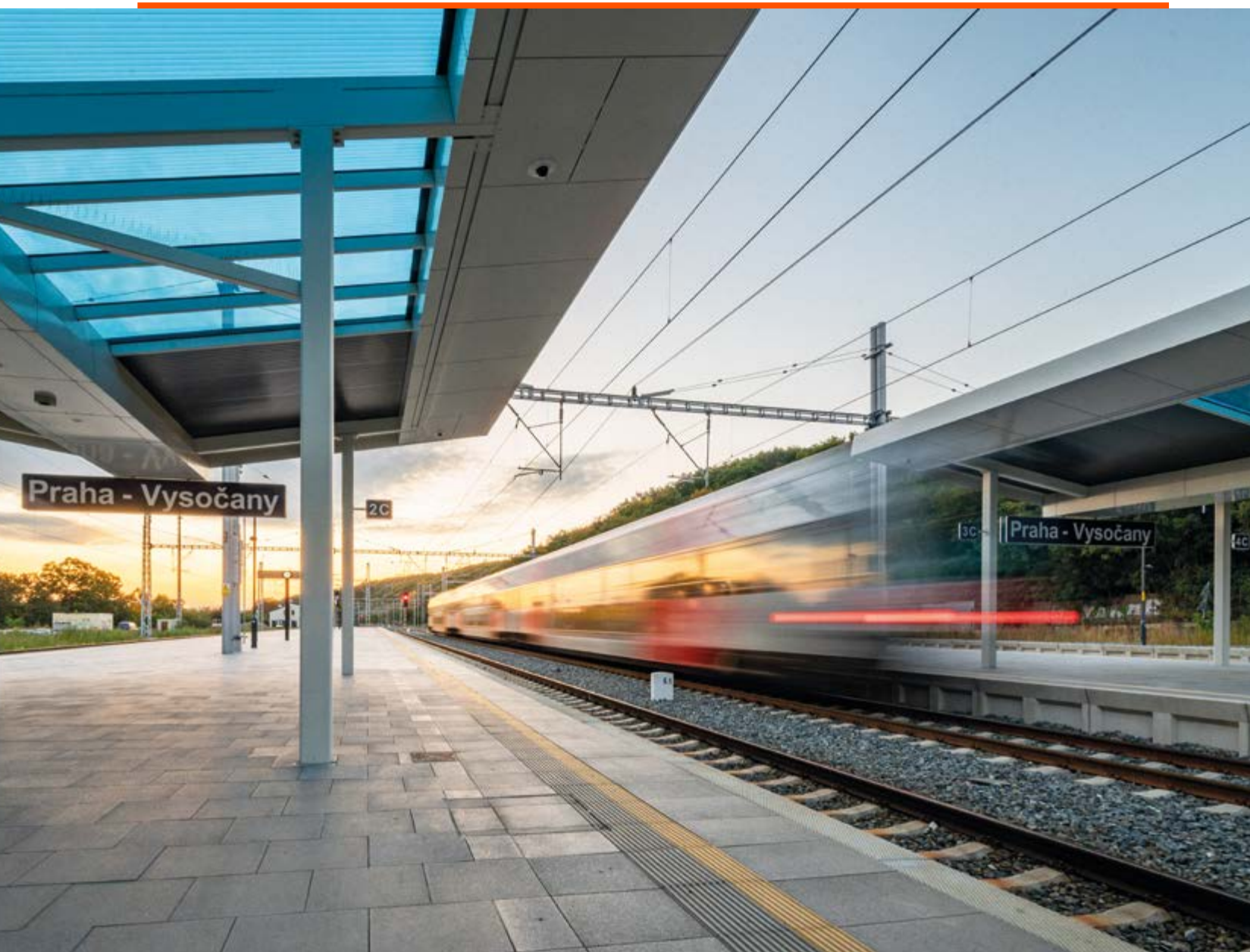




The railway junction Česká Lípa is the second largest in the Liberec Region. As part of the modernisation in 2018, a new station building for passengers was built and at the same time the existing station building was reconstructed to accommodate the new signalling equipment technology. A distinctive design element of the overall appearance of the station is the openwork ceilings with a wood pattern.

Selection from our projects

Everything we do as Správa železnic has one important goal: to increase the comfort and satisfaction of all passengers as well as carriers who use the railways. We care about the smooth operability of railways. We follow the latest trends, innovate at all levels and ensure efficient connection of the Czech Republic to the international railway network.



65

renovated railway station buildings at various stages of development

89.53

% of passenger trains met the timetable

286

targeted repair projects

CZK 714

million for repair and maintenance work on railway station buildings

61

cancelled level crossings

By train to the Ruzyně Airport as early as 2030

The modernisation of the railway between Prague and Kladno with a branch line to the Ruzyně Airport continues at a very fast pace. We are implementing two sections, with the others heading into the final stages of their preparation.

On the railway line between the centre of Prague and Kladno, we are currently working on two constructions. Both the projects, i.e. between the Praha-Bubny railway station and the new Praha-Výstaviště stop and between the Kladno railway station and Kladno-Ostrovec, are underway in accordance with the plan and will be completed during 2025.

Preparation of the new line construction to the airport is also underway. Specifically, there are two projects – the construction of a new railway line from the Praha-Ruzyně railway station and the construction of the Praha-Václav Havel Airport station itself. We are currently finalising the documentation for both projects and our goal is to obtain building permits for both constructions in 2024 so that we can proceed to the tender for the contractor.

“We are aiming to ensure that in 2030 passengers will be able to get from Prague Veleslavín to the Ruzyně Airport by train. The airport itself is also counting on this date, as it prepares its development activities so that there will be no major construction projects until 2030,” says Daniel Dlubal from the Stavební správa západ (Construction Management West), which is in charge of preparing all projects on this railway line.



The Railway Construction of the Year competition knows the winner of the third edition

The aim of the competition is to award the best-performing construction projects on the Czech railway network. The evaluation criteria include, in particular, the operational, economic and social contribution of individual constructions.

The most prestigious award – the Director General's Award – went to the reconstruction of the busiest Czech corridor between Velim and Poříčany. In the “Railway Tunnels and Bridges” category, the replacement of the bridge over the Elbe River in Děčín was the most successful project, while the winner of the “Safe Railway” category was the modernisation of the level crossings between Třebovice v Čechách and Moravská Třebová.

In the “Reconstruction and Repairs of Railway Lines” category, the jury was most impressed by revitalisation of the railway line between Lovosice and Česká Lípa. In the “Design Preparation” category, the jury awarded the documentation for reconstruction of the Praha-Smíchov railway station. The winner of the “Reconstruction and Repairs of Buildings” category was the renovation of the listed passenger historical building in Veselí nad Lužnicí.

The technological construction of the year is then a pilot project for the conversion of power supply systems between



Nedakonice and Říkovice. Two prizes for “Technical Innovation of the Year” were awarded, namely the method used to repair some tunnels between Adamov and Blansko and the solution for power supply of the radio communication equipment for the operation of the GSM-R (Global System for Mobile Communications – Railway) system. The winner of the “Modernisation of Railway Stations and Junctions” category was the second stage of renovation of the Přerov railway station. The modernisation and electrification of the railway line between Šakvice and Hustopeče u Brna was the winner among line constructions.

And the last category – “Reconstruction of Historical Railway Constructions” – was dominated by the restoration of the original passenger building in Nová Paka.

The ETCS is already in operation on 903 km of railway lines

Reducing the human factor influences, increasing speed or allowing trains to pass across the continent without having to change locomotives – these are just a short list of the benefits brought by the ETCS system. We have made significant progress with its deployment, when the railway lines Ústí nad Orlicí – Lichkov, Beroun – Plzeň – Cheb and Přerov – Česká Třebová have been newly equipped with this system. In total, more than 3,300 km of railway lines are in preparation for the deployment of the train control system.

We are renovating station buildings and returning them to their original splendour

We took over the care of railway station buildings in 2016. Since then, we have renovated more than 320 of them. These include also large and listed buildings. We are taking care of the legacy of our ancestors and placing it in the context of the modern railway of the 21st century.

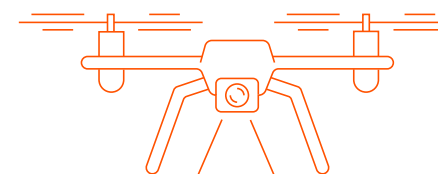
Among the most important projects of the recent renovation period, it is necessary to mention the repair of the façade and interiors of the Fanta building at the main railway station in Prague. The interior was opened to the public for the first time in December, and a new café and business lounge were established there as well.

We also continue our work on extensive renovations of listed station buildings in Pilsen, České Budějovice and Pardubice.

We are renovating station buildings in Havířov, Beroun, Vsetín, Písek, Tachov, Moravský Beroun, Podbořany, Bohosudov and Kostelec u Jihlavy. Another major reconstruction of the historical station building is underway at the Teplice v Čechách railway station.

Passengers at the Veselí nad Lužnicí, Roztoky u Prahy, Čerčany, Přeštice, Hradec Králové Main Station, Úpořiny, Vimperk, Prachatice and Holešov railway stations have been able to enjoy the improved premises.

A number of other projects are also ready to be implemented, for example the renovation of railway station buildings in Ostrava-Vítkovice, Jaroměř, Letohrad, Hodonín or Františkovy Lázně.

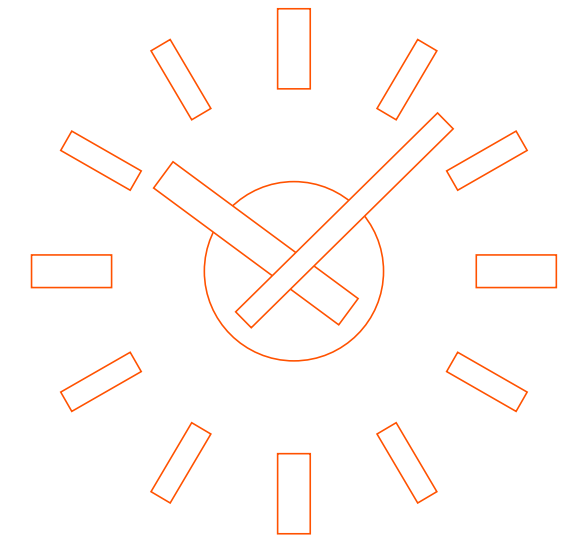


Drones in the service of Správa železnic

At the end of October, employees of the Railway Geodesy Administration together with railway firefighters tested the use of drone imaging. These can be used, for example, for monitoring of slope slides, detecting the risk of rock block collapses or imaging inaccessible areas, or else efficiently determining cubic volumes, for example in the context of capital construction. In the future, it is expected that drones will also be used to investigate emergencies on the railway.



The stop Plzeň-Slovany was built as part of the modernisation of the Plzeň junction. Both barrier-free platforms are already serving passengers together with new furniture and information system. The stop at Slovany has improved the accessibility of the surrounding area and at the same time offers a more convenient transfer to public transport. Access to the trains is via a new footbridge, thanks to sloping walkways and a lift, passengers can reach the platform without barriers.



Railway and human stories

We form one huge team, where everyone contributes through their unique skills to make rail transport flourish in our country. We are the largest employer in the field of rail transport in the Czech Republic. We have selected a few stories to give you a glimpse behind the scenes of everyday rail operation activities.



16,893

registration number of employees
as at 31 December 2023

12,156

men

140

professions

4,737

women

18

organisational parts

Railway firefighters received an award for their dedicated work

We ended the celebration of the 70th anniversary of the first professional fire brigades on railways in the beautiful premises of Troja Castle. Selected employees of the Fire Rescue Corps of Správa železnic received special awards for merit.

Symbolically, 70 employees received the commemorative medal from the hands of Jiří Svoboda, Director General of Správa železnic, and Jan Blecha, Director of the Fire Rescue Corps of Správa železnic. From all the fire protection units, those who have performed their tasks above and beyond the framework of their duty and with great dedication, worked for the benefit of the Corps and thus contributed to the development and professionalism of the firefighting forces within the framework of the railways were selected.

"I would like to thank all the firefighters, not just those awarded, for their dedicated and much needed work. You are an important organisational unit of Správa železnic, of which I am rightly proud and which has my full support," said Jiří Svoboda, Director General of Správa železnic.

We ranked among the top 20 employers in the Czech Republic

Where do students want to go after school? This is one of the main questions in a survey conducted by the Sweden-based company "Universum", which has been ranking the most sought-after employers in the Czech Republic for several years now. Správa železnic entered this ranking for the first time and came 20th. It has thus surpassed well-established companies in this country, such as České dráhy, E.ON, Innogy, IBM or Alza. Over 11,000 students from 60 Czech colleges and universities took part in the survey.

Nine of our colleagues are Railway Workers of the Year

On 1 November 2023, a great applause was given to nine employees of our organisation who contributed to saving human life, health or property by their dedication, quick reaction or timely help. And sometimes it was really a matter of a few seconds.

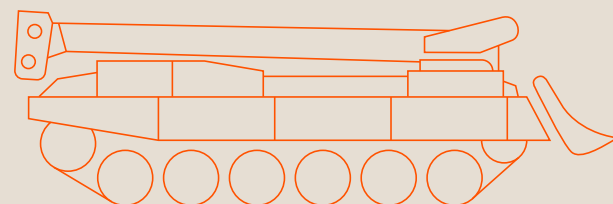
The stories are different, but they have one thing in common: a good ending. Two colleagues from the Traffic Control Centre Prague (CDP Praha), **Martin Ašenbrener** and **Jaroslav Mach**, prevented an imminent disaster in Poříčany, where two derailed freight cars transporting highly flammable and toxic benzene hit the clearance profile of the adjacent tracks. With a quick reaction, they managed to stop three passenger trains which were approaching the derailment site.

Pavína Katolická, train dispatcher, saved the life of a passenger who collapsed after getting off the train at the Bučovice railway station by timely first aid and calling the ambulance service. **Jan Vöfl**, a firefighter and mechanical engineer from the Fire Protection Unit České Budějovice, helped to save the life of a seriously injured driver from a crashed camping car near Písek. Another firefighter, **Martin Tomica** from the Fire Protection Unit Ostrava, provided pre-medical first aid to a severely injured woman hit by a train and by doing so he saved her life.



Milan Gajdác, a train dispatcher from Praha-Vršovice, provided first aid and called paramedics to the driver, who was unconscious. **Jiří Stříteský**, dispatcher-traffic controller of the signalling system remote control (DOZ), prevented a collision with a train in the opposite direction by using the General Stop function while the train was passing the exit signal. **Rostislav Mucha**, train dispatcher, prevented extensive damage to both the infrastructure and the property of the carrier by immediately calling the railway Fire Rescue Corps and requesting the power supply to be switched off in the catenary system due to the approaching burning locomotive.

Jaroslav Hlous, a signalling system operator of the Regional Directorate Pilsen, was the last person to be awarded. He was a direct witness of a traffic accident in Nýřany, during which a passenger car fell into the rail structure gauge. By informing the train dispatcher and calling the rescuers, he contributed to saving the life of the car driver and to averting the threat of a collision between the train and the crashed car. We would like to thank all the award winners very much.



Blind Mikuláš helps to improve railway station accessibility

It is very important that the railway station buildings serve blind and partially sighted citizens well. Mikuláš Kopas is in charge of checking the functionality and correct placement of special orientation elements at Správa železnic.

Mikuláš Kopas got into station inspections about ten years ago, when he started losing his eyesight. He checks all the elements which help the visually impaired people. These include natural guide lines (such as walls) and artificial guide lines, which include warning and signalling strips. Other wayfinding features include a unique system of voice beacons as well as Braille labels that can help to navigate the space.

Mikuláš Kopas always first explores the web for basic information about the railway station's facilities. Then he arrives at the actual railway station and begins to navigate the space

with the help of a cane and a radio for the blind. It is important to check the overall logics of the passage through the station. The aim is in particular to get to the ticket offices and then to the platform.

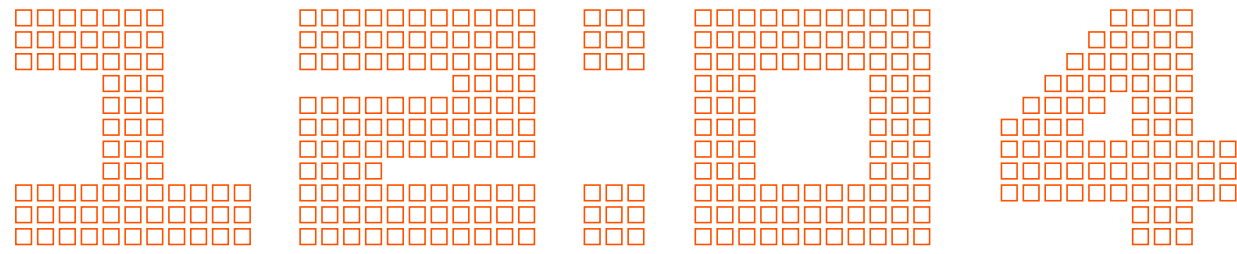
“Over the years I have walked through dozens of stations. I am glad to confirm that the situation is generally improving. But still, there are certain things that, although they comply with the legislation, do not make sense logically,” says Mikuláš. And which stations in the Czech Republic, in his opinion, serve the visually impaired best? “The main station in Olomouc, for example, is absolutely perfect, where the only problem consists in the narrow platforms and the related very narrow signal strips.”

Recovery vehicles

The Fire Rescue Corps of Správa železnic has six special recovery vehicles at its disposal. The Type VT 72 weighs 46,500 kilograms and can pull a 90-tonne locomotive back up the embankment in inaccessible terrain. Regular training of drivers of these multi-ton colossuses takes place, for example, in the former military area in Milovice. It also includes training in correct driving and steering techniques in difficult terrain, changing of belts or technical test of winches pulling forces during rescuing.







Over the next few years, the Smíchov railway station in Prague will change beyond recognition. The construction work will result in completely modernised tracks and platforms, extended pedestrian underpasses under the entire station and a new footbridge that will lead over the track facility and allow barrier-free access to individual platforms. The station will thus become an important hub that will facilitate passengers' transfers between trains, buses, public transport, metro, and P+R parking. The design of the terminal was developed by the architectural studio A69 – architekti.



High-speed network – the way to the near future of railways

The construction of the first section of the high-speed network is unstoppably approaching and we are working to effectively start a new epoch in the history of rail transport in the Czech Republic. Extensive preparatory work is fully underway. Line designs, feasibility studies, architectural and urban planning competitions are being developed... All this continues in such a way that construction activities can begin as early as 2026.



350

km of high-speed lines in design preparation

5

years of successful cooperation with the French national state-owned railways SNCF on the preparation of the Czech high-speed lines

CZK 1.18

billion for preparatory and design work for the construction of high-speed lines

60

thousand passengers a day will be attracted by the new high-speed railway between Prague and Brno, according to the transport model

50

It will take 50 minutes to travel by high-speed train from Prague to Brno

We have started geological works on the route to Dresden

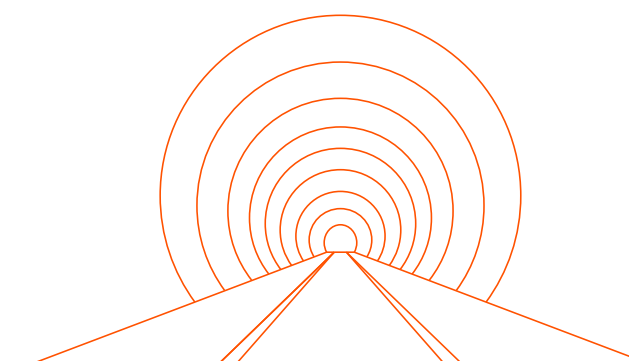
Preparation of the new high-speed line to Dresden continues with geological works on the section between Prague and Lovosice and at the site of the future cross-border VRT Krušnohorský tunel (HSL Ore Mountains Tunnel). This will be one of the longest in Central Europe.

Geological surveys form an integral part of the project preparation for all major transport constructions. "Thanks to such surveys, we will get an accurate picture of the rock composition and water regime under the place where we are planning high-speed lines. We will then use the information obtained to prepare the project for the construction itself," says Pavel Hruška, Deputy Director of the High-Speed Lines Construction Management for the North.

From the results of these surveys we will know exactly whether we have chosen the right height layout when planning, or whether we need to adjust the plans. "We can also suggest

the most appropriate measures to prevent the water table from dropping or, conversely, to drain surface water away from the future line. The results will also show, for example, whether we will need to apply measures against structural noise in case it might propagate through the foundation. It is the results of the specialist geological survey that will answer all these questions," adds Pavel Hruška.

The survey can take between one and six weeks at a given location. During this time, probes are drilled into the ground and samples are placed in special sample tubes about one metre long. From these, geologists then take the samples to laboratories, where characteristics of the rocks obtained are examined.



New section of the high-speed railway in South Moravia enters the EIA process

The South Moravia section of the high-speed line is approaching another milestone. The authorities have now started the determinative procedure before the actual environmental impact assessment of the construction. The documentation concerning the section between Modřice and Rakvice was recently published in the EIA (Environmental Impact Assessment) information system.

The issuance of positive EIA opinions for sections of high-speed lines is another key stage in the preparation of high-speed railway in the Czech Republic. The Ministry of the Environment has asked local authorities and state bodies to comment on the submitted documentation in writing within 30 days. A positive EIA opinion must be necessarily issued for the implementation phase. The entire construction is expected to be completed in the early 2030s.

The proposed section of the high-speed line is 45 kilometres long and starts in the Brno district of Horní Heršpice, where it connects to the Brno railway junction. The project also includes modernisation of the existing railway station in Modřice. An excavated tunnel with a length of 1,350 metres is proposed near Rajhrad. The dominant element of the section will be a one-and-a-half-kilometre long bridge over the Vranovický and Plačkův Forest area of European importance. Several retention basins are proposed along the entire line to prevent flash floods, as well as a number of noise barriers and earth embankments to minimise the spread of noise. This line may be linked to a cross-border section to Slovakia in the future.

Works have started on another section of high-speed lines

The preparation of new high-speed lines continues to accelerate. We have concluded another contract for design work, this time for VRT Vysočina fáze I (HSL Highlands Phase I). The documentation for the zoning decision for the section between Velká Bíteš and Brno will be prepared by AFRY VRT Brno. Construction work on this high-speed line should start in 2028. The double-track line will be designed for a speed of 320 km/h and will be equipped with the European Train Control System.

We are designing more than 300 kilometres of high-speed lines

We have another contract for design works for the future high-speed line network. Specifically, the contract concerns the section of VRT Střední Čechy (HSL Central Bohemia) between Poříčany and Světlá nad Sázavou, which will be a part of the line from Prague to Brno. The designers are thus preparing in detail already more than 300 kilometres of new lines. The almost 80-kilometre section will follow up to the already designed VRT Polabí (HSL Elbe Flatlands) from Prague to Poříčany, which is also a part of the new high-speed connection from the capital city to Brno. The construction work is expected to start approximately in 2027.

Design works on the high-speed line near Přešov start

We have selected a contractor for the technical design of the next section of the high-speed line between Prosenice and Brodek u Přerova. The design documentation for the zoning decision will be prepared by the consortium of SAGASTA and EGIS RAIL. The new HSL section will improve especially transport services of the City of Olomouc.

The line will follow up to the already designed VRT Moravská brána I (HSL Moravian Gate I) between Prosenice and Hranice in the Přešov district. It will be used only by passenger trains with a speed of up to 320 km/h. The task of the designers is to propose the location and technical solution of the line, its connection to the existing Prague – Ostrava corridor and the accompanying infrastructure. The contract also includes an engineering and geological survey, the preparation of documentation for the environmental impact assessment (EIA) and a geographic information system (GIS) in which the public can view the current technical design on an online basis.

The extension from Prosenice to Brodek u Přerova is based on an approved feasibility study addressing the connection from Brno to Ostrava from 2021. Olomouc will benefit from the construction of this connection with the planned HSL route in the form of shorter journey times between the cities or housing development.

The project also includes a solution for connecting the high-speed line to the Brodek u Přerova and Prosenice railway stations. These will undergo the necessary modifications. The documentation will also take into account the cancellation of the Danube-Oder-Elbe water infrastructure project. The construction of the high-speed line should start at the end of 2026.

Czech high-speed lines are a part of the plans for Central Europe development

The project of Czech high-speed lines extends far beyond our borders. This is evidenced by the signing of a memorandum between Správa železnic, the Poland-based company “Centralny Port Komunikacyjny” (CPK) and representatives of the Rail Baltica project. The initiative aims to build up to 4,500 km of high-speed lines in the Three Seas Initiative area. Jiří Svoboda, Director General of Správa železnic, also secured support for a better cross-border connection from the German Federal Ministry of Transport.

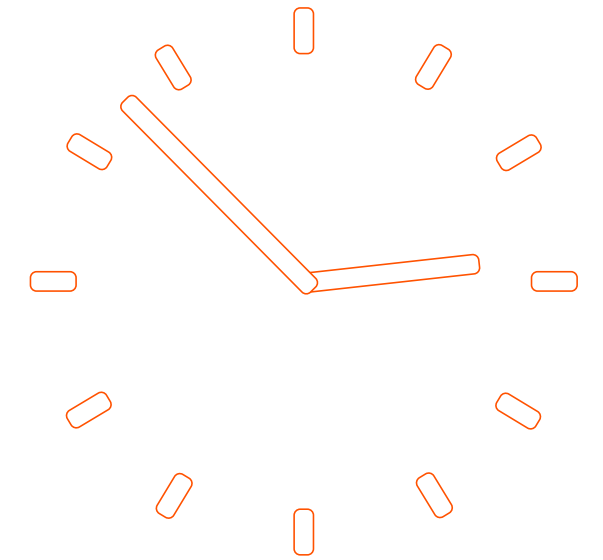
How fast will the high-speed trains be in the Czech Republic?

The requirement for a minimum technical speed is based on the track design. Its “tilting in curves” (technically, the superelevation in curves) is calculated for a predetermined speed range that must be respected. In the Czech Republic, we plan to use the range of 200-320 km/h, i.e. the minimal train speed on a high-speed line will be 200 km/h. The trains of conventional design with 22.5 t axle load will have a maximum speed limited to 230 km/h, the light high-speed units will be able to use a maximum speed of 320 km/h.





Prague's Holešovice is about to undergo a dynamic transformation. And its beginning is the reconstruction of the line between the new stop Praha-Výstaviště and the railway station Praha-Bubny, where a brand-new building will be built. The shape of the station will change over time. In the first phase, it will be the only building on the site, which will have a grassy resting area on its roof. It will provide people with a view of the changing Holešovice. In the next phase, along with the construction of the new district, an office building will be built directly above the station. In the station vestibules there will be a number of commercial spaces that will serve both passengers and residents of the future new district Bubny-Zátory. The architectural design of the station was developed by the design studio Jakub Cigler Architekti.



For the good of both the society and the environment

Responsibility, environmental care and a sustainable approach to railway development are among the cornerstones of all our activities. We believe that modern rail transport will fundamentally expand travel and transport possibilities which are respectful of our planet. We strive to fulfil our vision of sustainability at both organisational and individual levels. Here are some examples from this year.



34

partner secondary schools

9

partner higher vocational educational school institutes

13

partner colleges and universities

13

new mobile lifting platforms for passengers with impaired mobility

19,000

assistances provided to passengers with impaired mobility and orientation in 2023

A common path for railway and nature

We are paying close attention to the environment throughout the preparation of the high-speed network – from the design works to the commissioning of the railway line. Where do the deer trails lead, where do the birds fly and what routes do amphibians migrate along? These are not just questions for natural scientists, but also for engineers working for the High-Speed Lines Construction Management.

We have concluded a contract for the preparation of a natural-science survey, biological assessment and migration study, which are necessary for the correct location of the construction planned on the section of VRT Vysočina fáze II (HSL Highlands Phase II) from Světlá nad Sázavou to Velká Bíteš. The contract is being executed by Ecological Consulting.

We place great emphasis on the new line being routed with the utmost respect for nature. The results of the surveys will help to better understand the migration corridors and to propose design solutions that will allow animals to safely cross the railway line with the help of bridges, culverts or ecoducts. The findings of the surveys will be used in the preparation of the documentation for zoning proceedings, which will also include the Environmental Impact Assessment (EIA) documentation.

Employees of Správa železnic planted thousands of trees

Employees of the regional directorates of Správa železnic in Plzeň and Hradec Králové participated in the restoration of forests affected by the bark beetle calamity. The project was carried out in cooperation with Lesy ČR (Forests of the Czech Republic).

Workers from offices and operations went to the forests. They were planting trees near Stříbro and near Vráž u Písku, and also in the Hradec Králové Region, namely in the Nový Ples locality in the Náchod District.

“All colleagues from the forest administration were as impressed as last time by the active approach of the employees of Správa železnic and their willingness to help the forest, as well as by their interest in forest and nature. The event was a success and a lot of work was carried out,” said Lesy ČR in their thanks.

Dozens of station buildings to benefit from solar energy

We continue to install photovoltaic power plants in the Czech railway environment. After a pilot project in Děčín, we will install solar panels on the roofs of other station buildings. The operation of the buildings will thus be more environment-friendly.

We have issued tenders for the installation of photovoltaic systems. Their winners will first design and then install the panels so that they can be connected to the distribution grid. Among the existing buildings, solar panels will be installed at

the railway stations in Brandýs nad Labem, Beroun or Kuřim, while the new buildings currently under construction in Chodov and Aš are already planned to be equipped with photovoltaic power plants. Solar panels will also be installed in administrative and operational buildings of Správa železnic in Brno, Pardubice, Plzeň, Hradec Králové, Ostrava, Olomouc, Ústí nad Labem and Děčín. They will be used also in suitable transformer stations, signal boxes or on the premises of railway firefighters.



Správa železnic actively contributes to the development of e-mobility

The European Commission has a long-standing commitment to sustainable mobility by reducing transport emissions. We want to be even more active in this field, and therefore we have set ourselves the strategic goal of building up an infrastructure for charging electric vehicles and thus interlinking individual car and public rail transport.

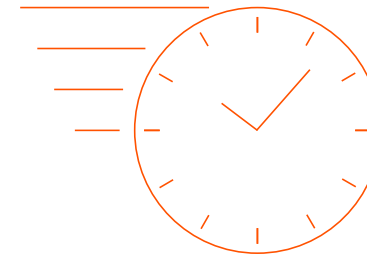
For this purpose, a document called the Správa železnic's Electric Vehicle Charging Infrastructure Development Plan has been prepared, the content of which is the concept and strategy of public parking areas with a certain number of charging stations (points) and their sufficient capacity at railway stations and stops.

According to the current legislation, Member States should ensure that at least one charging station is installed for new and substantially renovated non-residential buildings with more than ten parking spaces, and that at least one charging station and cable ducts are prepared for every fifth parking space. This requirement is based on Section 48b of Decree No. 266/2021 Coll. and also applies to the renovation of station buildings.

In order to make it possible to construct the infrastructure for electric vehicle charging, in 2022 we concluded a Framework agreement on the lease of parts of land for the purpose of installation and operation of charging stations for electric vehicles between the Správa železnic and ČEZ.

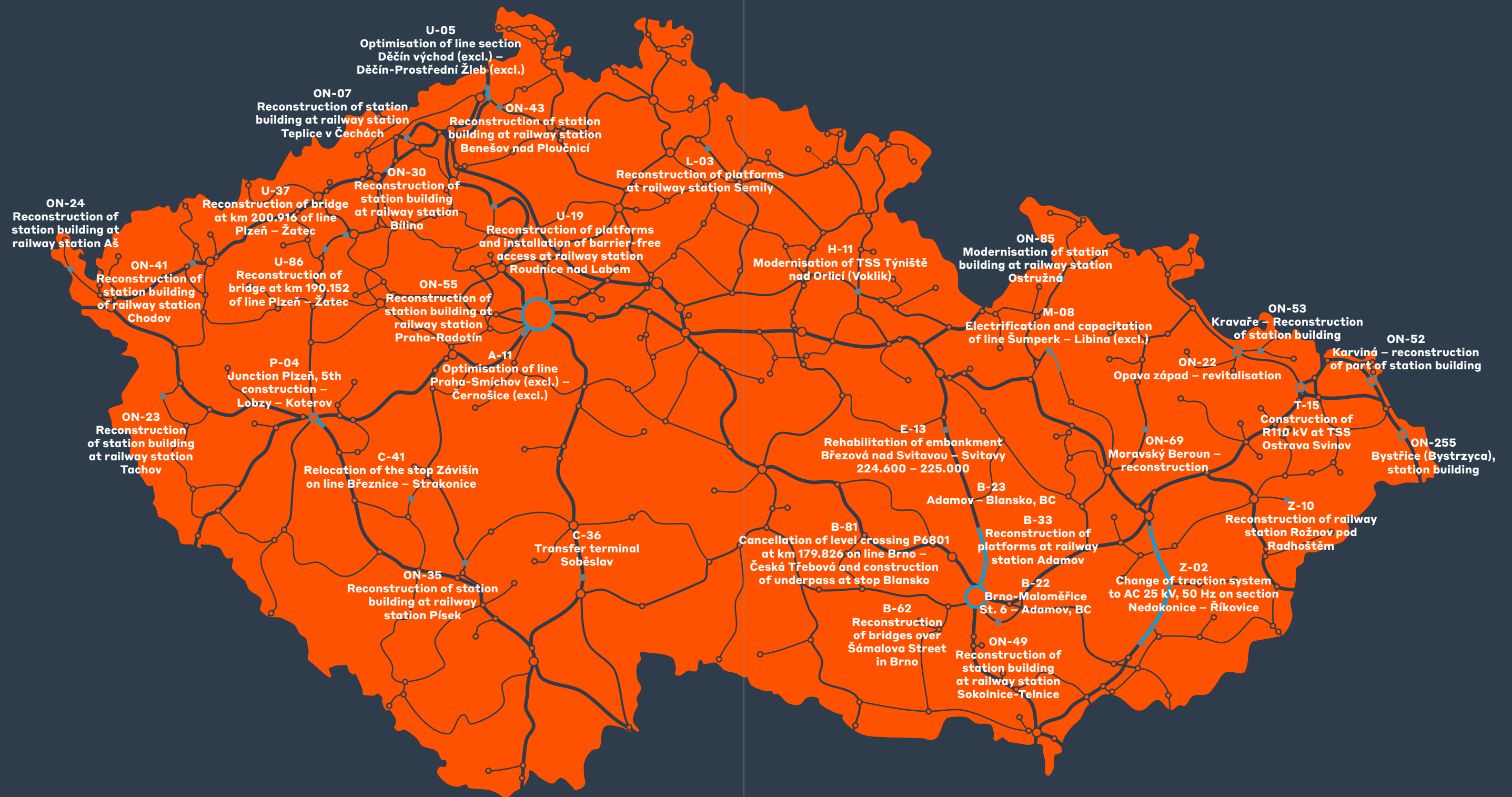
Reducing delays

Passenger trains showed better regularity in the first two months of 2023 than in the same period of the previous year. While in 2022 the 91.4 % of connections arrived according to the timetable, in 2023 it was almost 92.4 %. The number of trains that were five minutes or more late at their destination was lower by more than 4,400 in January and February 2023. The total delay time under the responsibility of Správa železnic was then reduced by more than 30 % year-on-year.



Significant construction works completed in 2023

Interactive map of Správa železnic



Significant construction works started in 2023

Interactive map
of Správa železnic



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 increase the market share of rail transport;
- strengthening of the position of Správa železnic as a significant and attractive employer.

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

Organisation Management

Statutory body

(as at 22 March 2024)

Director General

Jiří Svoboda

(aged 53 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 60 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 22 March 2024)

Deputy Director General for Economics

Tomáš Čoček

(aged 46 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 60 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 43 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 46 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 MoT.

Composition as at 31 December 2023

Director General

Jiří Svoboda

Statutory Deputy Director General

Mojmír Nejezchleb

Composition as at 22 March 2024

Director General

Jiří Svoboda

Statutory Deputy Director General

Mojmír Nejezchleb

There were no changes during 2023 and 2024.

Management of Správa železnic

Composition as at 31 December 2023

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

Changes during 2023 and 2024

Position	Period	Change
Deputy Director General for Economics	till 3 April 2023	Aleš Krejčí
	since 4 April 2023	Tomáš Čoček
Deputy Director General for Rail Operability	till 15 October 2023	Marcela Pernicová
	since 16 October 2023	Karel Švejda

Composition as at 22 March 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

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 2023 Composition as at 22 March 2024

	Composition as at 31 December 2023	Composition as at 22 March 2024
Chairperson	Martin Červíček	Martin Červíček
Vice-chairperson	Ladislav Němec	Ladislav Němec
Members	Jan Lička	Michal Šimek
	David Čermák	David Čermák
	Martin Kolovratník	Martin Kolovratník
	Pavel Čížek	Pavel Čížek
	Zdeněk Zajíček	Zdeněk Zajíček

Changes during 2023 and 2024

Position	Period	Change
Member	since 10 May 2023	Zdeněk Zajíček
Member	till 7 February 2024	Jan Lička
Member	since 8 February 2024	Michal Šimek

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, monitors the process of the statutory audit of the Financial Statements, assesses the independence of the statutory auditor and the auditing firm, and primarily 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 2023	Composition as at 22 March 2024
Chairperson	Eva Janoušková	Eva Janoušková
Members	Lenka Hamplová	Lenka Hamplová
	Tomáš Klinecký	Tomáš Klinecký
	Otakar Hora	Otakar Hora

Changes during 2023 and 2024

Position	Period	Change
Member	till 15 November 2023	Michal Zácha
Member		change of surname: Lenka Hamplová, formerly Hlubučková

Strategy and development committee

The Strategy and Development Committee issues stand-points 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 2023	Composition as at 22 March 2024
Chairperson	Ladislav Němec	Ladislav Němec
Members	Martin Kolovratník	Martin Kolovratník
	David Čermák	David Čermák

There were no changes during 2023 and 2024.

Strategy

The vision and strategic objectives of Správa železnic are formulated in a document entitled Strategy of Správa železnic, státní organizace, reflecting the transport policy of the Czech Republic (ČR) and the one of the European Union (EU) for the railway transport sector, the European Green Deal and further accentuates 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.

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 in the preparation of the common position of the Council of Ministers for Transport of the EU Member States under the Czech Presidency of the Council on the proposal of the European Commission (EC) for a regulation on the Union guidelines for the 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 Přerov – 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 negoti-

ate the inclusion of the Prague – Lysá nad Labem – Mladá Boleslav – Liberec – Görlitz railway line in the global 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 junctions 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 legislative process for the revision of the TEN-T Regulation in 2023 has reached its final stage. Adoption of the full TEN-T Regulation after revision is expected at the beginning of 2024.

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 – Praha – 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 programme entitled ERTMS/ETCS Implementation at Správa železnic is of key importance for the future of the railways. The aim of the programme is to increase the safety of railway operation and to ensure interoperability. The year 2023 was again significant for the progress of the ETCS deployment. The first section with exclusive operation of the ETCS L2 between Olomouc and Uničov was launched. In addition, new sections equipped with the ETCS L2 were put

into operation over 100 km in length. These include the section from Votice to České Budějovice and between Ústí nad Orlicí and Lichkov. Správa železnic therefore already has over 1,000 km of ETCS L2-equipped lines as at 1 January 2024. Special rail vehicles for the maintenance of the ETCS-equipped infrastructure are still being taken over, with a delivery date of 2024, so that the Správa železnic's rolling stock will also be ready for the exclusive ETCS operation. Technical and operational complications in the ETCS operation on the pilot section with exclusive operation Uničov – Olomouc were also solved in 2023. The aim is to ensure reliable operation of trains under the ETCS by 1 January 2025, when the ETCS will start to operate exclusively on a part of the most important corridor lines. For these purposes, Správa železnic has used and will continue to use the multisystem Vectron locomotive equipped with an ETCS on-board unit according to the latest specifications, which, thanks to its technological equipment, can check the correct functioning of the ETCS unified signalling and control system.

In 2023, the project Implementation of Building Information Management (BIM) in the Environment of Správa železnic was successfully completed. As a result, it is now possible to use the BIM process as a standard in the preparation and implementation of buildings. Further follow-up projects will focus, among other things, on creating the conditions and setting up processes for the use of BIM throughout the construction lifecycle.

The project Creation and Development of Digital Technical Maps (DTM) and 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 started in 2023. 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 2023. 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. The project of Reducing Accidents on Railway Level Crossings Concept is the outcome of an analysis of causes of accidents and will propose ways to reduce the accident rate. A wide spectrum 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 2023

In the follow-up to the Správa železnic's Strategy, the Action Plan 2023 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. Mitigation and adaptation measures of the organisation to climate change.
12. Digitisation, 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 2023, Správa železnic together with the Czech Chamber of Commerce organised already the third edition of the expert forum Green Railway for Europe at Palacký University in Olomouc 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 connection with its participation in the research, development and innovation projects of the Technology Agency of the Czech Republic, Správa železnic participated in the Czech Hydrogen Technology Platform (HYTEP) workshop entitled Regional Hydrogen Trains on the Czech Railway Network held on 27 November 2023 at the Innovation Centre of the Ústí nad Labem Region in Ústí nad Labem. Experts from among researchers, carriers, customers and industry discussed the issues of alternative fuels at the Czech railway network, sustainable mobility in terms of an irreversible shift towards zero-emission mobility, and, in particular, hydrogen as the fuel of the future.

In 2023, Správa železnic evaluated a Sustainability Strategy and issued the second 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 should be used as an opportunity to speed-up the decarbonisation and modernisation of the entire trans-

portation 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.

Business strategy

In the past period, we were able to successfully continue, thanks to targeted activities, the upward trend in rental income.

Particular emphasis was placed on a uniform approach across all regional directorates, which appeared to be successful not only in applying the high inflation rate, but also in updating contractual lease terms and bringing flats rents up to the level of the price prevailing for the time and place in question.

Cooperation with real estate agencies is a separate, newly launched activity which should improve the success rate of filling vacant premises. Systematic cooperation with selected external partners, who have comprehensive professional knowledge of the real estate market, will enable, in addition to targeted occupancy, the development of relevant competences on the part of Správa železnic.

Research, development and innovation

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 digitisation 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

In the portfolio of activities, attention was paid to the attractiveness of the internal premises of the railway station buildings in addition to the commercial activities. The character of the interior and its pleasantness significantly influence the time spent at the station and thus the willingness to use the relevant commercial services. A dedicated team has started a review of the individual public areas of the station and is continuously improving them in accordance with the rules governing the refinement of the environment.

The completion of the reconstruction of the north wing of the Fanta historical building at the Prague Main Station has also received special attention. The historical premises were used on a pilot basis for social events in the transport sector. The experience from the ongoing pilot operation and feedback from participants will determine the final commercial set-up.

In October 2023, the strategic business activities were transferred to the newly created SŽ Facility organisational unit, namely the Asset Utilisation Department. The direct organisational link to other collaborating departments within the new set-up will significantly accelerate the implementation of development activities.

During the year, the related business reporting continued to be refined. Data collection, analysis and cross-referencing of indicators between the different regional directorates allows for continuous identification and prioritisation of development areas. At the same time, they naturally create a platform for the effective exchange of experiences which are a key factor to development in the period ahead.

Thanks to the central coordination of research and development, Správa železnic carries out these activities using

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 8 and 9 of this periodical press were published in 2023.

International projects participated in by Správa železnic

In 2023, Správa železnic as a member of a syndicate of project participants continued its involvement in project S2R-OC-IP2-02-2019: Support to the Development of a Demonstrator Platform for Traffic Management, financed from a joint technology initiative Shift2Rail within EU framework programme Horizon 2020.

As an application guarantor, Správa železnic participates in the international research and development project known as Regional Hydrogen Trains (TO01000324) under the KAPPA programme of the Technology Agency of the Czech Republic. The project is to be implemented in 2021-2024, with state support and focus on energy and fuels field. The aim of the project is to analyse railway lines and locate areas where hydrogen trains would be a preferred solution compared to other technologies from a technical, financial, and environmental perspective. The results will allow to identify preferred areas for deployment of hydrogen trains.

The year 2023 was again significant for the progress in the field of deployment of the European Train Control System (ETCS). Správa železnic continued to deploy the track-side part of the ETCS, with the basic framework for implementation based on the Plan for Modern Safety of the Czech Railway Network – Implementation of the European Train Control System (ETCS), which contains, in addition to the technical version of the ETCS for individual lines, also the deployment time schedule. Within the framework of the rolling stock, the equipping of special rail vehicles for infrastructure maintenance with the mobile part of ETCS continues in an intensive manner so that Správa železnic can be also prepared for exclusive operation under ETCS supervision. In 2023, the exclusive operation of the ETCS between Olomouc and Uničov was launched, and this is the first section where access is no longer allowed to vehicles not equipped with a functional compatible mobile part of the ETCS system. Exclusive operation of ETCS on other sections will follow from 1 January 2025, and that is why the past year has been devoted to identifying the necessary tasks and conditions which must be resolved for its successful launch. The fundamental basis for the solution is the operational experience just from the Olomouc – Uničov line.

In Správa železnic, the personnel requirements for ensuring the implementation of the ETCS were defined already in the previous period, but it is very difficult to meet them because the labour market does not offer enough competent experts. It is just this area that will need to be intensively focused on in 2024, as the need for management and maintenance of the ETCS on-board components in infrastructure maintenance vehicles is increasing with the addition of technical elements both on the trackside and in terms of on-board systems. Správa železnic also continues its international activities in the ERTMS Users Group (EUG), while joining the EULYNX initiative from 1 January 2023. These activities require a strong and high-quality staff base as well.

National projects

Správa železnic is an active member of the Interoperability železniční infrastruktury (Interoperability of Railway Infrastructure) – the 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-financed by the European Union. The main objective of the project is to use the professional capacities of the platform members to promote digitisation 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 continued the project known as Reduction of Energy Consumption and Negative Environmental Impacts of Rail Transport by Preparing Infrastructure for Trains with Alternative Propulsion. The presentation of the project's progress so far and the achieved outputs took place at an expert seminar held at the organisation's headquarters on 13 September 2023. The results of the project will enable the identification of preferred areas for the deployment of battery or hydrogen trains in relation to the energy source.

Within the framework of the Transport 2020+ programme of the Technology Agency of the Czech Republic, in the years 2020-2023 Správa železnic is participating as external application guarantor in the project CK01000098 Unique Fibre-Optic Sensor for Rolling Stock Detection, led by the Faculty of Electrical Engineering and Computer Science of the VSB – Technical University of Ostrava. The project will result in functional samples of a micro-bending sensor and its housing and a microprocessor-based signal processing unit.

In the public procurement programme in applied research and innovations for the needs of the state administration known as BETA2 of the Technology Agency of the Czech Republic, Správa železnic, through the MoT, submitted in 2022 an initiation plan for the programme project TITDMD219 Creation, Validation and Digitisation of Procedures for Assessing Psychological Competence for the Performance of Selected Jobs in Správa železnic Organisation. The tender for the supplier in January 2023 was cancelled by the Technology Agency of the Czech Republic due to the exclusion of a participant and failure to meet the minimum number of participants.

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 CL01000037 project Sustainable Rail Capacity Concept – support for the implementation of the TTR project in the TRANSPORT 2030 programme of the Technology Agency of the Czech Republic.

Správa železnic cooperated in the role of the application guarantor with the principal investigator – the Faculty of Transportation Sciences of the Czech Technical University in Prague – in the preparation of the bid for the CL01000104 project Concept for the Introduction of Predictive Maintenance of Railway Rolling Stock of Carriers Providing Public Services in the TRANSPORT 2030 programme of the Technology Agency of the Czech Republic.

Správa železnic cooperated in the role of the application guarantor with the principal investigator – Transport Research Centre – in the preparation of the bid for the CL01000041 project Means for the Implementation of Low-Emission Technologies in Rail Transport in the TRANSPORT 2030 programme of the Technology Agency of the Czech Republic.

Správa železnic cooperates on the OpenQKD project with the Faculty of Nuclear and Physical Engineering and the Faculty of Electrical Engineering of the CTU in Prague and the Cybersecurity Innovation Hub (Brno), a reference centre for cybersecurity, in cooperation with the OpenQKD consortium. Its subject matter consists in testing two competing technologies for quantum cryptography in a real environment. OpenQKD is a consortium of universities, research institutions, technology centres and both mainstream and quantum telecommunications companies (<https://openqkd.eu>). It aims to popularise and demonstrate that quantum communication is possible with existing technologies and infrastructure. The project aims to raise awareness of advances in the country and also to provide data on device performance which would be useful for large-scale infrastructure. Quantum cryptography devices use conventional optical communication links, but because they generate and transmit quantum states of light, they are significantly more sensitive than conventional communications. There is still a lot to know about how they work in real-world situations. Given that most existing fibre optic cables run along railway lines, it is particularly interesting to test the technology in this environment and the involvement of Správa železnic is appreciated by the researchers. The main focus of the test will be to use equipment from two major global manufacturers – Toshiba and IdQuantique – and test their performance on the same section. The OpenQKD project No. 857156 is funded by the European Union's Horizon 2020 research and innovation programme.

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 2023, Správa železnic submitted a total of 25 applications for co-financing of photovoltaic power plants (PVPP) on rooftops in 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, which are in progress at the beginning of 2024. On the basis of the second call of the MODF – 2 programme “New Renewable Energy Sources” – Správa železnic will submit 30 applications. 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 Technology and Diagnostics Centre (CTD) in Pardubice, where it is expected that the surplus energy will be used in

the local distribution system (LDS) of Správa železnic. The state organisation is also carrying out an analysis in cooperation with ČEZ ESCO of the location of PVPP power plants on already reconstructed buildings. These are the passenger buildings at the stations Kolín, Břeclav, Šumperk, Staré Město u Uherského Hradiště and Lysá nad Labem. Within the framework of modernisation of the Česká Třebová railway junction, the project intends to construct a PVPP plant and use the generated electricity in the LDS of Správa železnic.

In 2023, the long-term partnership between the Faculty of Transportation Sciences of the Czech Technical University (CTU) in Prague and Správa železnic was further developed. These included especially cooperation at the prestigious Smart Cities Symposium Prague 2023 & European Transport Congress 2023 on 25 and 26 May 2023 and the Smart Via Vindobona kick-off conference on 31 October 2023 with participation of TU Graz and DB Netz on the topic of Railway Infrastructure Development Strategy. The CTU also actively participated in the expert workshop entitled ETCS and Operation of Historical Vehicles at the National Technical Museum on 23 November 2023. At the end of 2023, Správa železnic concluded a Memorandum of Cooperation with the CTU 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.

In 2023, the long-term partnership between the Faculty of Transport Engineering of the University of Pardubice and Správa železnic was further developed. Among many activities, we can mention, for example, the research project of the Technology Agency of the Czech Republic Výhybka 4.0 (Switch 4.0), in which Správa železnic acts as an application guarantor, or the project Predictive Maintenance of Rail Transport Paths, which Správa železnic supported by means of the so-called letter of intent. Cooperation was also continued in the provision of the subject named 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 can undergo preparation for taking extension examinations for the position of line traffic controller.

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 lines sections. Within its strategic development, Správa železnic relies on the application of advanced solutions, predictive diagnostics, automation with self-repair function, or stabilisation upon degradation. These are first-class technologies in which we appreciate and use sharing of know-how and expertise with research, development and innovation institutions.

Organisation's activity

Line anniversaries

Launch of railway transportation		
11 April 1833	Lány – grove house in the Píně forest near Lány (horse railway)	190
02 April 1863	Chrást u Plzně – Stupno	160
04 November 1863	Praha-Dejvice – Kladno	160
02 January 1873	Slaný – Zlonice – Louny – Obrnice – Most	150
08 January 1873	Rumburk – Šluknov	150
01 March 1873	Chomutov – Kadaň-Prunéřov	150
01 May 1873	Plzeň hl. n. – Plasy	150
12 May 1873	Praha-Smíchov – Rudná u Prahy – Středokluky – Slaný	150
08 August 1873	Plasy – Blatno u Jesenice – Březno u Chomutova	150
07 September 1873	Žatec – Žatec západ – Žaboklíky	150
04 October 1873	Chlumec nad Cidlinou – Hradec Králové hl.n.	150
04 October 1873	Praha-Vysočany – Čelákovice – Lysá nad Labem	150
15 October 1873	Dolní Lipka – Hanušovice	150
15 October 1873	Šternberk – Šumperk	150
01 November 1873	Rumburk – Jiříkov státní hranice (state border)	150
01 November 1883	Česká Lípa – Mimoň	140
10 January 1883	Kutná Hora hl. n. – Kutná Hora město	140
04 March 1883	Olomouc hl. n. – Senice na Hané – Čelechovice na Hané	140
01 April 1883	Staré Město u Uherského Hradiště – Kunovice – Uherský Brod	140
26 August 1883	Sadská – Nymburk město – Velelily	140
26 August 1883	Libáň – Dolní Bousov	140
15 September 1883	Krupá – Kolečovice	140
26 October 1893	Častolovice – Solnice	130
01 December 1893	Stupno – Radnice	130
22 June 1903	Tábor – Bechyně staré nádraží (old railway station)	120
01 August 1903	Vilémov u Kadaně – Kadaň-Prunéřov	120
29 August 1903	Česká Lípa střežnice – Kamenický Šenov	120
20 September 1903	Svojšíň – Bor	120
24 September 1903	Světlá nad Sázavou – Kácov	120
28 October 1913	Kravaře ve Slezsku – Hlučín	110
20 December 1953	Brno-Řečkovice – Žďár nad Sázavou – Havlíčkův Brod	70
21 December 1953	Brno-Židenice – Brno-Královo Pole	70
26 May 1963	Dětmarovice – odbočka Koukolná – Karviná – Louky nad Olší	60

Operability of the railway infrastructure

In 2023, the funds earmarked for assurance of operational availability were used for the funding of the preparation or implementation of 286 targeted corrective actions, of which 107 with a cost exceeding CZK 10 million. Their main objective was to remove the substandard condition of the infrastructure or to maintain the existing parameters. The total number also includes 27 large-scale works related to the repair of station or operational buildings with a financial framework of over CZK 3 million.

Among the most significant repairs in 2023 were those on the line sections Zruč nad Sázavou – Červené Janovice, Blatno u Jesenice – Petrohrad, Hýskov – Roztoky u Křivoklátu or Ostrožská Nová Ves – Kunovice. Track and switches were repaired, for example, at Strážnice, Nymburk Main Station, Moravské Budějovice or Nový Jičín město stations. Extensive repair of the overhead contact line was carried out in the section Stará Boleslav – Dřísý and at the Česká Třebová railway station. A number of repair works were also carried out on signalling equipment, including those carried out at the Kostelec nad Orlicí, Mnichovo Hradiště, Bystřice nad Pernštejnem and Moravské Budějovice stations. The bridge sector included, for example, the repair of the bridge at km 9.053 on the railway line Praha-Braník – Praha-Modřany or the bridges on the Hrubá Voda – Domašov railway line.

One of the monitored parameters of the railway operability is the non-exceeding of the limit values of the line speed limitations, the so-called evaluated “slow orders” introduced due to the unsatisfactory technical condition of the infrastructure or sight conditions at level crossings. The limit set as at 31 December 2023 in the length of 10 km was met by a significant margin; the actual length of the assessed slow orders on that date reached only 958 metres.

A significant benefit of railway line repairs is also the elimination of speed limit restrictions. This means the possibility

to use speed as per the route book in the sections between stations or at operating points where the train speed had been restricted due to unsuitable conditions in the past. In 2023, speed reductions were eliminated on Správa železnic's network with a total length of 70.183 km.

The project for the implementation of the principle of cyclic maintenance in the conditions of Správa železnic was extended from corridor lines to the TEN-T railway line network. The parameters of these lines were continuously monitored and evaluated by means of 47 selected major items of infrastructure elements. The first transit corridor is monitored and evaluated at a detailed level. Cyclical maintenance actions aimed at extending the service life of the railway superstructure were carried out in the sections Praha-Běchovice (exclusive) – Poříčany (exclusive), Praha-Holešovice – Vraňany and Třebovice v Čechách – Hoštejn. Their aggregate value exceeded CZK 300 million.

In the field of railway mechanisation, the first of six MTW vehicles for maintenance and repair of the overhead contact lines, including the on-board part of the ETCS system, was delivered at the end of 2023. The remaining 5 vehicles will be delivered during March and April 2024. The fitting the ETCS on-board units to 9 special MUV 75 vehicles was in progress, and this project involves the gradual fitting to 44 MUV 75 vehicles and 51 vehicles for overhead contact line work of the MVTV 2, MVTV 2.2 and MVTV 2.3 classes. In connection with the introduction of exclusive ETCS operation on the Olomouc – Uničov railway line, the evaluation of the test operation of two vehicles of the above-mentioned MUV 75 class equipped with the ETCS on-board unit started during 2023.

Within the framework of the ECM (Entity in Charge of Maintenance) system, the implementation of the SAP maintenance module (PM) started in 2023 in two pilot regional directorates (Hradec Králové and Ústí nad Labem). The first

phase of the implementation involves transferring the basic database of vehicles and fundamental maintenance tasks into a system with access from any location and the possibility of creating appropriate interfaces, outputs and alerts.

In 2023, the implementation of the project Reorganisation of the Správa železnic's Rolling Stock Repairs started. It aims to create the organisation's own adequate repair capacity due to the lack of capacity and flexibility of external suppliers and high prices. This project involves a higher level of maintenance of special rolling stock, which Správa železnic is unable to cover with its own capacity.

With regard to special vehicles for railway infrastructure diagnostics, the delivery and approval process for the MIJ DUOLINER two-way vehicle for bridge diagnostics was completed in November 2023. In addition, the installation of an innovative diagnostic system in the special unit "FST4" was completed, among other things, with the aim of increasing the capacity for measuring, collecting and evaluating data. After the completion of the operational verification, the newly acquired MVŽSv2 track inspection vehicle for railway superstructure and the EM 100 track inspection vehicle for the diagnostics of regional railway superstructure were put into full operation in 2023. This step has significantly strengthened the area of track diagnostics and ensured the stability of the activity for the following years. The project for a new measuring track unit for the diagnosis of the traction power system with a measuring speed of up to 230 km/h was also continued by preparing a public procurement for the conversion of the Siemens Viaggio base cars for the subsequent delivery and installation of the measurement technology.

In 2023, the centrally organised longitudinal and transverse rail profile repairs involved grinding 276 km of rails, of which 11.4 km were ground to reduce noise pollution near residential areas. The volume of rail grinding works was 40 % higher compared to 2022. Grinding of the running parts of switches (basic, repair and post-welding) involved 762 switches, of which 28 were machine-ground on the basis of a framework agreement concluded. In the past year, 618 switch tongues were replaced out of a total of 42,426 pieces, which are a part of 19,439 switches registered by Správa železnic. Of the total number of replaced tongues, 75 % were replaced within the framework of a consistently monitored cyclical replacement.

In 2023, Správa železnic continued in the intensive raising of the level of safety at level crossings by installing flash-light signalling protection equipment or adding longitudinal barriers according to the priorities set out in the concept document Improving Level Crossing Safety 2020–2030. CZK 2 billion were invested in these partial project initiatives last year. As a result, 124 level crossings were upgraded. Activities continued also in the area of level crossing cancellations, both through investment activities and by initiating administrative proceedings where the relevant legal conditions were met. A total of 61 level crossings were cancelled, 5 of which being temporary. At the

beginning of the year, the first camera system at the railway crossing No. P8280 in Vendryně was also fully commissioned, which enables the detection of offences in the form of unauthorised entry of road vehicles at the crossing if the level crossing system is in the warning mode.

Cooperation was set up with the State Land Office in the area of land development and the related optimisation of railway land and level crossings and cooperation in the area of land exchanges and transfers. Furthermore, a framework agreement was concluded for diagnostics of unstable sections of the railway subgrade, which will enable Správa železnic to react flexibly to deterioration of subgrade characteristics caused by adverse weather or geotechnical influences. It will also be used in the preparation of capital-expenditure and non-investment projects focusing on unstable sections of the railway substructure.

The gradual improvement in the condition of railway bridges continued with a more than 12 % reduction in the proportion of the worst rated bridge structures requiring renovation or complete reconstruction, without which traffic may be restricted. Increased supervision or lifetime repair works are required until the construction work is completed. On this issue, the fourth edition of the Stable Operability Programme for Railway Bridges was prepared, which sets out the objectives and trends for improving the condition of bridges in the 2024-2028 outlook. The project Diagnostics and Recalculations of Strategic Bridging Systems also continued with the aim of preventive structural assessment and verification of the safety of bridge operation. Phase I was completed for 16 bridges, and the diagnostic phase was followed by the start of Phase II for the same number of operationally exposed long-span bridges.

As a completion of the comprehensive modernisation of the Olomouc – Uničov – Šumperk railway line, exclusive operation of the European Train Control System (ETCS L2) was introduced in the section from Olomouc to Uničov on 1 January 2023. Vehicles not equipped with the on-board part of the ETCS system can therefore no longer be operated on this line. However, Phase III of the verification operation of the whole system was still carried out on this railway line, mainly aimed at evaluating the operational reliability and availability of the ETCS system. The start of exclusive operation brings with it a lot of operational experience, both on the infrastructure side (traffic control) and on the vehicle side (drivers). The first evaluation from the carriers is positive; drivers perceive ETCS as a real train control system, which gives them important information from the infrastructure, in particular how far they can go and at what speed. ETCS thus prevents them from making any mistakes.

In 2023, the deployment of the ETCS (L2) system was completed on another 147 kilometres of the selected main railway line network (Votice – České Budějovice and Ústí nad Orlicí – Lichkov sections). The main objective is to reduce the likelihood of incidents and accidents due to human error and thus to increase operational safety. In addition

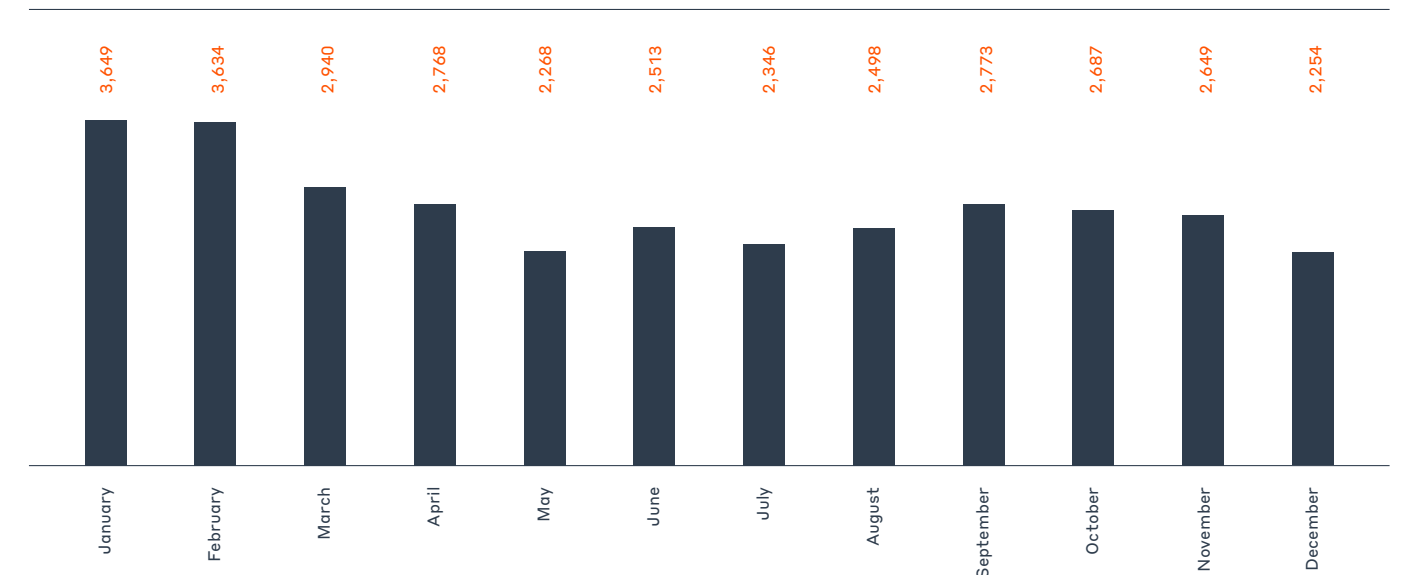
to the projects on the main lines, the preparation and implementation of actions to improve safety also continued on railway lines with simplified railway traffic management (e.g. in the Frýdlant nad Ostravicí – Ostravice section). The implementation of the GSM-R system on the Votice – České Budějovice (65 km) railway line was completed. At the end of the year, already 2,061 km of railway lines were equipped with this railway telecommunication system, i.e. the fifth busiest railway network in terms of the traffic operation. In addition, the GSM-R system was being implemented on another 232 km of railway lines with a completion date after 2023.

In connection with introduction of the exclusive operation of the ETCS (L2) system and the requirements for high availability of the GSM-R system, a mobile base radio station was purchased to deal with GSM-R system emergency situ-

ations, known as the mobile BTS (base transceiver station). It allows to fully replace any stationary transmitter; it can be used mainly for solving local coverage problems or local capacity increase. It can also be used for radio planning and radio interface optimisation.

In a way similar to previous years, Správa železnic provided traction electricity supplies for all railway carriers using dependent traction. The past year can be described as a turning point due to the ongoing energy crisis, as for the first time in the railway's history traction power was purchased on the daily market of the Electricity Market Operator (known as SPOT purchases). Despite initial concerns, this step proved to be correct and prices for traction power in 2023 were well below the government price ceiling (CZK 5,000/MWh). The chart below shows traction power prices for each month of the past year.

Chart 1 – Price development of traction power electricity in 2023



The so-called hybrid model continued to be used to calculate the traction electricity consumption, which also makes it possible to use the on-board metering data. Altogether, 98 locomotives or electric units of carriers were newly equipped with the traction electricity metering system and a total of 749 vehicles equipped with such a system were already in operation. The existing active exchange of energy data with the Austrian railway infrastructure manager (ÖBB-Infrastruktur AG) for the purpose of traction electricity billing has been extended to include the Germany-based company DB Energie GmbH, which covers this area within the Deutsche Bahn holding company. Through purchases on the commodity exchanges, Správa železnic also secured the contractual supply of natural gas and electricity for the transport sector under a central procurement regime.

The processes of design preparation and implementation of the electrification of lines, the transition to a unified traction power system of 25 kV AC, 50 Hz, including a new category of actions designated as simple electrification, continued as well. All the described types of actions have been taken into account in the new MoT document Concept for the Development of Electric Traction in the Czech Republic. During the year, a number of works involving the renewal of electrical and power engineering equipment were completed. In addition to investment projects, a number of repair works were carried out in the area of overhead contact lines (OCL), including the replacement of OCL insulators and renovation of lighting of railway areas with the use of the LED technology. In order to meet the requirements of the ENE TSI, technological modifications of neutral sections at traction supply and switching stations of the 25 kV, 50 Hz traction system were carried out. Last but

not least, preparation of the construction of three charging stations for the operation of hybrid units (BEMU) in the Moravian-Silesian Region was started.

Within the framework of reduction of the carbon footprint, Správa železnic focused on a responsible energy policy to meet sustainable development goals in the form of support for solar energy. With the help of financial incentives from the Ministry of Industry and Trade in the National Recovery Plan grant scheme, 60 buildings have been progressively designed and screened for suitability of installing PVPP power plants, and the 28 most suitable projects will be implemented. In 2023, the completion of the implementation documents and the gradual handover of the construction sites were underway. After subsequent commissioning, the PVPP plants will be gradually connected to the grid of the distribution system operators and/or to the local distribution system of the railway.

In 2023, CZK 714 million was spent on repair and maintenance projects for the station buildings. An assessment of the structural and technical condition and priorities within the framework of the whole network of railway stations and stops was carried out. Reconstruction or repairs of passenger station buildings were completed in 2023, e.g. at the Opava západ, Písek, Rožnov pod Radhoštěm, Podbořany, Opočno pod Orlickými horami or Praha-Zbraslav railway stations. In the publicly accessible areas of stations and stops, the extension of uniform design furnishings procured under the framework agreement continued. Since its conclusion in 2021, more than 5,800 pieces of furniture have been renewed at a cost of more than CZK 66 million. Toilets continued to be upgraded, including the provision of entry and fare collection facilities including a payment terminal for cashless payment. Toilets in more than other 30 stations were equipped with this facility in 2023, bringing the total number of places fitted with such systems to 162. As a result, there has been a continuous increase in revenues from the use of toilets, with Správa železnic generating almost CZK 50 million in revenues last year where a 31 % share originated from non-cash payments.

In November 2023, Správa železnic, in cooperation with an external partner, started the implementation of the Railways without Plastic project, which aims to enable passengers to draw filtered drinking water free of charge from water dispensers in the first twelve selected stations. This project was created with the intention of reducing the environmental burden by becoming an alternative to drinking water packaged in plastic bottles. The data for the first less than two months of operation confirm the interest of passengers in this alternative: 2,345 litres of water were taken, which is an equivalent to 4,690 half-litre PET bottles, with a potential saving of 118 kg of plastic waste.

An important event in 2023 in the field of rail transport accessibility was the acquisition of 13 more mobile lifting platforms, which enabled the extension of provision of assistance services to nine more locations. By the end of the

year, already 44 platforms were in operation at 22 railway stations or stops. All platforms are involved in the passenger assistance system provided by the Správa železnic staff. During the past year, more than 19,000 assistances were provided to persons with reduced mobility and orientation, which represents an increase of approximately one third compared to the previous year. Over 5,500 assistances were provided with the help of mobile lifting platforms in the past year.

Fire Rescue Corps of Správa železnic

The renovation of the technical base continued with the acquisition of 10 multi-purpose containers for transport of technical equipment up to a total weight of 3.5 tonnes. They are primarily used for transporting additional weights for crane technical systems. In addition, all fire protection units were equipped with 16 unmanned aerial vehicles – drones, which function primarily as a supporting tool for the intervention commander to simplify reconnaissance in large-scale interventions and in difficult terrain. They are equipped with a thermal camera, laser rangefinder and a 4K wide-angle camera. At the end of the year, a contract was concluded for implementation of the projects for construction of new fire stations in Nymburk and Cheb. The buildings of the new fire stations in Česká Třebová, Pilsen and Ústí nad Labem were in the phase of intensive preparation.

Railway Geodesy Administration

In addition to geodetic documents and map backgrounds for capital expenditure and repair works, large volumes of mapping documents were also acquired through the Railway Geodesy Administration (SŽG) in 2023 to prepare the construction of high-speed lines (HSL). By the end of 2023, SŽG has provided spatial data management for 6,300 km of tracks in the highest quality for the application of robotic construction works on the railway superstructure, and for another 5,800 km in the quality for design and geological information purposes.

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 digitisation of construction management and land-use planning and zoning agendas. Intensive collection of data on infrastructure and preparation of the relevant information system has begun. In 2023, a survey was made for 1,111 km of the basic spatial situation, 1,944 km of technical infrastructure were delineated and surveyed, 7,035 km of original technical infrastructure documentation were digitised and 1,260 km of original map documents were consolidated. 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.

can then be expected in the next period, resulting in a higher number and better quality of the bids received.

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 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 2023, these activities were financed from the State Fund for Transport Infrastructure (SFDI) budget, which provides Správa železnic with non-investment funds, and from revenues from lease of non-residential premises at the railway stations, for the equipment of facilities and services for the public (WC) and other external performances relating to this segment.

In 2023, 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 20.797 billion.

In 2022, Správa železnic introduced a qualification system which 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. It was launched in June 2022 by starting to receive applications from suppliers for inclusion into the scheme. By the end of 2023, a total of 263 applications had been approved. Most of the scheme categories were filled by contractors during 2023, including a special category to support people disadvantaged in the labour market (e.g. people with disabilities, with an individual action plan, unskilled or low-skilled, over 55 years of age, graduates, etc.). In the pilot operation of the system, a total of 21 public contracts were launched by different organisational units of Správa železnic. Full operation is planned for early 2024.

A well-functioning qualification system set up in a sophisticated way will help Správa železnic to further develop a successful procurement environment. The data obtained during the pilot operation so far show that the procurement contracts awarded under the qualification system are completed in a significantly shorter time than those awarded outside the system, with the number of bids received being slightly higher than for similar contracts launched by publication outside the system. In turn, public contracts awarded under the system show a better ratio of the price tendered to the estimated value of the contract than contracts awarded outside the system. Estimates of savings for public contracts implemented within the system show that the funds invested in the implementation of the system have already been returned to Správa železnic. An increase in the number of suppliers included in the system

Table 1 – Selected activities

Indicator	Unit of measurement	Quantity 2023	Quantity 2022
Track geometry modification	km	1,658	1,256
Switch geometry modification	pcs	1,294	717
Ballast cleaning – tracks	km	206	82
Ballast cleaning – switches	pcs	205	137
Continuous welded rail, welding – tracks	km	662	221
Continuous welded rail, welding – switches	pcs	359	305
Replacement of rails	km	512	293
Replacement of sleepers	pcs	315,446	172,121

Table 2 – Basic description of the railway network

Indicator	Unit of measurement	Quantity 2023	Quantity 2022
Total length of lines	km	9,349	9,355
Length of electrified lines	km	3,258	3,215
3 kV DC traction system	km	1,781	1,738
25 kV AC 50 Hz traction system	km	1,439	1,438
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	9,333
Length of narrow-gauge lines	km	23	23
Length of single-track lines	km	7,279	7,287
Length of double-track and multiple-track lines	km	2,070	2,068
Total construction length of tracks	km	15,079	15,102
Number of switch units	pcs	21,462	21,615
Number of bridges	pcs	6,728	6,733
Number of tunnels	pcs	169	169
Total bridge length	m	156,052	156,110
Total tunnel length	m	55,940	55,942
Number of level crossings	pcs	7,580	7,646

Table 3 – Overview of buildings managed by Správa železnic

Indicator	Unit of measurement	Quantity 2023	Quantity 2022
Number of buildings	pcs	7,987	8,036
Built-up area	m ²	1,704,636	1,720,046
Built-up space	m ³	12,668,585	12,762,803

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 junctions;
- 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;
- Passenger station assets;
- Preparation of Fast Connections.

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 Černošice – Berounka branch line	5.9	in preparation	2026	2029
Optimisation of the Berounka branch – Karlštejn line section	15.5	in preparation	2026	2028
Optimisation of the Karlštejn – Beroun line section	5.7	ongoing	10/2023	8/2026

Table 5 – Overview of works on Corridor IV

Stavba	Length (km)	Stage of completion	Project launch	Project completion
Modernisation of the Sudoměřice – Votice line section	17.0	ongoing	3/2018	6/2024
Modernisation of the Veselí nad Lužnicí – Tábor line section, Part 2; Veselí nad Lužnicí – Doubí line section, Stage 2 of the Soběslav – Doubí railway line section	8.6	ongoing	9/2019	7/2024
Modernisation of the Nemanice I – Ševětín line section	17.1	in preparation	2026	2032

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 ongoing or in design preparation stages.

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 Dětmarovice – Petrovice u Karviné, Brno-Maloměřice St. 6 – Adamov, Adamov – Blansko and Ústí nad Orlicí – Brandýs nad Orlicí sections have already been put into operation. The Velim – Poříčany and Lipník nad Bečvou – Drahotuše are underway. The CEF funds are used also for financing the renovation of the section of the Corridor I between Lanžhot and the Slovak state border.

Modernisation of railway junctions

In connection with the modernisation of corridor lines, significant railway junctions in their route are being modernised too. Finished are the passages through the railway junctions of Děčín, Ústí nad Labem, Kolín, Choceň, Ústí nad Orlicí, Břeclav, Přerov (the first construction project), Olomouc, Bohumín and Cheb and certain sections of the Pilsen junction. At the Prague junction, 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 junction. The renovation of the Negrelli viaduct has been completed. The reconstruction in the Praha-Hostivař – Praha-Vršovice railway line section has been completed as well, ensuring the admission of Corridor IV to the Prague junction. The implementation of the double-tracking of the line in the Braník Bridge – Praha-Krč – Spořilov section was started. The modernisation work at the Brno Main Station has been completed and the same holds for the renovation of the Přerov junction (2nd part). The reconstructions of the Pilsen and Pardubice junctions continue. Preparatory work has been completed for the construction of the Praha hl. n. – Praha-Smíchov section, which is to be connected to the Corridor III (Prague junction). Further project preparation for through-passes in the Brno, Ostrava and Česká Třebová junctions 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 Vlkov u Tišnova railway station, the Vlkov u Tišnova – Křižanov section and also the Brno-Královo Pole railway station was started in 2023. The modernisation of the Lysá nad Labem – Čelákovice – Praha-Vysočany line section continues, where the implementation of the last remaining construction between Čelákovice and Mstětice is already underway. Modernisation of the Kolín – Nymburk – Všetaty – Ústí nad Labem – Děčín and Pilsen – Domažlice railway lines are in preparatory stages. Furthermore, construction works are being prepared in such sections as Ústí nad Labem – Most – Cheb and České Budějovice – Pilsen and also between Vsetín and Valašské Meziříčí. The design preparation for the construction of new Ústí nad Orlicí – Choceň and Brno – Přerov railway lines is under way.

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. Coverage of all transit corridors with the GSM-R signal was completed in 2023. The Kolín – Všetaty – Děčín, Prague – Lysá nad Labem – Milovice, Kolín – Havlíčkův Brod – Křižanov – Brno, Ústí nad Orlicí – Lichkov, České Velenice – České Budějovice – Horní Dvořiště and Pilsen – České Budějovice sections were already equipped with this signal. In the course of 2023, GSM-R signal coverage was completed in the Olomouc – Uničov – Šumperk – Zábřeh na Moravě, Ústí nad Labem – Duchcov/Úpořiny/Litvínov – Most – Cheb and Kralupy nad Vltavou – Neratovice – Všetaty sections. The construction between Pardubice, Hradec Králové and Jaroměř is under construction.

Following the previously completed deployment of the ETCS in the Kolín – Břeclav – Austrian/Slovak state border, Petrovice u Karviné – Ostrava – Přerov – Břeclav, Český Brod – Praha-Běchovice – Praha-Uhřetěves – Votice and Česká Třebová – Brodek u Přerova sections, work on the Přerov – Brodek u Přerova, Ústí nad Orlicí – Lichkov, Mosty u Jablunkova – Dětmarovice, Beroun – Pilsen – Cheb and Votice – České Budějovice (exclusive) sections were

completed during the year. And at the same time, work has started on the installation of the ETCS system in the Praha-Vršovice – Praha-Hostivař, Český Brod – Kolín and Pardubice – Hradec Králové sections. Design preparation is underway for other sections. The deployment of the ETCS system is a part of the Plan for Modern Safety 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 junction, 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 reconstruction 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 started in 2023. 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. Within the framework of modernisation of the Praha-Vysočany – Lysá nad Labem section, the Praha-Vysočany railway station was modernised, and a new stop named Praha-Rajská zahrada was opened. After the completion of the first phase of electrification of the Brno – Zastávka u Brna line section, the second phase has been implemented, and the Pardubice – Hradec Králové line is gradually being double-tracked, where the Stěblová – Opatovice nad Labem section has already been modernised with the construction of the second track. Electrification and capacity increase of the section between Olomouc and Šumperk was 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 them, the emphasis is always placed on the efficient and cost-effective use of individual building facilities and at the same time increasing the comfort of travel and the services offered, which is positively perceived by the general public. To achieve these goals, unify binding 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 2.2 billion in 2023. Among the capex-significant renovations it is possible to include the completion of the passenger building in

Rožnov pod Radhoštěm. The revitalisation or construction of completely new buildings were implemented at the Opava západ, Sokolnice-Telnice, Písek and Praha-Radotín railway stations. A modernised station in Praha-Vysočany was also opened and the façade of the Fanta building at Prague Main Station was renovated. A number of important projects were also launched, such as modernisation of the Praha-Bubny and Brno-Královo Pole stations or the construction of the new Praha-Výstaviště stop. European grants from the Connecting Europe Facility (CEF2) and the Transport 2021–2027 Programme (OPT3) were used for these constructions.

Investment in preparation of Fast Connections

In 2023, there was a significant shift in the preparation of the high-speed lines (HSL), which are a part of the Fast Connections (RS). At the end of the year, approximately 350 km of the planned 700 km of HSL were designed, and more than 100 km of further lines are planned for 2024.

A financial amount of CZK 1.18 billion has been provided to finance the preparatory and design work of the individual HSL arms in 2023, 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.

The pan-European importance of the project was confirmed, among other things, by obtaining a grant from the European Connecting Europe Facility (CEF) for the preparation of the RS 4 (Fast Connection 4) or HSL arm from Prague to Dresden. Správa železnic is also applying for further funds from this programme in the preparation of the HSL.

During 2023, a study on the possibilities of financing the RS system, including HSL, was completed and based on its conclusions, a resolution was issued by the Government of the Czech Republic instructing Správa železnic to examine the possibility of using public-private partnerships (PPP) for this project. At the end of the year, the contractor of the PPP Feasibility Study for the Moravian part of the HSL or RS project was selected to recommend further steps and to assess the suitability of individual sections for the preparation, financing, implementation and operation of new, not only high-speed lines on the Břeclav – Brno – Přerov – Ostrava route in this form.

At the end of 2023, Preliminary Market Consultations (PMCs) were also launched for the possibility of continuing the preparation of HSL through Design & Build & Maintain public procurement contracts. The first phase of the PMCs will focus on the technical prerequisites and set-up of such contracts as well as the capabilities and experience of the construction market and the market of suppliers of technical and technological components of the future HSL. The data obtained in this way will also be used in the preparation of PPP contracts.

Proven concept for the Czech HSL

Since 2019, Správa železnic has been cooperating with SNCF, the French state-owned railways, in the preparation of the HSL project. Directly from the French HSL operator, namely SNCF Réseau, it now has contractual support in the preparation and implementation of the project until 2028. The use of more than 40 years of know-how of the most experienced HSL operator in Europe is no longer limited to the technical design of future HSL or their operation and maintenance. It is also progressively covering the risk management of such large projects or their financing, through the involvement of the private sector in the form of PPPs or the issuance of green bonds, instruments which France is successfully using for its new HSL projects.

Communication of the HSL construction preparation

An important part of the HSL preparation consists in negotiations with the public and local governments and presentation of the project to the general public, therefore the representatives of Správa železnic were intensively devoted to the presentation of the project in the regions and abroad, discussions with the public, contact campaign and preparation of presentation materials about the project. The aim of this communication is to show the need and benefits of the project as well as the suitability of the specific proposed route option and to find its form in cooperation with the affected municipalities.

Regular meetings with local government representatives and public meetings are held. This mutual dialogue has been complemented by a contact campaign with the so-called VRTmobil since spring 2023. In 2023, we met representatives of more than 300 municipalities and held more than 60 presentation and discussion meetings with citizens. We provided them with information through presentations and materials focused on the specifics of the locality. Regular presentation days for the public were held every month in the information centres of Správa železnic at the main railway stations in Prague and Ústí nad Labem, which were streamed on the Facebook profile High-Speed Lines in the Czech Republic.

The project was presented in June at the Rail Business Days 2023 in Ostrava, where it was complemented by a half-day expert workshop, in September at the TRAKO international railway trade fair in Gdansk, Poland, and continuously at dozens of conferences and events for the professional public, including the UIC High-speed 2023 World Congress in March in Marrakech, Morocco. At the end of November, the Dialogue Forum – Rail Connects conference was held in Ústí nad Labem, specifically organised to discuss the new Dresden – Prague railway line.

In order to make the technical designs of the HSL more accessible to the general public, the public GIS portals were launched for the VRT Polabí (HSL Elbe Flatlands), VRT Jižní Morava (HSL South Moravia), VRT Moravská brána I (HSL Moravian Gate I), VRT Moravská brána II (HSL Moravian

Gate II) and VRT Vysočina I (HSL Highlands Phase I), including a functionality enabling the collection of questions, suggestions and comments, and a so-called “feeling map” was launched for the HSL Prague section with the beginning of design works. For the HSL Dresden – Prague connection, a new website www.dresden-praha.eu was developed and launched in cooperation between Správa železnic and Deutsche Bahn (DB).

RS 1, RS 2 (VRT Prague – Brno – Ostrava and VRT Brno – Břeclav)

At the beginning of 2023, the preparation of the design documentation in the stage of DZP (documentation for zoning proceedings) and EIA documentation was in process for four construction sections out of a total of 10 on VRT Prague – Brno – Ostrava and VRT Brno – Břeclav. For VRT Polabí, VRT Jižní Morava, VRT Moravská brána I and VRT Moravská brána II, the documentation was submitted at the end of 2023. During the year, the same work started on another four sections. These are VRT Praha, VRT Střední Čechy (HSL Central Bohemia), VRT Vysočina Phase I and connection to VRT Moravská brána I (Broděk u Přerova – Prosenice). For VRT Vysočina Phase II, a competition for the contractor of the DZP and EIA documentation started in 2023 and an architectural and urban planning competition for the upcoming Jihlava VRT terminal and the nearby bridge structures over the D1 motorway was launched. For the sections of VRT Jižní Morava and VRT Moravská brána I and II, the environmental impact assessment process was initiated in 2023 with the submission of the Notice of Intent to the Ministry of the Environment (MoE). For two sections, the MoE issued the Conclusions of the Environmental Impact Assessment Procedure in 2023. In cooperation with the Poland-based company Centralny Port Komunikacyjny (CPK), which is responsible for the preparation and implementation of HSL in Poland, a feasibility study for the HSL Katowice – Ostrava was drawn up.

In order to find out the attitude of the owners of the land under the future VRT Jižní Morava, a super-standard preliminary survey was carried out, in which 1,200 individuals were contacted by a letter, who could use a link (QR code) to learn more about the procedure for future purchases, to find out the anticipated encroachment of their land by the construction activities and especially to express their attitude to the future property-right settlement. Estimates of the costs for the preparation of geometric plans, expert opinions and the land purchases themselves were also obtained. A similar action has started to be prepared for VRT Moravská brána I and II and will gradually take place on other sections as well.

RS 1 (Modernisation of the Brno – Přerov railway line)

The RS 1 (Fast Connection 1) arm includes also modernisation of the conventional line between Brno and Přerov, the design speed of which is 200 km/h. The line is divided into five construction projects.

The Nezamyslice – Kojetín section, where an application for the building permit has been submitted and the property-right settlement of the construction project is in progress, is the closest to implementation. For the Kojetín – Přerov section, a zoning decision has been obtained and work has started on the preparation of the Building Permit Documentation (BPD) and for the construction implementation (detailed design, PDPS). For the Blažovice – Vyškov section, the planning procedure has been initiated and the preparation of the BPD and PDPS is in progress. For the Vyškov – Nezamyslice section, new EIA documentation has been submitted to the Ministry of the Environment and an application for a new environmental impact assessment has been submitted. For the Brno – Blažovice section, a project plan has been submitted for approval. A zoning decision was also issued for the construction of the Nezamyslice traction power supply station, which will serve to power the upgraded line.

RS 3 (Prague – Beroun – Pilsen – Domažlice – German state border)

The railway line from Prague via Pilsen to the German state border is divided into seven sections with a design speed of 200 km/h.

The section between the Prague district of Smíchov and Beroun, where two parallel single-track tunnels, each about 25 km long, are designed, has entered into the zoning phase. In 2023, the EIA documentation was completed and an application for a binding opinion was submitted to the Ministry of the Environment. In 2023, a geotechnical survey was commenced. In 2024, the documentation under the so-called Line Act (known as “DUSL”) for the new construction of the Praha-Smíchov – Beroun railway line will be completed and an application for the project permit will be submitted.

For the Pilsen – Nýřany – Chotěšov section, where the existing single-track non-electrified line will be optimised, a final zoning decision was issued in May 2023, the Building Permit Documentation (BPD) was prepared and a building permit was applied for in November 2023. For the Pilsen – Stod section, a non-final zoning decision was issued in September 2023 and for the Stod – Domažlice section, a DSA was prepared and a zoning permission was applied for in October 2023. For the section from Domažlice to the state border of Germany, the preparation of the contract for the drawing up of the DUSL and PDPS has started.

RS 4 (HSL Prague – Ústí nad Labem – Dresden and RS 42 branch line to Most)

Design work on the documentation for zoning decision (DZD), commissioned jointly with the German partner (DB), for the cross-border section of the VRT Krušnohorský tunel (HSL Ore Mountains Tunnel) continued in 2023. In the middle of the year, a contract was also signed with the designer of the DZD for the Ústí nad Labem – Ore Mountain Tunnel portal section. Furthermore, a public tender was launched for the implementation of exploratory geological work for the VRT Krušnohorský tunel. In the second half of the year, negotia-

tions were initiated with the Office of the Architect of the City of Ústí nad Labem towards the planned architectural competition for the design of the Ústí nad Labem centrum terminal, the Elbe Bridge and the design of their immediate surroundings. The process of updating the Principles of Territorial Development (PTD) of the Ústí nad Labem Region is still underway with the aim of defining the HSL corridor in the region so that further phases of project preparation can proceed.

RS 5 (HSL Prague – Hradec Králové / Pardubice – Wrocław)

In 2023, a feasibility study was completed for the RS 5 (Fast Connection 5) arm, i.e. HSL from Prague to Hradec Králové and Pardubice and then to Wrocław, Poland. The options for the section from Hradec Králové to the state border and potential border crossing points with Poland were examined at a more detailed level.

The entire project is being carried out in cooperation with the MoT and the Polish Ministry of Infrastructure, or the CPK company, whose representatives form working groups and meet regularly, not only for the RS 5 arm, but also for the preparation of the above-mentioned high-speed connection of the Moravian-Silesian Region and the Silesian Voivodeship on the European Baltic-Adriatic Rail Freight Corridor.

Operational Programme Transport 2021–2027 (OPT3)

In the course of 2023, Správa železnic completed the draw-down of the OPT2 resource intended for modernisation of the railway infrastructure within the European programming period 2014–2020, thus using all available funds. The OPT3 source from the follow-up programming period 2021–2027 became the primary source. Its drawdown started already in 2022 and continued in 2023 in the amount exceeding CZK 2.2 billion. A total of six railway projects were supported, with the highest amounts drawn from such projects as Modernisation of the Hradec Králové – Pardubice – Chrudim Line, 3rd Construction, Double-tracking of the Pardubice-Rosice nad Labem – Stéblová (CZK 872 million) Section and Modernisation of the Kladno (inclusive) – Kladno-Ostrovec (inclusive) Line (CZK 798 million). In the following years, a gradual escalation of the use of this source is expected in connection with the increasing number of supported projects.

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

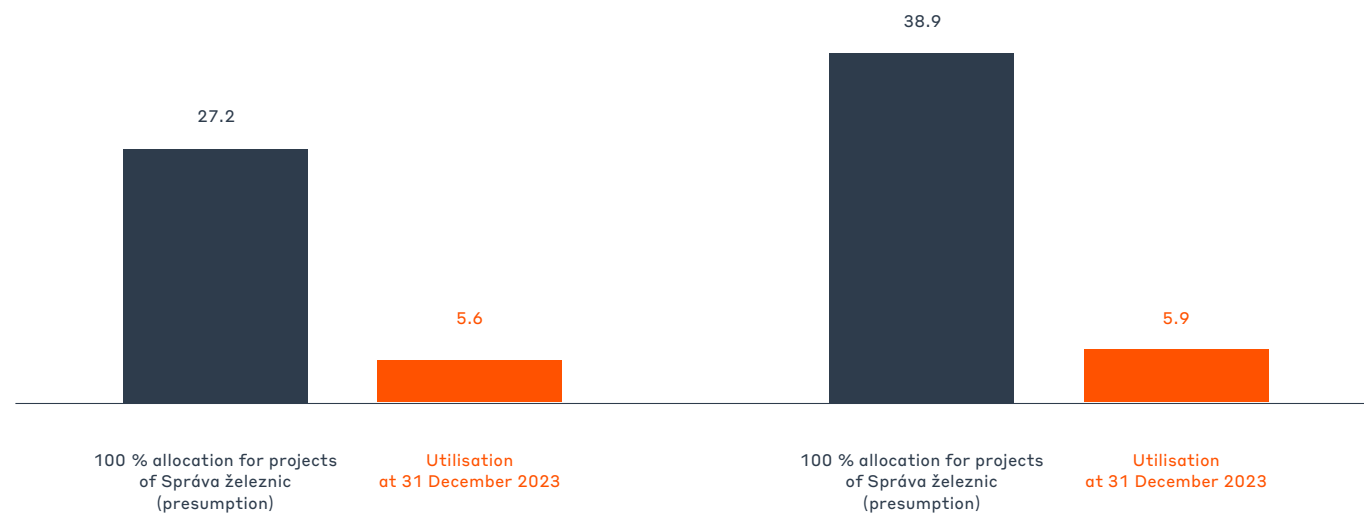
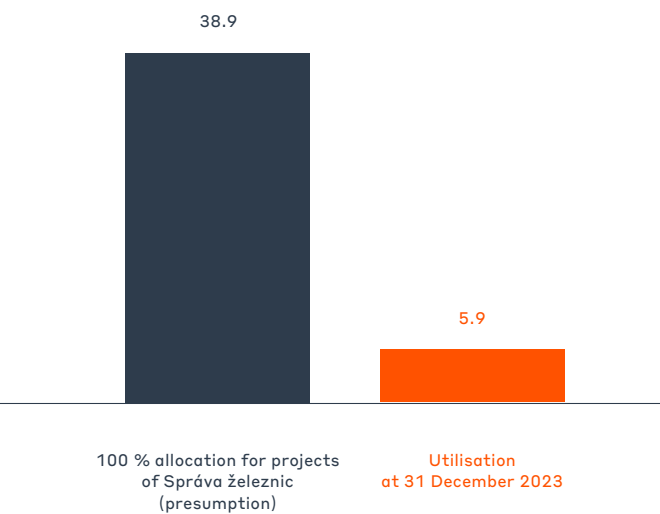


Chart 3 – Utilisation of total allocation from CEF2 (in CZK billion)



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 2023, Správa železnic completed the drawdown of the CEF resources from the previous programming period 2014–2020, having exhausted all available funds, with the last minor payments (top-ups) from this source expected in 2024. The CEF2 source from the subsequent programming period 2021–2027 has thus become the primary source, which is also focused on the modernisation of lines, railway junctions and ETCS deployment constructions, including their preparation and the preparation of Fast Connections projects. The drawdown of these funds in 2023 amounted to almost CZK 3.8 billion, ten projects were supported, of which the highest drawdown was ensured by the Modernisation of the Praha–Bubny (incl.) – Praha–Výstaviště (incl.) Line (CZK 1.1 billion) and Renovation of the Vsetín Railway Station (CZK 1.0 billion). This source is also expected to feature increased drawdowns in the following years as new projects will start to be implemented.

CEF Blending Call

The CEF Blending Call is another important grant scheme, combining CEF funds, EIB loans and national funds. Within these CEF blending projects, funds from the RRF facility were also drawn in 2023. The grant scheme is aimed at removing bottlenecks on selected pre-defined main backbone routes of the trans-European transport network (TEN-T) in the Czech Republic. The year 2023 was a significant year in terms of completion of works, which were completed in the following sections:

- Brno–Maloměřice St. 6 – Adamov,
- Velim – Poříčany,
- Ústí n. O. – Brandýs n. O. – original routing,
- Adamov – Blansko,
- Dětmovice – Petrovice u Karviné – Polish state border.

For the last of the above-mentioned structures, work on the deployment of the ETCS system will be completed in 2024. The last monitored project, in the Lipník nad Bečvou – Drahotuše section, was started in terms of construction works in 2023.

Recovery and Resilience Facility (RRF)

Recovery and Resilience Facility (RRF) is another EU grant scheme, which through the National Recovery Plan of the Czech Republic provides funds for the recovery from the economic consequences of the covid-19 pandemic. The funds are intended for projects which meet the reform and investment requirements (e.g. new technologies, electrification of railway lines, increased safety), and are widely applicable in Správa železnic's investment projects. Recently, Správa železnic also managed to draw on funds transferred to the RRF from the so-called Brexit Reserve (BAR), usable for investments in energy infrastructure under the REPowerEU chapter. In 2023, its total drawdown amounted to almost CZK 4.5 billion; the RRF resource thus again represented the most significant European grant scheme in terms of volume, as in 2022.

Credit facility financing

A key step to ensure the smooth financing of Správa železnic's investments was obtaining a new loan from the European Investment Bank, which was approved by the Government of the Czech Republic in the course of 2023. The financial support from the EIB loan will be aimed at financing railway projects between 2023 and 2027 up to EUR 7 billion. In addition to national resources, EIB loan resources will also be available for the financing of national actions and national co-financing of European projects, thus ensuring long-term stability in the financing of modernisation projects. Access to these loan funds is again ensured through the SFDI.

Investment grants

Investment construction projects were mostly financed from public sources (Table 6). In 2023, the most significant sources of funding of investment construction projects were national funds from the budget of the SFDI, including resources from the new EIB loan (CZK 22.8 billion). The second most important source was again the European grant scheme RRF, from which almost CZK 4.5 billion was drawn. Furthermore, grants from the infrastructure funds CEF2 (CZK 3.8 billion) and OPT3 (CZK 2.2 billion) contributed significantly to the financing of the construction and modernisation of the railway infrastructure. The drawdown of the separately monitored original EIB loan for combined support projects under the CEF Blending Call also continued, amounting to

CZK 3 billion. At the same time, European funds from the ongoing EU 2014–2020 programming period were drawn down from the OPT2 and CEF1 (CZK 2.6 billion in total). In the area of railway infrastructure, the 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.

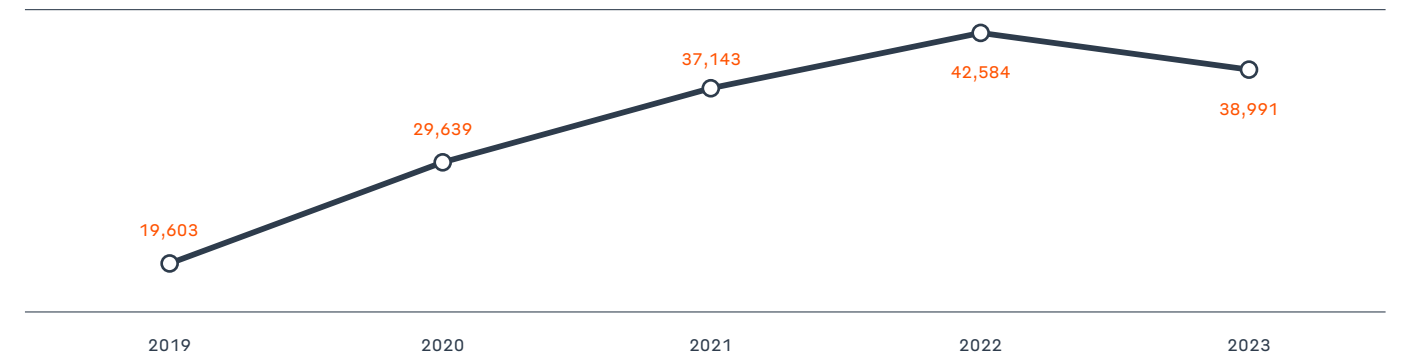
Within the framework of preparation and implementation of investment projects on the railway infrastructure, the total volume of investment grants received in 2023 exceeded CZK 38.9 billion. Compared to 2022, the use of the grant funds for capital expenditure projects decreased by CZK 3.6 billion.

Table 6 – Investment grants received for 2023 (in CZK millions)

Investment grants	2023
SFDI for construction and modernisation, state share, OPT, CEF, EIB, RRF	38,907
EU Funds (others)	84
Total investment grants	38,991

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 2019–2023 period (in CZK millions)



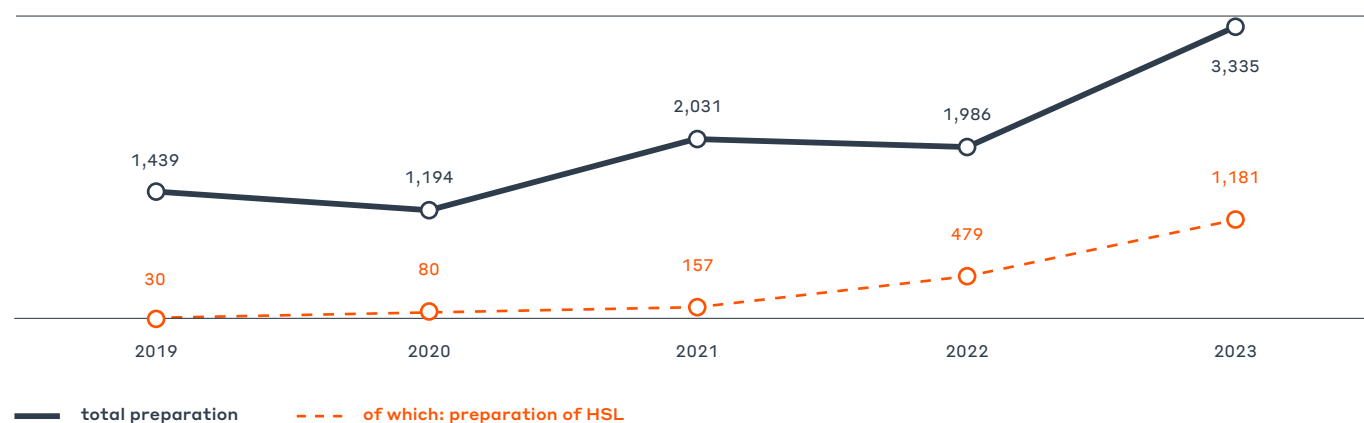
Further development

To finance its capital expenditure projects, Správa železnic will increase the use of resources in the next few years within the framework of the 2021–2027 programming period (OPT3, CEF2). In the next few years, the resources of the National Recovery Plan will be exhausted and the new EIB loan will be used to a greater extent to finance individual projects. This will ensure the long-term coverage of the Správa železnic's financial needs for investment construction. For the same purpose, Správa železnic will continue to use all financial resources, even those which are less significant in terms of volume, 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 in Prague, completion of Corridor IV in the Nemanice – Ševětín section, the Fast Connections projects, etc.) 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 main 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 continuing HSL project preparations, their share of grant funds will grow (see Chart 5).

Chart 5 – Utilisation of funds for construction preparations in the 2019–2023 period (in CZK million)



In the area 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 TEN-T Core Network will continue in accordance with the Technical Specifications for Interoperability (TSIs) 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 will be revised in 2024 in the light of the newly adopted TSIs and will now include the dates for the removal of the national systems and the date for implementation of the successor to GSM-R, which is the new FRMCS rail telecommunication system. All implementation plans will be updated in accordance with the relevant EU regulations.

Operation of the railway infrastructure

In accordance with the Act on Rail Systems, Správa železnic is obliged to ensure the operation of the railway for the 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.

Railway operation safety system

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 systems operating 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 2023, the state administration's supervisory body identified no serious faults in the Správa železnic's safety system of rail systems operating and rail transport. The system is up-to-date and fully operational. The safety of rail operation and rail transport has consistently been at high level, and the determined safety targets have been met. The safety system of railway operating 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 railway operating and investigation of accidents and incidents.

Closures and capacity restrictions

In 2023, the clarifying specification for closure plan at four, three and two months in advance continued, with the possibility of including additional requirements in the annual closure plan within a time frame of six months and over. Inspired by the Brenner railway line, cooperation with DB Netz continues within the framework of the Working Group called Údolí Labe (Elbe Valley) in which long-term closures and capacity

restrictions on the railway operation are notified with early warnings and are consulted in relation to cooperation with carriers and transport customers representatives. This more open approach towards carriers and transport customers has proven successful within the framework of the new model and most issues were resolved to carriers' satisfaction.

Service facilities

In 2023, the list of service facilities operated by Správa železnic was updated. Throughout 2023, information on these facilities was disclosed on the European Rail Facilities Portal (<https://railfacilitiesportal.eu/>). The strategy of Správa železnic in the area of service facilities was specified – the result is the document Concept of Service Facilities of State-owned Organisation Správa železnic. In the area of assistance to passengers with impaired mobility and orientation, Správa železnic has introduced a service of assistance in boarding and alighting from trains by means of mobile lifting platforms in selected 22 railway stations. Further expansion of this service is expected in 2024.

Education and training

In 2023, the development of training methods continued, both in the field of basic training and in maintaining the professional competence. With regard to deployment of the European Train Control System (ETCS), TCC line traffic controllers and PPV (Standby Dispatcher Workplace) dispatchers were trained. Selected in-house trainers who are dedicated to the ETCS issues and involved in the training of operational staff were commissioned and trained for their competence. Uniform rules were set up for the training system, including professional methodological support. The Crisis Communications project was launched in 2023. The purpose is to address shortcomings in external communication, particularly for emergency reporting. In order to ensure the staff stability, extended and intensified communication with vocational schools was initiated. The extension of the cooperation portfolio will continue in 2024. Furthermore, the preparation of the training hall in the training centre of Správa železnic in Pardubice has started.

During the year 2023, the Traffic Control Centre (TCC) in Prague continuously completed the preparation of candidates for the position of line traffic controller by means of final examinations, using the training hall of the TCC. A total of 13 new line traffic controllers were thus assigned to the position.

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 was launched in 2023, which is to be 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 until 2025.

At TCC Přeřov, the preparation of candidates for the position of a railway line train operation controller was completed in September 2023 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

In 2023, the development of the SŽ D1 PART TWO regulation was started. In the course of the regulation development, it was decided that only one regulation (SŽ D1) for the operation of the rail system – Traffic and Signalling Regulation – would be developed and issued by Správa železnic, which would also include provisions on the operation of the rail systems with an active trackside part of the ETCS system.

On the basis of the experience gained with the operation of the railway on the Olomouc hl.n. – Uničov railway line, where the operation of trains in the exclusive ETCS operation mode has been launched since 1 January 2023, an update of the issued legislation for the operation of trains on railways equipped with the active trackside part of the ETCS system has been launched as well.

In the area of driver information passed by means of written V-orders (universal orders) printed via the operational application, verification runs were carried out on selected railway lines in 2023 using also the graphic form of the written V-order. Since 1 January 2024, drivers on national railways operated according to SŽ D1 PART ONE have been informed only by means of the graphic form of the written V-order.

TCC Prague (CDP Praha)

In 2023, another railway line section of the Transit Railway Corridor IV, namely Tábor (exclusive) – Hluboká nad Vltavou–Záměstí (inclusive), was included in the TCC Prague. In addition, the remote operation of the Cheb and Praha-Bubny railway stations was activated. The last project in the area of remote control was the activation of the Praha hl.n. (inclusive) – Praha-Horní Počernice (inclusive) railway line section.

At the same time, work was being carried out on the modification of the control room for the Česká Třebová – Kolín

section in connection with the planned activation of the Pardubice junction into the TCC Prague in 2024.

As at 31 December 2023, traffic on 669 km of the railway network has been controlled from the TCC Prague building.

TCC Přeřov (CDP Přeřov)

In December 2023, within the framework of the capital expenditure project ETCS Přeřov – Česká Třebová, operation without additional measures was introduced at the Dluhovice overtaking station and on adjacent line sections.

In November 2023, project preparation was completed within the framework of the planned capital expenditure project TCC Přeřov Extension – New Building. A new ETCS dispatcher's workplace was put into operation for the railway lines in the TCC Přeřov district equipped with this system.

As at 31 December 2023, traffic on 559 km of the railway network has been controlled from the TCC Přeřov building.

Expenses incurred in the railway infrastructure operating

Správa železnic employees perform the operational management of railway traffic, dispatcher's traffic control, operation of control-command and signalling units and information systems for passengers, timetable construction, and path capacity allocation to carriers. In 2023, 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 to operating the railway infrastructure comprised in particular the traffic control ensured by the Regional Directorates and Traffic Control Centres (TCC), and totalled CZK 6.99 billion in 2023, 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

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

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of carriers	84	89	94	96	99	103	107	122	126	120	118

In 2023, the total number of carriers which have concluded a contract with Správa železnic for the operation of rail transport using the state-owned nationwide and regional railway infrastructure dropped to 118.

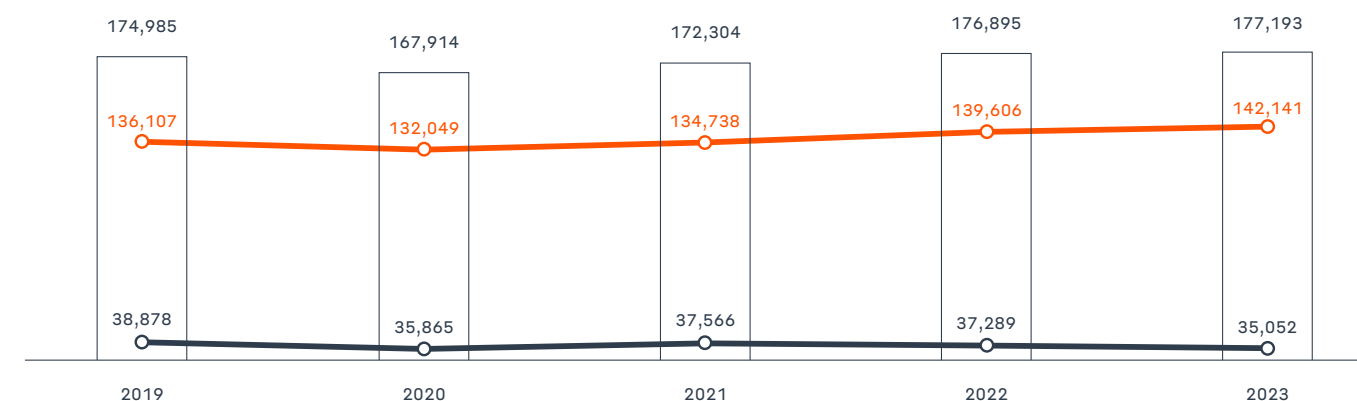
The total volume of outputs in passenger transport increased in 2023. Compared to 2022, train-kilometres (trkm) increased by 2 %, and gross tonne-kilometres (gtkm) also by 2 %. České dráhy, a.s., continues to account for the decisive share in the total outputs in passenger transport.

Die Länderbahn CZ s.r.o. 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 2023. Compared to 2022, this represents 9 % in gross tonne kilometres (gtkm). ČD Cargo, a.s., continues to account for the decisive share in the freight transport outputs.

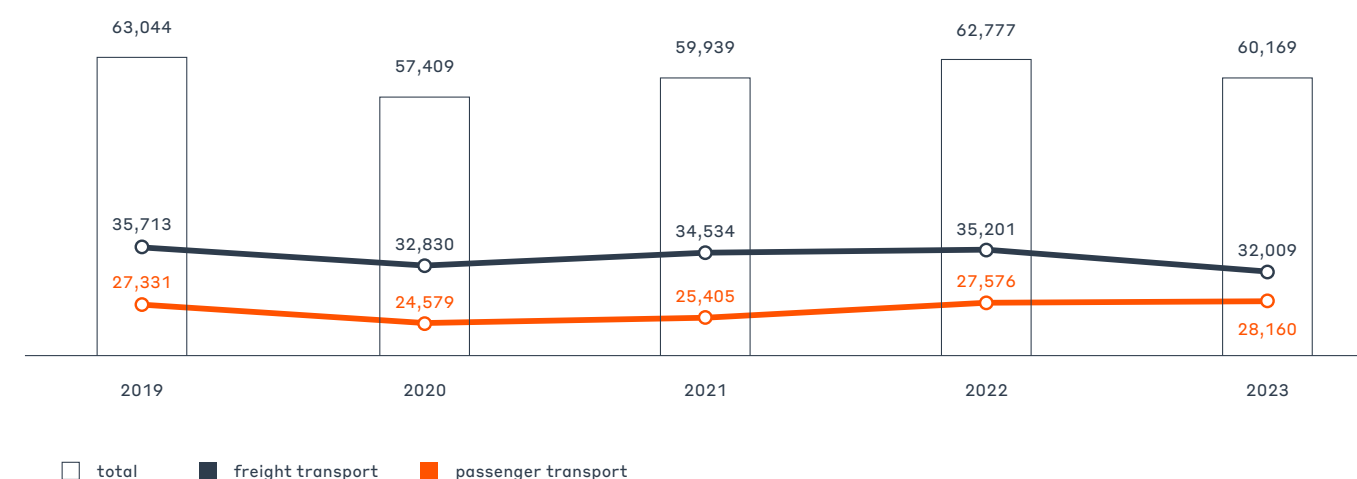
Significant growth in performance in freight transport was recorded by the carrier LOKORAIL, a.s.

Chart 6 – Output of carriers on network operated by Správa železnic (in thousands of trkm) between 2019–2023



Train-kilometres (trkm) represent the distance travelled by train in kilometres.

Chart 7 – Output of carriers on network operated by Správa železnic (in millions of gtkm) between 2019–2023



The number of gross tonne-kilometres (gtkm) is the product of the gross weight of the rolling stock (traction units, railway cars and other wheeled vehicles) integrated into the train and the distance travelled in kilometres.

□ total ■ freight transport ■ passenger transport

Table 8 – Percentage share of carriers in passenger transport output in 2023

Carrier/Indicator	% of trkm	% of gtkm
České dráhy, a.s.	81.76 %	83.02 %
RegioJet a.s.	5.74 %	11.20 %
ARRIVA vlaky s.r.o.	5.24 %	2.37 %
Die Länderbahn CZ s.r.o.	2.17 %	0.72 %
GW Train Regio a.s.	1.92 %	0.62 %
Leo Express s.r.o.	1.46 %	1.22 %
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	0.34 %	0.16 %

Table 9 – Percentage share of carriers on freight transport output in 2023

Carrier/Indicator	% of trkm	% of gtkm
ČD Cargo, a.s.	56.62 %	54.62 %
METRANS Rail s.r.o.	6.43 %	9.36 %
PKP CARGO INTERNATIONAL a.s.	3.88 %	5.10 %
Rail Cargo Carrier – Czech Republic s.r.o.	3.36 %	3.94 %
ORLEN Unipetrol Doprava s.r.o.	3.01 %	4.66 %
IDS CARGO a.s.	2.87 %	4.53 %
LOKORAIL, a.s.	2.45 %	2.72 %
DB Cargo Czechia s.r.o.	1.56 %	2.09 %
CER Slovakia a.s.	1.53 %	2.24 %
Others	18.29 %	10.74 %

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

Indicator	2023	2022
Ordinary passenger trains (Os)	8,888	8,769
Regional fast passenger trains (Sp)	712	620
Express trains (R)	598	571
Higher-quality trains (EC, EN, Ex, IC, LE, SC, railjet)	271	274
Express freight trains (Nex)	560	652
Continual freight trains (Pn)	901	884
Handling and work-siding trains (Mn, Vleč)	870	880
Train sets (Sv)	1,368	1,432
Locomotive trains (Lv)	577	554
Správa železnic catalogue (offer) paths	504	549

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. In relation to a transformation process implemented 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, cooperates with EU institutions and agencies, partner infrastructure managers and international organisations.

International relations strategy

In 2023, Správa železnic was intensively fulfilling 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 comprised formulating Správa železnic's position on the EU legislation updates as well.

European Union

Together with its partners in the EU, Správa železnic has actively participated in preparing the documents related to European Green Deal activities and relevant EU legal documents supporting sustainable and smart mobility to reduce the carbon footprint of transportation. This comprises the "Fit for 55" package, which is an environmental transformation plan aimed at reducing greenhouse gas emissions

by 2030 by at least 55 %, and the Sustainable and Smart Mobility Strategy, which aims to ensure a more sustainable, inclusive, intelligent, safe and resistant transport system.

TEN-T revision

Throughout the year, Správa železnic has been working hard on the process of revising the TEN-T policy, which was completed at the end of 2023. Správa železnic fulfilled most of its objectives, in particular the inclusion of the forthcoming HSL system in the TEN-T Core Network already in the European Commission (EC) proposal. The approved form of the revised TEN-T Regulation now includes the required inclusion of the intentions of Správa železnic, thus becoming a further step towards the co-financing of Czech HSL projects from the EU funds.

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 Package for the rail sector and complements the current legislation (Directive 2012/34 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 interstate 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 digitisation of the sector through the path requests 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. Správa železnic has been heavily involved in commenting on the proposal at the EU Council level through the MoT and the Permanent Representation of the Czech Republic to the EU. Thanks to its membership in international organisations, in this case in particular CER and RNE, Správa železnic's proposals and comments have been forwarded to the Members of the European Parliament.

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

Through its own presentation stand at the prestigious international railway fair TRAKO in Gdańsk, Poland, Správa železnic presented the high-speed lines project for Central Europe, the ERTMS implementation plan and, 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 addition, representatives of Správa železnic spoke at other important events such as the Rail Live trade fair congress in Madrid and the international Railway Direction Days conference organised by CPK in Kraków.

Also, the 11th Conference on Communication and Signalling Technology on Railways in Olomouc achieved an unprecedented international dimension thanks to the active approach of Správa železnic in EUG and EULYNX and the position gained among neighbouring infrastructure managers. Speakers included, for example, EC ERTMS Coordinator Matthias Ruete, DB Netz Deputy Managing Director for Technology Dr. Kristian Weiland and ÖBB-Infrastruktur Board Member Dr. Johann Pluy. The expert session was further enriched by contributions from foreign colleagues on their practical experiences with the introduction and operation of ETCS in Italy, Switzerland, the UK and Norway.

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 allows 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 2023, a number of bilateral

meetings were held between the Director General of Správa železnic and top representatives of major partner organisations, such as DB Netz, SNCF Réseau, ÖBB, ŽSR, MÁV, PLK or CPK.

France

In 2023, 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 lines. This fulfils the contract on cooperation in the preparation of the HSL system, which was concluded in 2021 with a term 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, the Správa železnic's experts took part in several thematic training courses and excursions in France in 2023.

Germany

Strategic cooperation with the companies of the German holding, including in particular the exchange of know-how in the field of railway digitisation, was deepened by the conclusion of a memorandum of understanding between Správa železnic and DB Netz on the creation of a cross-border test line Chomutov – Vejprty – Annaberg-Buchholz – Schwarzenberg. Its aim is to provide an open, publicly accessible facility for testing experimental products developed by industry in particular (fixed infrastructure elements, communication systems and modern technologies in general), their proper functioning and interconnection. Through direct relations with representatives of the management of the DB holding company, suggestions for improving the downstream border infrastructure in Saxony and Bavaria were interpreted.

The preparation of the cross-border part of the New Dresden – Prague Connection, which Správa železnic is ensuring together with the German infrastructure manager DB Netz, advanced in 2023 to the stage of presentation of the recommended option for the routing of a cross-border tunnel on the Saxon territory and completion of the joint preliminary technical design. The active involvement of Správa železnic and the MoT in the elaboration of the interstate agreement governing the conditions for the authorisation, implementation and operation of this new railway line with Germany contributed to the development of a consolidated draft text discussed with the German side.

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 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 2023, ranging from experience in the deployment of ETCS and the introduction of the 200 km/h speed to consultations on the equipment of passenger stations and experience in the reconstruction of historical bridge structures. In 2023, it was also possible to find a model of cooperation and to define common steps in 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.

Neighbouring countries and intergovernmental agreements

In 2023, Správa železnic maintained special top-level relations also 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 more detailed stages of project preparation are being initiated for individual projects. For the cross-border part of the Katowice – Ostrava project, negotiations were initiated in 2023 to prepare the text of an interstate agreement on the authorisation, construction and operation of the cross-border line, where Správa železnic is applying its experience in preparation of a similar agreement with Germany.

Under intergovernmental agreements, Správa železnic participated in the performance of these agreements alongside the MoT, which comprise bilateral agreements on railway infrastructure development with neighbouring countries, the Slavkov/Austerlitz Declaration collaboration, and collaboration of the Visegrad Group.

ERTMS Users Group (EUG)

In 2022, Správa železnic became a regular member of the platform of rail infrastructure managers, where the members share technical and operational knowledge and expertise about the business impact of ERTMS implementing, 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 which participate in ERTMS equipment testing. 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. In 2023, a number of meetings were held already with the participation of experts from Správa železnic. At the top level of the EUG, Správa železnic has succeeded in asserting its initiative to act jointly on the ERA and to streamline the approval processes, which are ensured just by the ERA.

EULYNX – consortium for interface standardisation of ETCS components

On 1 January 2023, Správa železnic became 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. Membership in the EULYNX consortium allows influencing the development of interface standards regarding 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 implementation. In the first year of Správa železnic's membership in EULYNX, experts were gradually involved in working groups. Representatives of Správa železnic actively participated in all meetings of the EULYNX top bodies, in spring a two-day expert workshop was held in Prague.

EUROLINK – harmonised timetable concept

Also in 2023, Správa železnic participated as a part of the central team in the EUROLINK infrastructure managers' initiative, 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 – redesign of the international timetable development process for smart capacity management (TTR). 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 International Affairs Department of Správa železnic and the MoT representative attended RISC meetings together. The Committee 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 TSIs, as well as to the application of existing TSIs. It is the EC's intention that future revisions of TSIs should be made continuously and should reflect the pace of technological development. The MoT, together with Správa železnic, is trying to set 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 package of all TSIs was approved in 2023, with the exception of TSI TAF and TSI TAP (telematics applications in freight and passenger transport, respectively). The Czech Republic managed to push for a longer transition period for the application of TSI CCS (control-command and signalling).

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 European Railway Traffic Management System (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 digitisation, 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 has actively participated 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. A key theme of PRIME in 2023 was the launching of a dialogue on the comprehensive coordination of the ERTMS deployment process. Infrastructure managers across the EU point to the need of increasing the TSI stability, ensure sufficient capacity and resources to enable the transition to series production.

RFC – Rail Freight Corridors

In accordance with the Regulation (EU) No. 913/2010 of the European Parliament and of the European 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 establishing 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, in 2023, the mandate of the representative of Správa železnic was extended for another term of office, which gives it a privileged access to the informal RFC Network platform and to other meetings of different types.

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, digitisation and meeting the objectives of the European Green Deal. Správa železnic experts cooperated with CER in the working groups focused on infrastructure, European corridors, safety, human resources, ERTMS and other areas. In 2023, the structure of Správa železnic's operations was further improved within CER, which concerned in particular cooperation within the coalition of European infrastructure managers at both strategic and technical levels. The Director General of Správa železnic was re-elected as a member of the CER Steering Committee, which allows for very close relations within the CER consortium and with representatives of the EU institutions. In 2023, already the second face-to-face meeting of the CER Infrastructure Managers' CEO Summit Group 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. The active involvement of Správa železnic representatives in working groups focused exclusively on TSI revision is being further developed.

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.

UIC – International Union of Railways

Although the EU gradually takes over the leader's role in technical standards harmonisation, UIC remains an important coordinator in HSL development, 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 participated in the activities of the FRMCS (Future Railway Mobile Communication System) 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 congresses, conferences, workshops, studies and projects. Similarly exclusive opportunities are offered by the Station Managers Global Group (SMGG), which deals with activities in the field of station and stop management. This group, in which Správa železnic is currently involved as an observer, organises lectures, workshops and excursions on the latest trends in its field of expertise.

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

In 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 the 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 railway operating) and revenues from the use of the railway infrastructure by individual carriers. A basic overview of the financial performance in 2023 is shown in Table 11.

Table 11 – Financial performance of Správa železnic in 2023

Indicator	Actuals for 2023 (CZK million)
Revenues from use of railway infrastructure	3,431
Revenues from allocated railway infrastructure capacity	129
Grants from SFDI for repairs and maintenance of nationwide and regional lines	20,000
Grants from SFDI for the operating of the railway	4,990
Other grants	65
Purchase and sale of energy and distribution services	304
Materials, energy consumption and services	(14,404)
Personnel expenses	(14,404)
Accounting depreciation	(3,281)
Other operating revenues and expenses	2,689
Operating profit / loss	(481)
Exchange rate differences	(1)
Other financial revenues and expenses	(1)
Profit / loss from financial operations	(2)
Profit / loss	(483)

Revenues from use of railway infrastructures represents payments for railway infrastructure by carriers. This is a significant source of income for Správa železnic, used to cover expenses incurred on the operating of the railway infrastructure.

Revenue from allocated railway infrastructure capacity represents 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.

Grants from SFDI for repairs and maintenance of nationwide and regional lines constitute revenue and are used to cover expenses relating to the operability. Under an 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 SFDI for the operating of the railway infrastructure are provided by 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 grant from SFDI for studies, and a grant from SFDI for Construction Managements for small non-investment expenses.

Purchase and sale of energy and distribution services includes expenses related to the purchase of distribution services and electricity to supply external customers connected to the local distribution network of the railways (except for own consumption of Správa železnic), 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 electricity for electric traction.

The most significant expense item comprises **operating expenses relating** 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.

Správa železnic's **other operating revenues and expenses** 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 capitalised on salvaged materials, and revenue from the sale of fixed assets and material less the net book value. The indicator is further reduced by compensation for damages to ČEZ Prodej, a.s. in disputes over uncollected electricity in 2010 and 2011 (including interest on late payment and court costs). However, the impact of the compensation is eliminated by drawing on the provision created for these disputes. Other items included are payment a contribution 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 will be thoroughly examined so as not to exceed the total budgeted expenses.

In 2024, a gradual stabilisation of the 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 balanced. 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 No. 320/2001 Coll., on Financial Control) and the Implementing Decree No. 416/2004 Sb., to the Act on Financial Control in Public Administration, together with the International Professional Practices Framework for Internal Auditing.

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 risk-focused Annual Internal Audit Activity Plan for 2023, approved by the Supervisory Board of Správa železnic, was based on the tasks set out in the Medium-Term Internal Audit Plan for 2020-2023 and reflected:

- risk assessments carried out across the organisation,
- requirements of the Director General and top management of the organisation,
- information on the status of the internal control system from internal and external controls and audits carried out.

In accordance with the annual audit plan for 2023, the Internal Audit Department carried out, a total of 16 regular and 11 follow-up internal audits across the organisation 29 organisational parts, 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,
- a breach of information security,
- wasteful use of financial means,
- inefficient or ineffective performance of activities,
- failure to perform or late performance of specified tasks,
- failure to maintain the required quality of the activities carried out,
- damage to the reputation of the organisation.

Regular internal audits were examined by the processes relating to the 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.

Subsequent internal audits verified the status of implementation of the corrective action taken on the identified deficiencies from the regular audits carried out in 2022 in the areas of material and technical supply, strategy of acquisition of special railway vehicles, train management (orders), bookkeeping and circulation of accounting documents, quality of repair works, operational information applications, performance of management activities, public procurement, territorial protection and cyber security.

In 2023, the Internal Audit Department carried out altogether 9 consultancies relating to requests by the Director General or senior managers of expert departments of the Directorate General.

In accordance with established internal audit procedures, the results of internal audits and consultations performed in 2023 were always discussed with the top management and subsequently the results of the audit engagements were shared with the Director General. Based on the 131 regular audit findings, 153 recommendations were drafted by the Internal Audit Department, and specific measures, including deadlines, were subsequently adopted by the top management of the audited departments. Their efficiency will be reviewed by follow-up internal audits in 2024.

Follow-up audits in 2023 verified the compliance or effectiveness of 122 corrective actions taken on findings from audits performed in 2022. The remaining 35 corrective actions taken are continuously monitored by the Internal Audit Department until they are fully implemented.

No deficiencies with significant risk to the use and management of public funds were identified by the internal audit activities in the audits and consultations carried out, except in the area of cyber security. The added value of the activity of the Internal Audit Department manifested itself in the regulation of internal managing and methodological policies, the identification of audit operation risk areas, error detection, and the confirmation of the correct set-up and sufficient functionality of the internal control and management systems of selected audit procedures of the organisation.

No serious findings have been recorded during the internal audit activity under the provisions of Section 22(5) of Act No. 320/2001 Coll., 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.

In accordance with the Internal Audit Quality Assurance and Improvement Programme, the internal audit quality assessment was carried out in the form of an interim assessment within the framework of audit engagements carried out in the form of self-assessment and assessment of the senior staff of the audited units and a periodical (annual) assessment involving the Director General and senior staff of the Internal Audit Department.

Based on a comprehensive external quality assessment performed by a competent and independent professional assessor, the Internal Audit Department was authorised to include in its audit reports a statement of compliance of the activities performed by internal auditors with the International Standards for the Professional Practice of Internal Auditing. In 2023, the process of certification of the performance of internal audit activities according to ČSN EN ISO 9001:2016 Quality Management Systems continued, which was successfully completed in the middle of the year with the second level of the certification audit on the part of Česká společnost pro jakost, z.s. (Czech Society for Quality, z.s.).

The head of the Internal Audit Department held a training for internal auditors and coordinated their participation in professional conferences. The internal auditors thus continued to increase their professional certification and recognition of proficiency of internal auditors on the part of the Czech Institute of Internal Auditors under the auspices of the Ministry of Finance of the Czech Republic (MoF) and by maintaining acquired certifications specialising in the processes of setting up and operating the information systems and ensuring the organisation's cybersecurity.

In 2023, the Internal Audit Department collaborated with external audit company to carry out an audit of accounting and Financial Statements and the 2023 Financial Statements in the extent and scope necessary to verify the efficiency of the internal audit system.

The Internal Audit Department also focused on regular activities relating to the recording and assessment of review and audit findings identified by external review and audit entities and prepared the agenda of reporting serious findings from financial audits and a summary Report on Financial Audit Results for 2023 for the eyes of the Ministry of Finance of the Czech Republic.

Risk management

One of the important aspects to ensure the long-term stability and development of Správa železnic is to identify, anticipate and manage potential risks arising from its activities in a timely manner. This process is a part of a comprehensive internal control system and it is therefore important that its functioning is as effective as possible for the purpose of a smooth decision-making process. In order to closely link the risk management process to other components of the internal control system, the AURIS information system has been implemented since 2019. This

system is continuously being developed to ensure the fastest communication of risk information from risk owners to the top management team.

The day-to-day handling of risks is the responsibility of all managerial staff. Risk owners are required to identify, monitor and evaluate their risks on an ongoing basis. In the event of negative developments, they shall take measures to reduce the likelihood of the risk occurring or its potential impact. Risk owners shall regularly report on the status and development of risks to the Risk Manager, who shall subsequently inform the Risk Management Committee in a summary report. In particular, the Committee discusses the overall risk management framework, determines the materiality and thresholds for risk management, assesses any exceedances of individual thresholds and the overall risk position of the organisation. It also approves the summary and annual risk management reports and makes recommendations to the Director General. The Director General has the ultimate responsibility for the risk management system. The Risk Management System at Správa železnic was successfully certified in 2023 to the ISO 9001:2016 Quality Management System standard.

As at 31 December 2023, a total of 105 risks were recorded in the risk catalogue for centralised management, 27 of which being significant. Depending on the type of root causes and the process at risk, the risks were managed during 2023, in particular in the following areas:

Operational risks

The primary objective of operational risk management is to ensure the safe and failure-free operation of 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 part of the safety assurance system. In order to increase the efficiency of the management of the above-mentioned safety risks, a concept for the extension of the AURIS information system with a module for the safety assurance system has been developed.

With regard to traffic management and operability, risks are minimised especially by recruiting new employees with appropriate physical and mental fitness who undergo training and take exams set for their future job position. Employees' medical fitness continues to be reviewed through regular and emergency medical examinations. The competence of staff is maintained and improved through a series of instruction, training, seminars, courses and workshops, including verification of acquired knowledge. 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 the event of incidents, the causes and circumstances of their occurrence are identified and responsibility for their occurrence is assigned. Along with this, 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 mitigation/prevention measures. 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.

In the context of risk management, the security objectives of the security assurance system are set and subsequently evaluated each year according to the SMART method.

Financial risks

In the area of finance, Správa železnic faces risks related to liquidity and credit commitments. With regard to the primary funding of the organisation from grants, liquidity management is closely linked to the conditions for drawing down these grants in order to minimise potential penalties. The organisation's own revenues are also an important source of funding, and ongoing monitoring of cash flow plays a key role in liquidity management. There were no drawdowns or repayments of loans recorded in 2023. Credit risk arising from the potential inability of debtors to repay their obligations to Správa železnic is actively monitored and addressed by monitoring the status of receivables and taking immediate action on overdue receivables, using all available legal means. There has been a significant year-on-year reduction in the volume of overdue receivables, reflecting successful credit risk management measures.

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 legal requirements imposed by the Act No. 181/2014 Coll., on Cyber Security. Among the significant risks which Správa železnic has been detecting, assessing and recording in recent years, 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 cyber attacks typical of the information technology environment of Správa železnic 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 the Správa železnic's protection against cyberattacks and potential security risks is the establishment of the Cyber Security Monitoring Centre.

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 promotes 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. In order to ensure support and control of the process of recruitment of new employees, the central SAP SuccessFactors system has been launched and a gradual digitisation of all key human resource processes is underway.

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

In 2020, the Compliance Programme Code of Správa železnic (the Compliance Code) was adopted, which comprises the previous anti-corruption programme and expands on it with other aspects of comprehensive risk management in the area of compliance. This programme has been implemented into the internal control system of the organisation and has been evaluated and developed in line with external legislation requirements and the needs of the organisation. The programme has been set up to minimise the occurrence and impact of risks while allowing the organisation to insulate itself from the potential criminal liability of the legal entity in case of unlawful conduct of its employees.

Dozens of notifications were received to the Compliance Officer in 2023. In 2023, a special secured line was also installed to report any undesirable conduct, which process is known as whistleblowing. There were seven relevant referrals in 2023 to investigate whether or not a crime or offence has been committed. In the majority of cases, there was no direct evidence of a breach of criminal law; in one case, the compliance officer submitted a petition to the law enforcement authorities for a review of the legality of the conduct in question. In addition, the Compliance Officer drew the attention of the concerned departments of Správa železnic to some ethical problems in the area of personnel policy (mainly due to staff reduction) and asked for their elimination in the future. The interaction and cooperation from both managerial and rank-and-file staff was seamless. Compliance training was conducted in 2023 for all employees via e-learning.

Human resources

Employees

As at 1 January 2023, Správa železnic had 17,124 employees working in 140 professions and in 17 organisational parts (Správa železnic's Directorate General plus 16 organisational units) operating all over the Czech Republic.

In 2023, 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 framework of the organisation – both at the level of the Directorate General and individual organisational units. As at 1 April 2023, the Economics and Traffic Management Sections of the Directorate General were transformed and the restructuring of the organisational units of the Railway Information Technologies Administration (SŽT) and the Telematics and Diagnostics Centre (CTD) was completed by transferring railway telematics from the CTD to the SŽT and renaming these organisational units to the Technology and Diagnostics Centre (CTD) and the Railway Telematics Administration (SŽT). As at 1 July 2023, the districts of the Regional Directorates in Pilsen and Ústí nad Labem were changed. On 1 September 2023, the Správa železnic's Training Centre started to operate in a newly renovated high-rise building at the Pardubice Main Station. As at 1 October 2023, the new organisational unit SŽ Facility was established in the Economics Section, in which the activities in the area of real estate projects, management of designated administrative buildings in the Prague region, fire protection, protection of emergency stocks of the Administration of State Material Reserves and car fleet operation were centralised. This centralisation process was completed on 1 January 2024 with the transfer of the activities of methodical management of the management of buildings and related utilities, use, disposal and acquisition of the organisation's assets. On the basis of the Supervisory Board's assignment, the number of employees of Správa železnic in management and

cross-cutting activities was reduced by 136 employees as at 31 December 2023, i.e. by 5.31 % compared to the situation as at 31 December 2022. On the other hand, staffing was strengthened in the areas of the ETCS, IT, cyber security and high-speed lines preparation.

The process of rationalisation and optimisation continued, both in connection with the handover of the capital expenditure constructions into operation, which resulted in a reduction in the total number of employees in operations management by 128 (i.e. by 1.8 %), and in the search for possible savings and more efficient organisation of work in all organisational units. The number of employees on 31 December 2023 decreased by 215 to 16,893, i.e. by 1.26 % compared to the same period in 2022 (see Chart 8). The registered number of employees on 31 December 2023 by organisational units of Správa železnic is shown in Chart 9. During 2023, severance payments were made to 375 employees.

Chart 8 – Development of the number of Správa železnic's employees in 2003–2023

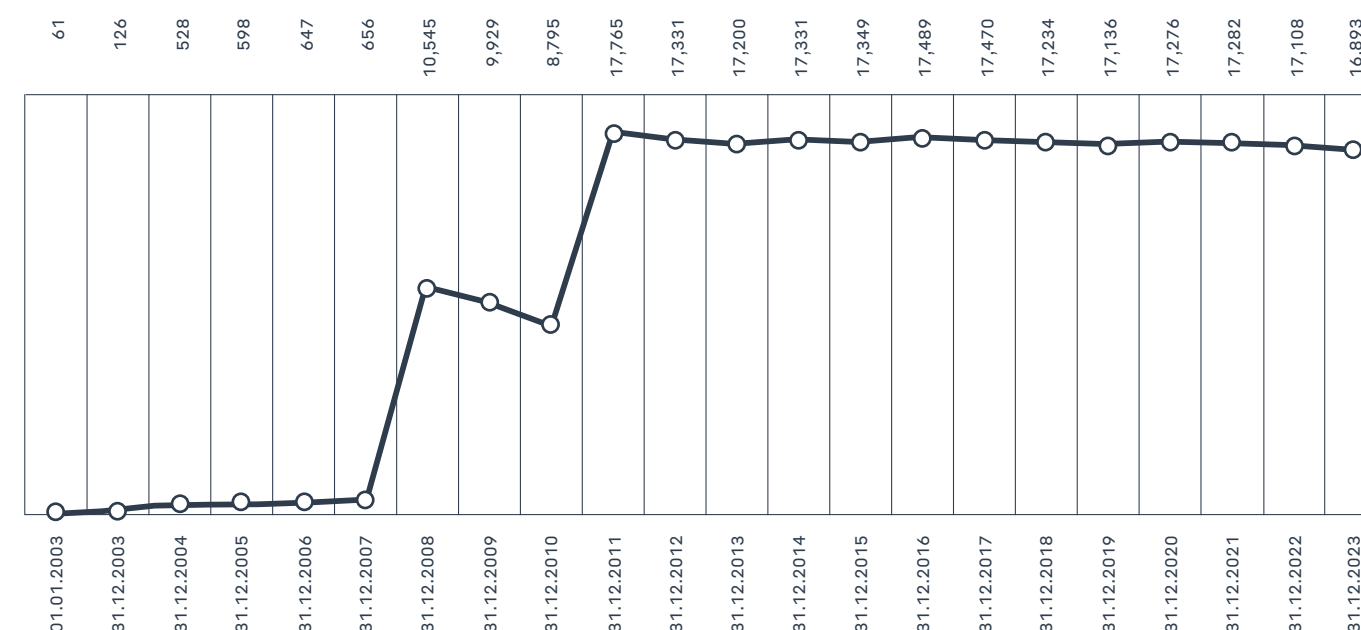
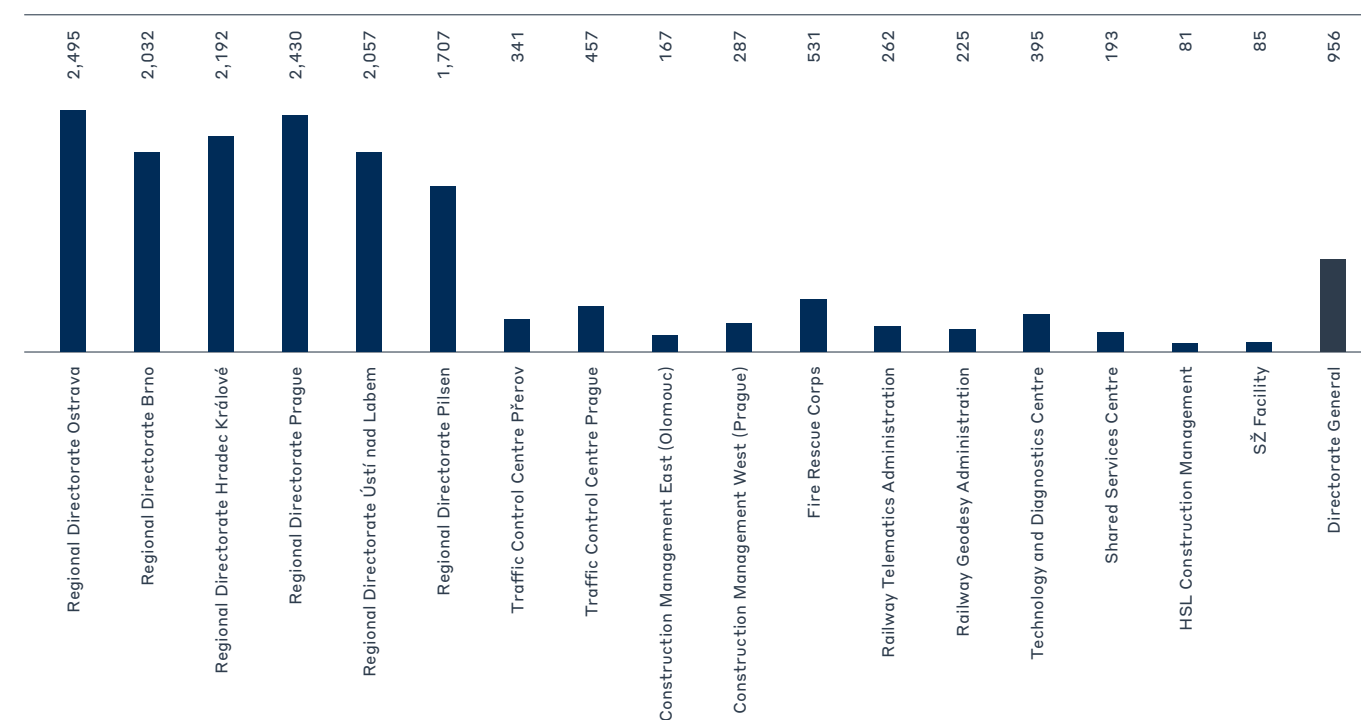


Chart 9 – Number of employees by organisational units as at 31 December 2023



The average full-time equivalent number of employees was 17,020.95 in 2023 (a year-on-year decrease by 103.62 employees, i.e. by 0.61 %).

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 2023, nine trade union organisations – both multi-profession organisations and organisations representing single professions – were operating at Správa železnic. In 2023, 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 2023: The first one was agreed on 30 December 2022 in connection with the Government Regulation 567/2006 Coll., on the Minimum Wage and the Lowest Levels of Guaranteed Wages and in Connection with the Change in the Amount of Meal Allowances for Domestic Business Trips. The second one was agreed on 19 September 2023 following the issue of the Act No. 281/2023 Coll. amending the Act No. 262/2006 Coll., the Labour Code, as amended, and certain other acts.

On 23 October 2023, collective bargaining of a new Corporate Collective Bargaining Agreement valid after 31 December 2023 was initiated. Subsequently a new Corporate Collective Bargaining Agreement for 2024 was concluded on 30 November 2023, 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.

Occupational health and safety

In view of the fatal incident, a thorough training and verification of knowledge of the SŽ Bp1 regulation was carried out.

In 2023, Správa železnic recorded a total of 424 occupational injuries, two of which being fatal and 8 of which requiring hospitalisation for more than 5 days, 148 injuries required sick leaves of more than three days and 266 injuries were without subsequent sick leaves.

A total of 65,547 tests were carried out to determine whether employees were under the influence of alcohol or other addictive substances.

Detailed information concerning the employees, social and societal relations within the organisation is provided for in the ESG Report.

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.

We are a modern, flexible and customer-oriented organisation. In all our activities, we pay utmost attention to sustainable development and transparency and we generally strive to contribute to improvement of the society. We want 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 the Správa železnic's 2023 ESG Report:



Financial section

Auditor's Report

Balance sheet

Income statement

Statement of changes in equity

Cash flow statement

Notes to the Financial Statements

Independent Auditor's Report

Name of the accounting unit
Registered office
ID number
Tax ID number
Statutory body
Subject of business

Audited period
Recipient of the report

Name of the company
Audit firm licence No.
Registered office
Recording carried out at
Recording under number
ID number
Tax ID number
Phone
E-mail
Responsible auditor
Auditor licence No.

Information about the audited company

Správa železnic, státní organizace
Dlážděná 1003/7, Praha 1 – Nové Město, 110 00
709 94 234
CZ70994234
Jiří Svoboda, Director General
Operating the railway infrastructure, including servicing the rail system, and ensuring its operability, maintenance, modernisation and development (main object of activities) from 1 January 2023 to 31 December 2023
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

NEXIA AP a.s.
No. 096
Sokolovská 5/49, Praha 8 – Karlín, 186 00
Municipal court in Prague
Section B, file number 14203
481 17 013
CZ48117013
+420 725 573 488
nexiaprague@nexiaprague.cz
Mikuláš Laš
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 2023, 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 2023, 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 Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we

have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without issuing a qualified opinion, we would like to draw attention to the following facts about which the accounting entity informs in the Notes to the Audited Financial Statements:

1. In sections **3.9, 3.13 and 4.9.2** of the Notes to the Financial Statements, the accounting entity informs that from commencement of the accounting period of 2023 onwards **it has abandoned the accounting and reporting of deferred tax** because in the current operating conditions of Správa železnic it is not probable that it will report a positive income tax base. Therefore, in order to achieve a true and fair view of the accounting statements, the balance of the account entitled “Deferred tax liability and receivable” amounting to **TCZK 2,611,331** has been accounted at the end of the accounting period of 2023, to the benefit of equity and recognised under “Other results of previous years”.

2. In section **7.4** of the Notes to the Financial Statements, the accounting entity informs that, with regard to the European Commission's **pending notification procedure** concerning the conditions for the transfer for consideration and the existing use of the plots of land which are still owned by České dráhy, a.s. (hereinafter also referred to as “ČD”), are a part of the ÚMVŽST (Adjustment of property relations in railway stations) project and are used by Správa železnic for the purpose of rail system operation, and with regard to the preliminary opinion of the European Commission that the valuation of the plots of land in question for the purpose of their transfer for consideration to the ownership of the Czech Republic appears to be insufficiently substantiated,

or even inadequately high, **the accounting entity does not account** for the invoices/tax documents which it has so far received from ČD in connection with the surrender of unjustified enrichment for the use of the plots of land owned by ČD for the purposes of rail system operation in the period from **1 March 2017 to 31 December 2023**. The sum of this unjustified enrichment invoiced so far, which Správa železnic refuses as unjustified and defective and which it does not account for in the general ledger, does not reflect it in its balance sheet as its external resources (liabilities or provisions) and in the result of economic activities, and keeps it in the off-balance sheet records, amounts to a total of **TCZK 3,564,290** as at 31 December 2023 **without VAT (TCZK 4,242,255 including VAT)**.

The reason for this existing approach of the accounting entity consists in **significant uncertainties** as to when the ÚMVŽST project is successfully completed, how and in what amount the resulting transfer price of these plots of land to the benefit of the Czech Republic will be ascertained and how and in what amount the annual costs for the use of these plots of land will be determined for the period from 1 March 2017 to the date of their transfer for consideration to the benefit of the Czech Republic with the management right entrusted to Správa železnic. This means that the accounting entity is not able to objectively quantify the amount for which the existing use of the plots of land forming a part of the ÚMVŽST project for the purpose of rail system operation will be financially settled in the future.

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.

Prague, 25 March 2024

NEXIA AP



NEXIA AP a.s.
Sokolovská 5/49, 149 00 Praha 8
Audit firm licence No. 096

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

Balance sheet

in full format as at 31 December 2023 (in thousands of Czech crowns)
Translated from the Czech original

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

Identification number
709 94 234

Assets

Ident.	line	Current period			Prior period	
		Gross	Adjust.	Net	Net	
a	b	c	1	2	3	4
	TOTAL ASSETS	1	175,892,058	(121,417,793)	54,474,265	57,316,564
B.	Fixed assets	2	167,554,905	(121,123,891)	46,431,014	48,835,888
B.I.	Intangible fixed assets	3	1,517,086	(1,365,483)	151,603	234,245
B.I.2.	Intellectual property rights	4	1,420,564	(1,361,983)	58,581	152,137
B.I.2.1.	Software	5	1,418,674	(1,360,592)	58,082	151,323
B.I.2.2.	Other intellectual property rights	6	1,890	(1,391)	499	814
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	93,022	0	93,022	82,108
B.I.5.1.	Advance payments for intangible fixed assets	9	99	0	99	125
B.I.5.2.	Intangible fixed assets under construction	10	92,923	0	92,923	81,983
B.II.	Tangible fixed assets	11	166,037,819	(119,758,408)	46,279,411	48,601,643
B.II.1.	Land and buildings	12	140,263,101	(101,423,930)	38,839,171	41,124,257
B.II.1.1.	Land	13	6,805,276	(9,913)	6,795,363	6,802,381
B.II.1.2.	Buildings	14	133,457,825	(101,414,017)	32,043,808	34,321,876
B.II.2.	Plant and equipment	15	19,867,901	(18,150,873)	1,717,028	2,057,994
B.II.3.	Adjustments to acquired fixed assets	16	253,683	(179,107)	74,576	409,973
B.II.4.	Other tangible fixed assets	17	11,479	(4,498)	6,981	6,429
B.II.4.3.	Other tangible fixed assets	18	11,479	(4,498)	6,981	6,429
B.II.5.	Advance payments for tangible fixed assets and tangible fixed assets under construction	19	5,641,655	0	5,641,655	5,002,990
B.II.5.1.	Advance payments for tangible fixed assets	20	2,038,515	0	2,038,515	568,452
B.II.5.2.	Tangible fixed assets under construction	21	3,603,140	0	3,603,140	4,434,538

continue »

Balance sheet

Ident.	line	Current period			Prior period	
		Gross	Adjust.	Net	Net	
a	b	c	1	2	3	4
C.	Current assets	22	8,241,830	(293,902)	7,947,928	8,405,872
C.I.	Inventories	23	805,309	(10,220)	795,089	815,972
C.I.1.	Raw materials	24	805,308	(10,220)	795,088	815,770
C.I.2.	Work-in-progress and semi-finished products	25	0	0	0	0
C.I.3.	Finished goods and goods for resale	26	1	0	1	1
C.I.3.2.	Goods for resale	27	1	0	1	1
C.I.5.	Advance payments for inventories	28	0	0	0	201
C.II.	Receivables	29	2,666,875	(283,682)	2,383,193	2,840,655
C.II.1.	Long-term receivables	30	7,302	0	7,302	8,480
C.II.1.1.	Trade receivables	31	0	0	0	1,330
C.II.1.5.	Receivables – other	32	7,302	0	7,302	7,150
C.II.1.5.2.	Long-term advances paid	33	7,302	0	7,302	7,144
C.II.1.5.4.	Other receivables	34	0	0	0	6
C.II.2.	Short-term receivables	35	2,659,573	(283,682)	2,375,891	2,832,175
C.II.2.1.	Trade receivables	36	1,534,409	(267,968)	1,266,441	1,458,813
C.II.2.4.	Receivables – other	37	1,125,164	(15,714)	1,109,450	1,373,362
C.II.2.4.3.	Tax receivables	38	486,229	0	486,229	271,249
C.II.2.4.4.	Short-term advances paid	39	134,474	0	134,474	105,442
C.II.2.4.5.	Estimated receivables	40	453,928	0	453,928	961,588
C.II.2.4.6.	Other receivables	41	50,533	(15,714)	34,819	35,083
C.IV.	Cash	42	4,769,646	0	4,769,646	4,749,245
C.IV.1.	Cash in hand	43	2,847	0	2,847	2,727
C.IV.2.	Bank accounts	44	4,766,799	0	4,766,799	4,746,518
D.	Deferrals	45	95,323	0	95,323	74,804
D.1.	Prepaid expenses	46	87,684	0	87,684	58,455
D.3.	Accrued revenues	47	7,639	0	7,639	16,349

Balance sheet

in full format as at 31 December 2023 (in thousands of Czech crowns)
Translated from the Czech original

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

Identification number
709 94 234

Liabilities

Ident.		line	Current period	Prior period
a	b	c	5	6
	TOTAL LIABILITIES AND EQUITY	48	54,474,265	57,316,564
A.	Equity	49	45,980,877	46,394,982
A.I.	Registered capital	50	57,599,808	57,390,172
A.I.1.	Registered capital	51	57,599,808	57,390,172
A.II.	Premium and capital contributions	52	518,581	504,256
A.II.2.	Capital contributions	53	518,581	504,256
A.II.2.1.	Other capital contributions	54	518,581	504,256
A.III.	Funds from profit	55	4,360	159,338
A.III.2.	Statutory and other funds	56	4,360	159,338
A.IV.	Retained earnings (+/-)	57	(11,658,784)	(6,338,764)
A.IV.1.	Retained profits or accumulated losses (+/-)	58	(14,107,746)	(8 787,726)
A.IV.2.	Other retained earnings (+/-)	59	2,448,962	2,448,962
A.V.	Profit (loss) for the current period (+/-)	60	(483,088)	(5,320,020)
B. + C.	Liabilities	61	8,343,022	10,730,922
B.	Provisions	62	428,062	3,335,468
B.4.	Other provisions	63	428,062	3,335,468
C.	Liabilities	64	7,914,960	7,395,454
C.I.	Long-term liabilities	65	71,787	73,163
C.I.2.	Bank loan payables	66	0	0
C.I.4.	Trade payables	67	71,783	73,159
C.I.8.	Deferred tax liability	68	0	0
C.I.9.	Liabilities – other	69	4	4
C.I.9.3.	Other payables	70	4	4
C.II.	Short-term liabilities	71	7,843,173	7,322,291
C.II.3.	Short-term advances received	72	445,850	427,808
C.II.4.	Trade payables	73	3,155,314	4,088,614

continue »

Balance sheet

Ident.		line	Current period	Prior period
a	b	c	5	6
C.II.8.	Liabilities – other	74	4,242,009	2,805,869
C.II.8.3.	Payables to employees	75	843,347	784,008
C.II.8.4.	Social security and health insurance liabilities	76	434,253	406,293
C.II.8.5.	Tax liabilities and subsidies	77	2,573,570	833,101
C.II.8.6.	Estimated payables	78	388,061	780,508
C.II.8.7.	Other payables	79	2,778	1,959
D.	Accruals	80	150,366	190,660
D.1.	Accrued expenses	81	147,170	174,444
D.2.	Deferred revenues	82	3,196	16,216



Jiří Svoboda
Director General



Tomáš Čoček
Deputy Director General
for Economics

Income statement

classification by nature for the year ended 31 December 2023 (in thousands of Czech crowns)
Translated from the Czech original

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

Identification number
709 94 234

Ident.	INCOME STATEMENT	line	Current period	Prior period
a	b	c	1	2
I.	Revenue from products and services	1	9,688,021	10,056,333
II.	Revenue from goods	2	0	0
A.	Cost of sales	3	18,823,607	16,731,709
A.1.	Cost of goods sales	4	0	0
A.2.	Materials and consumables	5	7,237,903	7,953,583
A.3.	Services	6	11,585,704	8,778,126
B.	Change in inventory of own production (+/-)	7	0	0
C.	Own work capitalised (-)	8	(1,066,448)	(1,217,219)
D.	Personnel expenses	9	14,403,895	13,707,442
D.1.	Wages and salaries	10	10,362,657	9,852,322
D.2.	Social security, health insurance and other expenses	11	4,041,238	3,855,120
D.2.1.	Social security and health insurance expenses	12	3,469,911	3,306,679
D.2.2.	Other expenses	13	571,327	548,441
E.	Adjustments relating to operating activities	14	3,225,801	3,622,154
E.1.	Adjustments to intangible and tangible fixed assets	15	3,271,602	3,633,475
E.1.1.	Depreciation and amortisation of intangible and tangible fixed assets	16	3,281,177	3,709,223
E.1.2.	Impairment of intangible and tangible fixed assets	17	(9,575)	(75,748)
E.2.	Adjustments to inventories	18	(614)	(354)
E.3.	Adjustments to receivables	19	(45,187)	(10,967)
III.	Other operating revenues	20	25,904,542	19,493,975
III.1.	Proceeds from disposals of fixed assets	21	118,308	219,602
III.2.	Proceeds from disposals of raw materials	22	234,530	308,632
III.3.	Miscellaneous operating revenues	23	25,551,704	18,965,741

continue »

Income statement

Ident.	INCOME STATEMENT	line	Current period	Prior period
a	b	c	1	2
F.	Other operating expenses	24	686,452	2,025,529
F.1.	Net book value of fixed assets sold	25	23,211	128,349
F.2.	Net book value of raw materials sold	26	233,921	308,436
F.3.	Taxes and charges	27	30,221	36,847
F.4.	Provisions relating to operating activity and complex prepaid expenses	28	(2,907,406)	812,066
F.5.	Miscellaneous operating expenses	29	3,306,505	739,831
*	Operating profit (loss) (+/-)	30	(480,744)	(5,319,307)
VI.	Interest revenue and similar revenue	31	0	0
VI.2.	Other interest revenue and similar revenue	32	0	0
J.	Interest expense and similar expense	33	0	0
J.2.	Other interest expense and similar expense	34	0	0
VII.	Other financial revenues	35	1,544	2,481
K.	Other financial expenses	36	3,888	3,194
*	Profit (loss) from financial operations	37	(2,344)	(713)
**	Profit (loss) before tax (+/-)	38	(483,088)	(5,320,020)
L.	Income tax	39	0	0
L.2.	Deferred tax (+/-)	40	0	0
**	Profit (loss) after tax (+/-)	41	(483,088)	(5,320,020)
***	Profit (loss) for the accounting period (+/-)	42	(483,088)	(5,320,020)
*	Net turnover for the accounting period = I. + II. + III. + IV. + V. + VI. + VII.	43	35,594,107	29,552,789



Jiří Svoboda
Director General



Tomáš Čoček
Deputy Director General
for Economics

Statement of changes in equity

for the year ended 31 December 2023 (in thousands of Czech crowns)
Translated from the Czech original

Name and reg. office of the organisation
Správa železnic, státní organizace
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. 1. 2023	57,390,172	504,256	0	159,338	(8,787,726)	2,448,962	(5,320,020)	46,394,982
Property inventory findings and other transfers	0	0	0	0	0	0	0	0
Free-of-charge transfers of assets and other transfers	209,636	65,961	0	0	0	0	0	275,597
Privatised assets	0	0	0	0	0	0	0	0
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
Deferred tax liability	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. 12. 2023	57,599,808	518,581	0	4,360	(14,107,746)	2,448,962	(483,088)	45,980,877
Balance as at 1. 1. 2022	57,388,168	692,042	0	124,805	(7,102,103)	(162,369)	(1,685,623)	49,254,920
Property inventory findings and other transfers	0	108	0	0	0	0	0	108
Free-of-charge transfers of assets and other transfers	2,003	5,410	0	0	0	0	0	7,413
Privatised assets	0	0	0	0	0	0	0	0
Use of the culture and social needs fund	0	0	0	(158,771)	0	0	0	(158,771)
Creation of the culture and social needs fund	0	(193,304)	0	193,304	0	0	0	0
Transfer of the profit (loss) of prior year period	0	0	0	0	(1,685,623)	0	1,685,623	0
Deferred tax liability	0	0	0	0	0	2,611,331	0	2,611,331
Rounding	1	0	0	0	0	0	0	1
Profit (loss) for the current period	0	0	0	0	0	0	(5,320,020)	(5,320,020)
Balance as at 31. 12. 2022	57,390,172	504,256	0	159,338	(8,787,726)	2,448,962	(5,320,020)	46,394,982


Jiří Svoboda
Director General


Tomáš Čoček
Deputy Director General
for Economics

Cash flow statement

for the year ended 31 December 2023 (in thousands of Czech crowns)
Translated from the Czech original

Name and reg. office of the organisation
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	4,749,245	6,383,011
Net operating cash flow		
Z: Accounting profit (loss) from ordinary activities	(483,088)	(5,320,020)
A.1. Non-cash transactions	(24,851,199)	(14,031,856)
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	3,281,177	3,709,223
A.1.2. Change in other adjustments and provisions	(2,962,782)	724,997
A.1.3. Profit (-) Loss (+) on sale of fixed assets	(95,097)	(91,253)
A.1.4. Expense and revenue interests accounted for	0	0
A.1.5. Use of operating grants	(25,054,988)	(18,404,122)
A.1.6. Other non-cash transactions	(19,509)	29,299
A.* Net operating cash flow before financial items, changes in working capital and extraordinary items	(25,334,287)	(19,351,876)
A.2. Changes in working capital	(742,236)	243,757
A.2.1. Change in receivables from operating activities, estimated receivables and deferrals	482,129	(939,884)
A.2.2. Change in short-term liabilities from operating activities, estimated payables and accruals	(1,245,863)	1,243,088
A.2.3. Change in inventories	21,498	(59,447)
A.** Net operating cash flow before financial balances, tax and extraordinary items	(26,076,523)	(19,108,119)
A.5. Operating grants received	25,052,758	18,408,015
A.*** Net operating cash flow	(1,023,765)	(700,104)

continue »

Cash flow statement

		Current period	Prior period
Investment activity			
B.1.	Acquisition of fixed assets	(34,188,834)	(41,805,831)
B.1.1.	Acquisition of tangible fixed assets	(153,442)	(630,529)
B.1.2.	Acquisition of intangible fixed assets	(6,694)	(147,679)
B.1.3.	Acquisition of fixed assets from investment grants	(34,028,698)	(41,027,623)
B.2.	Proceeds from sales of fixed assets	118,308	169,992
B.2.1.	Proceeds from sales of tangible and intangible fixed assets	118,308	169,992
B.3.	Investment grants received	35,321,306	40,860,948
B.***	Net cash flow from investment activity	1,250,780	(774,891)
Financial activity			
C.2.	Increase and decrease in equity from cash transactions	(206,614)	(158,771)
C.2.1.	Payments from funds created from net profit	(206,614)	(158,771)
C.***	Net cash flow from financing activities	(206,614)	(158,771)
F.	Net increase or decrease in cash balance	20,401	(1,633,766)
R.	Cash and cash equivalents, end of period	4,769,646	4,749,245


Jiří Svoboda
 Director General


Tomáš Čoček
 Deputy Director General
 for Economics

Notes to the Financial Statements

as at 31 December 2023



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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, post code 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 a significant funding from the Státní fond dopravní infrastruktury (State Fund for Transport Infrastructure – SFDI). In accordance with the view of Správa železnic, ČD, ČD Cargo, and SFDI are considered as related parties.

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 2023 have been prepared as at 31 December 2023.

These notes have been prepared for the period starting on 1 January 2023 and ending on 31 December 2023 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 for use by carriers. Income arising from the use of the railway infrastructure is predominantly realised with 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 expenditure 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 set out in Sections 20 and 38a of the Transformation Act. These principally involve assumed receivables and liabilities and the assets specified in the Appendix to the 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. 458/2000 Sb., 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 a 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 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 a facility, a part of a facility, 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.

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 2023 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 2023 were:

Name	Position	Date
Martin Červíček	Chairperson	Since 1 July 2022
Ladislav Němec	Vice-chairperson	Since 1 September 2022
Jan Lička	Member	Since 1 July 2022
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 2023 were:

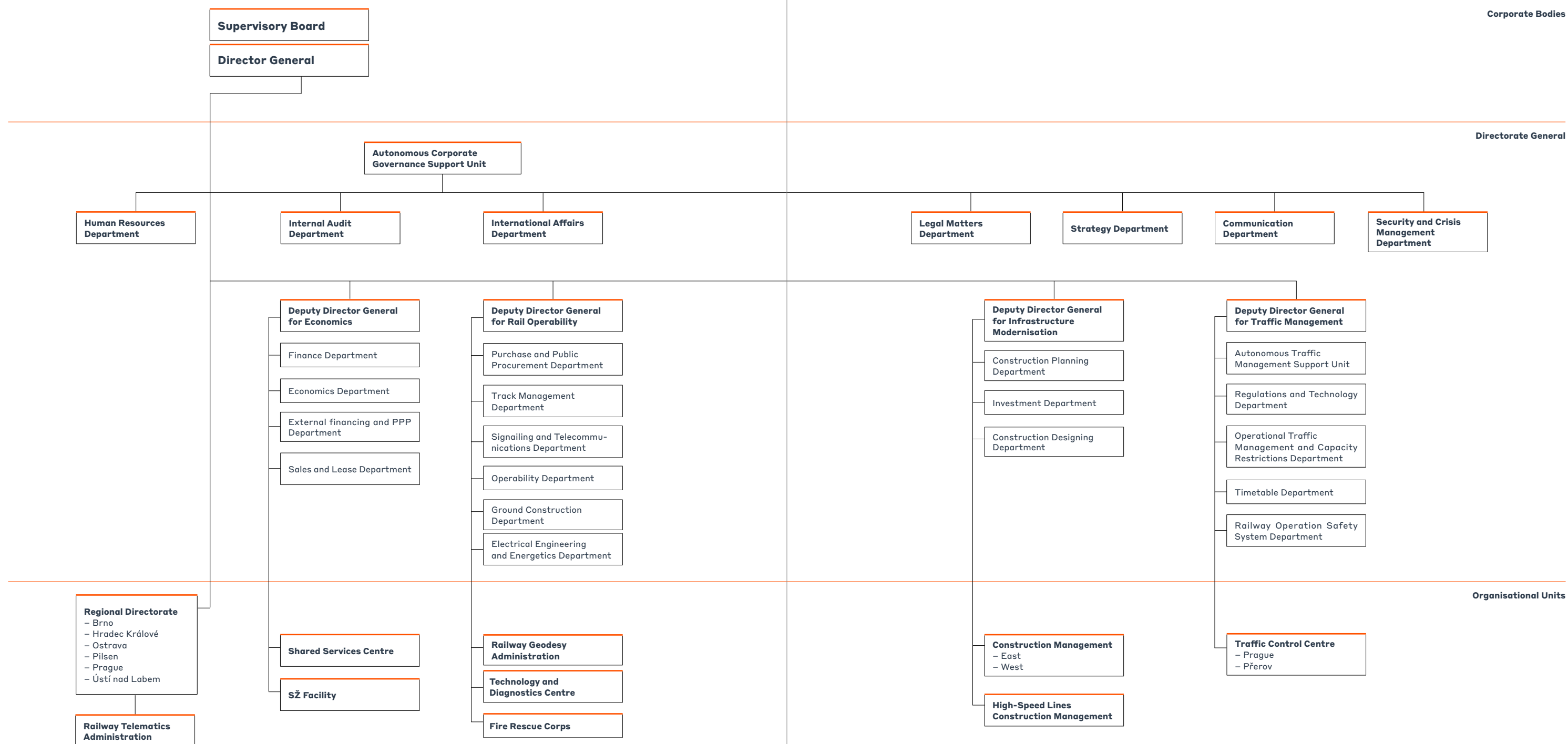
Name	Position	Date
Eva Janoušková	Chairperson	Since 11 January 2019
Lenka Hamplová*)	Member	Since 1 December 2018
Tomáš Klinecký	Member	Since 1 September 2022
Otakar Hora	Member	Since 12 November 2022

*) change of surname of the Audit Committee member Lenka Hamplová formerly Hlubučková

The members of the Strategy and Development Committee as at 31 December 2023 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 2023



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, and the Decree No. 500/2002 Coll., implementing certain provisions of the Act on Accounting, as amended, for business entities using double-entry bookkeeping 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., on requirements for preparing the Financial Statements on behalf of the Czech Republic (the state consolidation decree), 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 2023 will be submitted by 31 July 2024 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 an estimated useful life greater than one year and acquisition cost greater than TCZK 80 for plant and equipment and for intangible fixed assets.

Purchased fixed assets are stated at cost, which includes 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 until 1992 is measured at the arm's length price prevailing at the date of acquisition, in accordance with a decree of the Ministry of Finance of the Czech Republic (MoF). Land acquired after 1992 is measured at cost.

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

Plant and equipment and intangible assets costing up to TCZK 80 are expensed at the date of acquisition and further

maintained in off-balance sheet records, except for vehicles marked with a registration sign and based on individual assessment, significant assets for 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 cost.

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

Assets identified during a fixed asset count that have not been previously included in the accounting records as well as received gifts are measured at replacement 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.

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:

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

The useful lives of the fixed assets forming the railway infrastructure are dependent upon the availability of funding for their renovation, modernisation and rationalisation. The organisation's management expects the amounts of subsidies for the renovation, modernisation and rationalisation of fixed assets promised for the subsequent accounting period is in line with the assumptions used in determining the useful lives.

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 carrying amount and estimated selling price of an unused asset, provided, that the estimated selling price is lower than the current carrying amount.

Considering the organisation's principal activities and the method of their funding by means of subsidies, 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 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 are systematically recorded at cost in sub-ledger accounts without taking into account depreciation, 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 facility as at 1 July 2016, were valued by a court-appointed expert and included as part of Správa železnic's assets at the carrying amounts recognised by the selling organisation at the date of acquisition of the part of the business (establishment).

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 to expenses on a straight-line basis over 15 years (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 superstructure and the superstructure salvaged from investment activities or maintenance. Other inventories include prefabricated components, uniforms, personal protective equipment (PPE), solid fuels, fuels, electrical materials, safety installations, and other operating materials.

Purchased inventories are measured at 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 repairs are measured at replacement cost.

Adjustments to inventories are established based on suggestions of individual inventory count committees, which determine the amount of unused, damaged or impaired 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, provided that the net realisable value is lower than the current carrying amount. In the income statement, the establishment and release of adjustments is presented in Adjustments to inventories.

Acquisitions and dispatches 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 carried at 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 ageing structure of receivables. In the income statement, 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 (nowadays 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, subsidies granted by the MoT for the purchased part of a business and the part of a business establishment from ČD were also recorded in the registered capital account.

Changes in registered capital are recorded in respect 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 Czech Office for Surveying, Mapping and Cadastre, or in respect of additional refinements 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 when potential profit is generated.

Správa železnic contributes to the Cultural and Social Needs Fund in accordance with the Decree No. 114/2002 Coll., on the Cultural and Social Needs Fund, as amended. Since the reserve fund had been fully utilised, from 2018, Správa železnic makes additions to the Cultural and Social Needs Fund from other capital contributions. The fund is utilised in compliance with Správa železnic's approved policies and the respective collective 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 related to the completed 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 50 % 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 2023 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 salary and other personnel costs 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

Loans and long-term liabilities are stated at their nominal value.

Long-term liabilities are reported with maturity exceeding one year, and liabilities are reported 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. Taxable income differs from the profit recognised in the income statement as it does not include revenues or expenses that are taxable or deductible in other periods. In addition, it does not include items that 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 (see note 3.13).

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 undisputable 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 and operation of the railway infrastructure and the maintenance of passenger railway stations. 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 train stations. 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 trading activities, in which Správa železnic has been engaged since 1 January 2008, based on a licence granted to Správa železnic by the Energy Regulatory Office and to rental from leased non-residential premises in 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 balance sheet date 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

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.

From the 2023 financial year onwards, Správa železnic has abandoned the accounting and recognition of deferred tax, because it is not probable that Správa železnic will report a positive income tax base.

In view of this fact, the balance sheet balance of deferred tax as at 31 December 2023 has been accounted to the benefit

of equity in line A.IV.2. – Other retained earnings. At the same time, the figures in the 2022 financial statements, on the balance sheet on lines C.I.8. – Deferred tax liability and A.IV.2. – Other retained earnings have been adjusted.

There were no other changes in accounting methods during the 2023 financial year.

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 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 (Railway Infrastructure Manager) 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, moreover, respect certain legal restrictions.

Particular emphasis is placed on a uniform approach across all regional directorates, which has been successfully demonstrated not only in the existence of the exceptionally high 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 at 1 January 2023	4,686	81,983	125	1,433,417	1,890	1,522,101
Additions	0	628,587	(26)	4 509	0	633,070
Disposals	0	0	0	(19,799)	0	(19,799)
Transfers to off-balance sheet	0	(617,100)	0	0	0	(617,100)
Transfers	(1,186)	(547)	0	547	0	(1,186)
Balance at 31 December 2023	3,500	92,923	99	1,418,674	1,890	1,517,086
Accumulated amortisation						
Balance at 1 January 2023	(4,686)	0	0	(1,282,094)	(1,076)	(1,287,856)
Adjustments to additions	0	0	0	(98,297)	(315)	(98,612)
Other additions	0	0	0	0	0	0
Adjustments to disposals	0	0	0	19,799	0	19,799
Transfers	1,186	0	0	0	0	1,186
Balance at 31 December 2023	(3,500)	0	0	(1,360,592)	(1,391)	(1,365,483)
Net book value at 1 January 2023	0	81,983	125	151,323	814	234,245
Net book value at 31 December 2023 (balance sheet, line B.I.)	0	92,923	99	58,082	499	151,603

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 at 1 January 2023	6,812,410	133,834,284	18,075,166	1,883,743	8,443,268	4,435,346	8,906	568,452	174,061,575
Additions	8,827	1,037,355	65,915	65,834	0	32,376,694	1,194	1,470,063	35,025,882
Disposals	(15,961)	(1,560,921)	(200,307)	(27,570)	(8,189,585)	(43,704)	(2)	0	(10,038,050)
Transfers to off-balance sheet	0	0	0	0	0	(33,012,774)	0	0	(33,012,774)
Transfers	0	147,107	5,120	0	0	(152,422)	1,381	0	1,186
Balance at 31 December 2023	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
Accumulated amortisation									
Balance at 1 January 2023	0	(99,444,573)	(16,797,203)	(1,103,712)	(8,033,295)	0	(2,477)	0	(125,381,260)
Adjustments to additions	0	(3,125,375)	(314,168)	(159,115)	(335,396)	0	(835)	0	(3,934,889)
Other additions	0	0	0	0	0	0	0	0	0
Adjustments to disposals	0	1,215,064	198,154	25,222	8,189,584	0	0	0	9,628,024
Transfers	0	0	0	0	0	0	(1,186)	0	(1,186)
Balance at 31 December 2023	0	(101,354,884)	(16,913,217)	(1,237,605)	(179,107)	0	(4,498)	0	(119,689,311)
Adjustments									
Balance at 1 January 2023	(10,029)	(67,835)	0	0	0	(808)	0	0	(78,672)
Change in adjustments	116	8,702	0	(51)	0	808	0	0	9,575
Balance at 31 December 2023	(9,913)	(59,133)	0	(51)	0	0	0	0	(69,097)
Net book value at 1 January 2023	6,802,381	34,321,876	1,277,963	780,031	409,973	4,434,538	6,429	568,452	48,601,643
Net book value at 31 December 2023 (balance sheet, line B.II.)	6,795,363	32,043,808	1,032,677	684,351	74,576	3,603,140	6,981	2,038,515	46,279,411

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

The most significant additions to tangible fixed assets put into use in 2023 are the recording of assets in the amount of TCZK 701,667 in connection with the Property Settlement Agreement entered into with ŘSD s.p.

The most significant disposals of tangible assets in 2023 are the disposal of the written-off valuation difference on the assets acquired from ČD in the transformation process in the amount of TCZK 8,189,585 and the disposal of assets due to new capital construction with an acquisition cost of TCZK 1,690,569 and a net book value of TCZK 337,415.

As at 31 December 2023, the organisation registers tangible fixed assets under construction with acquisition cost of TCZK 3,603,140. 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 2023. The largest items are e.g. Renovation of the Vsetín railway station, Renovation of the Dětmárovice – Petrovice u Karviné – state border railway line, Renovation of the Lipník nad Bečvou – Drahotuše railway line, Optimisation of the Mstětice (exclusive) – Praha-Vysočany (inclusive) railway line, Optimisation of the Praha-Hostivař – Praha hl. n., railway line section, Part II: Praha-Hostivař – Praha hl. n.

4.2.2 Investment grants

	2023	2022
SFDI for construction and modernisation, state share, OPT, CEF, EIB, RRF	38,906,828	42,548,402
Total investment grants from SFDI	38,906,828	42,548,402
EU funds	83,850	0
Contributions from cities, municipalities, regions and other entities	0	35,742
Total	38,990,678	42,584,144

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 2023, where the grant used to finance the constructions has not been accounted for before 31 December 2023. Transfers to off-balance sheet are made once the investment grant that decreases the asset's acquisition cost is recorded. In 2023, subsidised tangible and intangible assets totalling TCZK 33,629,874 (as at 31 December 2022 totalling TCZK 40,799,354).

According to the Rules for funding from the SFDI, Správa železnic as the recipient of subsidies, was allowed to use invoices for advance payment, the amount of which corresponds with the estimated invoicing for the payment of expenses which are to arise at the beginning of 2024. Advances created this way which were utilised in 2023 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 2023 totalled TCZK 2,038,515 (as at 31 December 2022 totalling TCZK 568,452). The advances will be accounted for in 2024.

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 infrastructure fund, funds from the European Investment Bank (EIB), provided through the MoF. SFDI ensures the payment of European subsidies and at the same time, it partly participates in co-financing. In 2023, funds of TCZK 3,422,796 were drawn from SFDI from national sources, including sources to cover national shares of European investment projects; funding from RRF totalled TCZK 4,447,432. Besides, in 2023 funds totalling TCZK 2,989,364 were provided from OPT2 and OPT3, TCZK 5,648,860 from CEF, and loans of TCZK 2,977,354 and TCZK 19,421,022 were provided by the EIB.

4.2.3 Assets not provided for in the balance sheet

The value of fixed assets financed from grants and other sources booked in off-balance sheet accounts at acquisition cost without taking into account depreciation as at 31 December 2023 amounts to TCZK 396,501,797 (as at 31 December 2022, the cost price was TCZK 363,286,084).

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 2023 in the FaMa+ system amounts to TCZK 1,297,992 (as at 31 December 2022 it was TCZK 1,226,002). 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 2023 in the AuditPro system amounts to TCZK 294,933 (as at 31 December 2022 it was TCZK 451,239). 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 non-current 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 at 1 January 2023	118,972	2,641	4,613	1,439,013	181,323,721	60,542,747	2,380,748	117,473,629	363,286,084
Additions (Transfers from the balance sheet)	244,676	0	372,423	107,834	47,128	217,548	315,467	32,324,798	33,629,874
Other additions	0	0	0	0	0	0	0	0	0
Disposals	(711)	0	0	(2,063)	(202,928)	(203,320)	(453)	(4,686)	(414,161)
Transfers (including assets put into use)	6,834	(2,641)	(2,234)	326,214	11,284,219	4,847,592	341,075	(16,801,059)	0
Balance at 31 December 2023	369,771	0	374,802	1,870,998	192,452,140	65,404,567	3,036,837	132,992,682	396,501,797

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 2023 financial year, Správa železnic implemented a financial model to estimate the annual accounting depreciation and the residual value (i.e. depreciated value) of these fixed assets recorded in the off-balance sheet. This financial model shows that the estimate of the accounting depreciation for the 2023 financial year for these fixed assets were TCZK 8,927,031. After taking into account adjustments totalling TCZK 92,257,333, the estimated total net value of the assets acquired from the grants would then be **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 the accounting purposes.

The most significant additions to tangible assets under construction comprised the following projects in 2023: Modernisation of the Pardubice railway junction, Ústí nad Orlicí – Brandýs nad Orlicí – original track, Optimisation of the Mstětice (exclusive) – Praha-Vysočany (inclusive) line section, Renovation of the Vsetín railway station, Modernisation of the Praha-Bubny (inclusive) – Praha-Výstaviště (inclusive) railway line, Modernisation of the line Kladno (inclusive) – Kladno-Ostrovec railway line.

In 2023, the most significant disposal of tangible assets under construction in the off-balance sheet represents the liquidation of constructions due to new construction works.

4.2.5 Pledged assets

Správa železnic held no pledged assets as at 31 December 2023.

4.2.6 Assets held under finance and operating leases

As at 31 December 2023, Správa železnic reported fixed assets acquired on a leaseback basis in the aggregate acquisition cost of TCZK 31,600 (as at 31 December 2022 the cost price amounted to TCZK 290,187). The decrease in the value of assets acquired under leaseback in 2023 was caused by the termination of 23 lease agreements concluded with ING Lease, s.r.o., and Financial Found a.s., in the total amount of TCZK 258,587 (11 lease contracts with a total value of TCZK 86,343 were terminated as at 31 December 2022). Leaseback arrangements are used for leasing low-value rolling stock (a multi-purpose motor trolley, a vehicle for overhead contact line work) used to repair and maintain the railway infrastructure.

4.2.7 Assets acquired free of charge

In 2023, Správa železnic acquired free of charge tangible fixed assets at the replacement cost of TCZK 65,961 (in 2022 it was TCZK 5,410), in the form of delimitations amounting to TCZK 210,606 (in 2022 it was TCZK 3,708). In total, in 2023, Správa železnic acquired free of charge assets of TCZK 276,567 (in 2022 it was TCZK 9,118). 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 at 31 December 2023	Balance at 31 December 2022
Material in stock	804,439	826,520
Material in transit	869	84
Goods in stock	1	1
Advances paid for inventory	0	201
Adjustment to inventories	(10,220)	(10,834)
Total (balance sheet, line C.I.)	795,089	815,972

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. Thanks to efficient material management, despite rising material prices, total inventory levels have been reduced compared to 2022. Adjustments in a total amount of TCZK 10,220 primarily relate to non-moving inventories at the organisational units – the Regional Directorate Ostrava, Regional Directorate Hradec Králové and in Superstructure Material Centres in Hranice na Moravě and Hradec Králové. Other regional directorates established adjust-

ments for superstructure components and also for selected types of personal protective equipment to be used at work.

4.4 Short-term receivables

The total amount of short-term receivables as at 31 December 2023 amounts in gross value to TCZK 2,659,573 (TCZK 3,161,043 as at 31 December 2022). Adjustments for short-term receivables were made in the total amount of TCZK 283,682 (in 2022 they amounted to TCZK 328,868 in total).

4.4.1 Trade receivables

	Balance at 31 December 2023	Balance at 31 December 2022
Short-term receivables before due date	1,154,131	1,269,177
Short-term receivables past due date	380,278	503,740
Total (balance sheet, line C.II.2.1.)	1,534,409	1,772,917
Adjustment to receivables	(267,968)	(314,104)
Total (balance sheet, line C.II.2.1.)	1,266,441	1,458,813

4.4.2 Short-term advances paid

Short-term advances paid as at 31 December 2023 amounted to TCZK 134,474 (as at 31 December 2022 it was TCZK 105,442). The year-on-year increase relates mainly to the short-term advances paid for the purchase of traction energy 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 with 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 2023 amounted to TCZK 453,928 (as at 31 December 2022 they amounted to TCZK 961,588).

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 294,114 (in 2022 it was TCZK 406,400) which Správa železnic has been providing to all carriers using the dependent electric traction since 1 January 2019.

4.5 Cash / Cash flow overview

	Balance at 31 December 2023	Balance at 31 December 2022
Cash in hand	2,847	2,727
Cash at the bank	4,766,799	4,746,518
Total (balance sheet, line C.IV.)	4,769,646	4,749,245

Total cash as at 31 December 2023 amounted to TCZK 4,769,646 (as at 31 December 2022 it was TCZK 4,749,245). The most significant item in this regard is the balance of bank accounts amounting to TCZK 4,766,799 (as at 31 December 2022 it was TCZK 4,746,518).

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 largely include deferred operating expenses of Správa železnic related to the principal business activities of the following year (licences, lease payments, insurance, prepayments, motorway stamps, etc.).

Another portion relates to legal claims for expected insurance settlements from insurance companies of TCZK 8,215 (in 2022 it was TCZK 6,459) and damages claimed from the guilty persons of TCZK 78,103 (in 2022 it was TCZK 75,853). In addition, asset estimates are recorded for the estimated consumption of self-generated thermal energy, which is to be billed to tenants when actual 2023 consumption is determined.

4.7 Equity

In accordance with the Czech Accounting Standard No. 22, the amount of registered capital was increased by TCZK 296 in 2023 with regard to the corrections of the Land Registry entries for the divided land transferred from the ČD company according to the Transformation Act (increased by TCZK 286 in 2022 as a result of corrections to the Land Registry entries for subdivided land).

In 2023, 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 209,340 (in 2022 it was TCZK 1,718).

In 2023, based on the physical inventory counts carried out, no assets were included in other capital funds (in 2022 the value of included assets was TCZK 108).

In 2023, the balance of unspent CSNF (Cultural and Social Needs Fund) financial means of TCZK 150,427 was returned to other capital funds with the understanding that these financial means would be used to build CSNF in future years.

There was an increase in the "Other retained earnings" due to the reclassification of the balance of the deferred tax liability following a change in the method of accounting for deferred tax amounting to TCZK 2,611,331.

The organisation plans to transfer the accounting loss incurred in the current period of 2023 to Accumulated loss of previous years.

4.8 Provisions

The information about the substance of individual provisions is presented in note 3.5.

	Balance at 31 December 2022	Additions	Utilisation / Release	Balance at 31 December 2023
Provisions for litigations with ČEZ Prodej, a.s.	3,209,245	0	3,209,245	0
Provisions for litigations with Grandi Stazioni Česká republika s.r.o.	0	283,063	0	283,063
Provisions for other litigations	19,288	22,279	0	41,567
Provision for compensation for job-related accidents and occupational diseases	14,751	10,350	14,751	10,350
Provision for extra pension payments	3,184	2,082	3,184	2,082
Provision for unpaid payroll and other expenses	89,000	91,000	89,000	91,000
Total (balance sheet, line B.)	3,335,468	408,774	3,316,180	428,062

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.

Following the final judgments of the High Court in Prague of 25 October 2023, Ref. No. 3 Cmo 1/2023-1806 in the Traction 2010 dispute and the judgment of 21 February 2023, Ref. No. 4 Cmo 97/2022-1276 in the Traction 2011 dispute, by which Správa železnic was ordered to pay ČEZ Prodej, a.s., principal in the total amount of TCZK 1,427,615, the costs of the proceedings in the total amount of TCZK 27,624 and default interest in the total amount of TCZK 1,270,013, i.e.

4.9 Long-term liabilities

4.9.1 Trade liabilities

	Balance at 31 December 2023	Balance at 31 December 2022
Retention	1,736	7,579
Bid-bonds, security deposits, sureties	2,986	2,985
Cash deposits received from customers	67,061	62,595
Total (balance sheet, line C.I.4.)	71,783	73,159

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.

a total obligation to pay ČEZ Prodej, a.s., TCZK 2,725,252, the provisions for these disputes were fully derecognised as at 31 December 2023, with being exhausted in the amount of the obligation imposed of TCZK 2,725,252 and dissolved in the remaining amount. The decision of the High Court of Appeal in Prague was appealed to the Supreme Court of the Czech Republic within the statutory time limit by means of an extraordinary appeal, the outcome of which cannot be predicted as at the date of these Financial Statements.

The increase in provisions for other litigations was made in connection with the first-instance litigations against AFI Karlin, s.r.o., and ČD, which were decided against Správa železnic. A new provision of TCZK 283,063 was made as at 31 December 2023 in connection with the litigation with Grandi Stazioni Česká republika s.r.o. (see note 6.2 for details).

4.9.2 Deferred tax

	Balance at 31 December 2023	Balance at 31 December 2022
Tangible and intangible fixed assets	(4,067,906)	(3,892,404)
Adjustments to fixed assets	12,418	13,042
Adjustments to inventories	2,146	2,058
Trade receivables	20,486	27,244
Provisions	89,893	633,739
Tax losses	2,140,022	1,595,413
Unaccounted for deferred tax asset	(808,390)	(990,423)
Change in accounting method	2,611,331	2,611,331
Total assets +, liability – (balance sheet, line C.I.8.)	0	0

Starting with the 2023 financial year, Správa železnic has abandoned the accounting and reporting of deferred tax as it is not probable that Správa železnic will have a positive income tax base in the current operating environment. Therefore, in order to achieve a true and fair view of the accounts, the balance of the Deferred Tax Debt and Receivable account of TCZK 2,611,331 at the end of the 2023 financial year have been credited to equity in the "Other retained earnings" (see notes 3.9 and 3.13). The deferred tax thus no longer forms a part of the Správa železnic's external resources.

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

The above table simply presents the calculation of deferred tax (deferred tax liability and deferred tax asset) in

4.10.2 Trade payables

	Balance at 31 December 2023	Balance at 31 December 2022
Payables before due date	2,933,953	3,728,478
Payables past due date	221,361	360,136
Total (balance sheet, line C.II.4.)	3,155,314	4,088,614

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., Skanska a.s., and Subterra a.s. Payables past their due date represent mainly invoices for investment construction received before the end of 2023, for which resources from the SFDI were pending and were reimbursed at the beginning of 2024.

such a way as a standard profit-making business entity would determine it. The key item for the determination of the potential deferred tax asset consists in the Správa železnic's tax losses of TCZK 10,190,579 arising for the tax years 2019–2023 (the figures for 2023 are based on a preliminary calculation of the income tax base). A tax rate of 21 % has been used to calculate the potential deferred tax.

4.10 Short-term liabilities

4.10.1 Short-term advances received

Short-term advances received as at 31 December 2023 amounted to TCZK 445,850 (as at 31 December 2022 they amounted to TCZK 427,808). 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.

Payables that are more than five years overdue as at the balance sheet date do not exist.

4.10.3 State – tax liabilities and grants

	Balance at 31 December 2023	Balance at 31 December 2022
Undrawn investment subsidies from SFDI	2,444,146	708,086
Investment contributions of cities, municipalities, regions and other entities	23,598	31,731
Undrawn non-investment subsidies from CEF	5,580	8,432
Income tax withheld on behalf of employees	99,945	84,573
Other taxes	301	279
Total (balance sheet, line C.II.8.5.)	2,573,570	833,101

The balance of unrecognised investment subsidies as at 31 December 2023 represents a liability from drawn subsidies from SFDI of TCZK 2,444,146 (of which TCZK 202,089 represents a liability from drawn subsidies from RRF). The main reasons for not recognising investment subsidies to the full limit amount 2023 are primarily ex-ante advance payments which are to be paid and accounted for only in 2024.

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

4.10.4 Estimated payables

As at 31 December 2023, estimated payables amounted to TCZK 388,061 (as at 31 December 2022 it was TCZK 780,508) and represent mainly an estimate for refunds of the fees for the use of the railway infrastructure in the amount of TCZK 116,000 (in 2022 it was TCZK 116,000), unbilled supplies electricity, heat, water and gas

supplies in the amount of TCZK 60,687,000 (in 2022 it was TCZK 44,139) and contingency of TCZK 96,805 TCZK for the reimbursement of the costs of substitutive bus services to carriers under the Network Statement (in 2022 it was TCZK 43,500).

4.11 Accrued expenses

As at 31 December 2023, accrued expenses amounted in total to TCZK 147,170 (as at 31 December 2022 they amounted to TCZK 174,444), of which the largest item being the cost associated with tax documents received relating mainly to investment activities amounting to TCZK 126,447 (TCZK 74,979 as at 31 December 2022), 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

	2023	2022
Revenue from use of the railway infrastructure by ČD group – freight transport	679,083	835,269
Revenue from use of the railway infrastructure by ČD group – passenger transport*)	1,740,997	1,740,067
Revenue from use of the railway infrastructure outside ČD group – freight transport	672,234	670,202
Revenue from use of the railway infrastructure outside the ČD group – passenger transport*)	338,473	313,371
Revenues from allocated capacity	129,276	137,413
Rental income	664,875	558,647
of which: revenue from the rental of non-residential spaces, land, and buildings	559,050	467,475
revenue from the rental of flats without related services	105,825	91,172
Revenues from distribution and sale of electricity**)	4,723,540	5,193,797
Income from third-party carriers for provided services (special loads, etc.)	3,862	3,610
Income from other external services	735,681	603,957
Total (income statement, line I.)	9,688,021	10,056,333

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

All revenues were generated in the Czech Republic.

Revenues from the use of railway infrastructure for passengers and freight transport have slightly decreased on a year-on-year basis for both freight and passenger transport.

Total rental income in 2023 was TCZK 664,875, with a total of 9,822 lease contracts recorded (in 2022 it was TCZK 558,647, with a total of 9,778 lease contracts recorded). Compared to the previous period, 2022 saw a 19 % increase in revenue, mainly due to the consistent application of inflation.

As at 31 December 2023, 7,311 lease contracts for the rental of non-residential premises, land and buildings were recorded, with total revenue of TCZK 559,050 (TCZK 467,475 in 2022, 7,389 lease contracts recorded). Compared to the previous period of 2022, there was a significant increase in revenues of 19.6 %.

The most important commercial partners include Lagardere Travel Retail, a.s., DELIKOMAT s.r.o., BILLA, spol. s.r.o., JPServis, a.s., NEOLUXOR, s.r.o., Teta drogerie a lékárný ČR s.r.o.

*) Revenues from distribution and sale of electricity	Measurement unit	2023	2022
Traction electricity	TCZK	4,208,937	4,718,697
	MWh	1,283,536	1,287,295
Non-traction electricity	TCZK	514,603	475,100
	MWh	88,498	88,567
Total revenues from distribution and sale of electricity (Table 4.12)	TCZK	4,723,540	5,193,797

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

	2023	2022
Costs of material consumption	1,774,229	1,713,994
of which repair and maintenance activities	745,820	613,763
Costs of energy consumption	692,828	824,315
Costs of water consumption	18,005	15,149
Costs of heat consumption	75,144	71,607
Costs of gas consumption	108,458	129,970
Costs of electricity purchase	4,419,156	5,034,112
Costs of fuel consumption	128,910	147,180
Other	21,173	17,256
Total (income statement, line A.2.)	7,237,903	7,953,583

Due to the stabilisation of input prices after the waning energy crisis and the application of cost-saving measures in the Správa železnic's economic management, there was a slight reduction in costs related to the consumption and purchase of electricity in 2023.

An exception is the increase in material consumption costs, which was due to a growth in material for repair and maintenance activities (OUA).

As at 31 December 2023, 2,511 lease contracts for flats were recorded, with total revenues of TCZK 105,825 (TCZK 91,172 in 2022, 2,389 lease contracts recorded). Compared to the previous period of 2022, there was a significant increase in revenues of 16.1 %.

4.14 Purchase of services

	2023	2022
Costs of construction-related repairs and maintenance excluding repair and maintenance activities	122,750	125,374
Costs of repair of flats excluding repair and maintenance activities	105,307	78,862
Costs of services provided by the statutory auditor	1,342	1,138
of which: statutory audit of the annual financial statements	979	1,138
other non-audit services	363	0
Repair and maintenance activities	8,666,153	6,033,431
of which: repair and construction maintenance	7,510,709	4,863,048
other services	1,155,444	1,170,383
Other	2,690,152	2,539,321
of which: repair and maintenance	948,938	897,571
services (rent, SW operation, servicing and maintenance, platform cleaning, security services, environmental services, etc.)	1,741,214	1,641,750
Total (income statement, line A.3.)	11,585,704	8,778,126

The major portion in the cost of services are the regular costs of repairs 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 revenue

	2023	2022
Proceeds from disposals of fixed assets	118,308	219,602
of which: immovable assets	111,354	211,307
movable assets	6,954	8,295
Proceeds from disposals of raw materials	234,530	308,632
of which: material	7,366	6,752
metal waste	227,164	301,880
Total (income statement, line III.1. and III.2.)	352,838	528,234

In 2023, one sale of immovable property was made for a price above TCZK 20,000 (VAT exclusive), namely the plot of land with the plot number 2845/108, which includes a building (No. 3256) with the use of a multipurpose construction,

and the plot of land with the plot number 2845/11, all being situated in the cadastral district of Záběhllice, for the purchase price of TCZK 20,088, to the buyer which is the Capital City of Prague.

4.15.2 Other operating income

	2023	2022
Subsidies from SFDI for repairs and maintenance of nationwide and regional railways	20,000,000	15,251,060
Non-investment subsidies from SFDI – operating purpose	44,403	32,411
Non-investment subsidies from the state budget	390	335
Subsidies from SFDI for operating the railway infrastructure	4,990,000	3,100,000
Other subsidies	20,195	20,316
Proceeds from recovered material	277,057	364,983
Received contractual penalties and default interest	58,611	51,165
Claims for compensation from insurance companies and for shortages and damage	127,878	100,075
Other	33,170	45,396
Total (income statement, line III.3.)	25,551,704	18,965,741

The increase in the income is mainly due to an increase in the volume of subsidies and grants received from the SFDI for the repair and maintenance of nationwide and regional railways and for the operation of the railway.

4.16 Other operating expenses

	2023	2022
Fines and penalties, default interest	1,273,046	188,533
Write-off of receivables	6,226	4,579
Write-off of failed investments	808	3,462
Retirement pension	3,020	3,233
Costs arising from the failure to employ the disabled	26,280	37,142
Insurance of assets and liability insurance	117,686	112,218
Membership contributions	14,334	20,710
Shortages and damages	5,578	3,509
Compensation for damage caused by the Správa železnic to a third-party entity	1,466,622	26,022
Costs arising from replacement bus services for interrupted passenger services and compensation for passengers	345,401	290,802
Other	47,504	49,621
Total (income statement, line F.5.)	3,306,505	739,831

The amount of other operating expenses in 2023 was crucially affected by court-imposed financial obligations (due liabilities from damages, interest on delay and litigation costs) of Správa železnic from the finally concluded court disputes with ČEZ Prodej, a.s. (Traction 2010 and Traction 2011). However, these costs in terms of the economic result were covered by the use of previously established provisions (see note 4.8).

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.

These resources were used in the operational area to finance repair and maintenance costs (see presented increase in repair and maintenance costs, note 4.14).

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 2022 and 2023:

2022	Average headcount	Wages and salaries	Social security and health insurance	Other expenses	Total personnel expenses
Employees	17,120	9,816,922	3,300,516	548,367	13,665,805
Executives *)	5	32,812	5,288	74	38,174
Supervisory Board and its committees	--	2,588	875	--	3,463
Total (income statement, line D.)	17,125	9,852,322	3,306,679	548,441	13,707,442

*) 2022 personnel expenses (including expenses in respect of former executives) utilised in 2022 from the provision established in 2021 for personnel expenses incurred in this year totalled TCZK 14,628.

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	--	2,756	932	--	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.

As at 1 January 2023, Správa železnic employed 17,124 employees working in a total of 17 organisational parts – in 16 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 2023, 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. As at 1 April 2023, the Economics and Traffic Management Sections of the Directorate General were transformed. In addition, the restructuring of the organisational units of the Railway Information Technology Administration (SŽT) and the Centre for Telematics and Diagnostics (CTD) was completed by transferring the railway telematics from CTD to SŽT and renaming these organisational units to the Technology and Diagnostics Centre (CTD) and the Railway Telematics Administration (SŽT). As at 1 July 2023, the perimeter of the Regional Directorates in Plzeň and Ústí nad Labem was changed. The Správa železnic's training centre started its operation on 1 September 2023 in the newly reconstructed high-rise building of the Pardubice railway station. As at 1 October 2023, a new organisational unit known as "SŽ Facility" was

established in the Economics Section, in which the activities in the area of real estate projects, management of designated administrative buildings in the Prague region, fire protection, protection of emergency stocks of the Administration of State Material Reserves and car transport were centralised. The process of this centralisation was completed as at 1 January 2024 by transferring also the activities of methodical management of the administration of buildings and related utilities, use, disposal and acquisition of the organisation's assets.

On the basis of the Supervisory Board's assignment, the registration number of employees of Správa železnic in management and cross-cutting activities was reduced by 136 employees as at 31 December 2023, i.e. by 5.31 % compared to the situation as at 31 December 2022. On the other hand, staffing was strengthened in the areas of ETCS, IT, cyber security and high-speed line preparation.

The process of rationalisation and optimisation related to the handover of the investment structures into operation continued, resulting in a reduction of 128 (i.e. by 1.8 %), in connection with the search for possible savings and more efficient organisation of work in all organisational units.

During 2023, severance payments were made to 375 employees.

As at 31 December 2023, the organisation employed 16,893 employees (as at 31 December 2022: 17,108), which means a decrease of 215 employees compared to the situation as at 31 December 2022.

5.2 Loans, credit or other benefits provided

In 2022 and 2023, 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 2023, bonuses totalling TCZK 2,756 were paid to members of the Supervisory Board and members of its committees (in 2022 they amounted to TCZK 2,588).

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 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 the top of the rails, if necessary, measures are also implemented to reduce vibrations.

In 2023, total non-capital expenditures related to the area of the environment were approx. TCZK 950,165 (in 2022 they amounted to about TCZK 841,371). Capital expenditures related to the area of noise-protection systems when modernising railway lines were calculated at TCZK 71,650 (in 2022 they amounted to TCZK 71,876).

Other capital expenditures which primarily relate to the planned maintenance of buildings owned by 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 171,205 in 2023 (TCZK 48,931 in 2022).

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 hl. n. (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 published on 23 December 2020. The ruling revoked 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 last hearing in the case took place on 16 March 2022. The subject of the proceedings, conducted by the District Court for Prague 1, are the principal amount of TCZK 176,393, default interest (the amount of which as at 31 December 2023 was set at TCZK 106,670) and contractual penalties claimed by the claimant (the amount of which as at 31 December 2023 amounts to TCZK 2,408,495). On the basis of the conclusions of the last hearing, the court ordered, by order of 21 July 2022, the preparation of a further expert report by the expert office "Grant Thornton Appraisal services, a.s." (Grant Thornton), which was not submitted to the court until 24 November 2023 and which contains certain facts to the detriment of Správa železnic. However, according to Správa železnic, this expert report is deficient and incorrect in content. For that reason, Správa železnic has already responded to the deficiencies identified by submitting written observations with suggestions for supplementing the expert report, sent to the court on 22 December 2023. The next court hearing in the case is scheduled for 26 March 2024.

Based on an assessment of the current developments in the litigation, in particular taking into account the current content of the expert report submitted by Grant Thornton, Správa železnic is of the opinion that there is an increased risk of success for GS in the litigation. For this reason, Správa železnic has made a new provision for this litigation in the amount of TCZK 283,063 as at 31 December 2023, representing the current amount of the principal claimed in the action (TCZK 176,393) and default interest (TCZK 106,670) as at 31 December 2023.

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. The proceedings before the District Court for Prague 7 have been suspended since 13 December 2019 pending the conclusion of the court proceedings for TCZK 22,860.

On 29 March 2023, the District Court for Prague 1 issued a judgment Ref. No. 20 C 180/2017-344, ordering Správa železnic to pay AFI the amount of TCZK 12,700, including accessories. Správa železnic appealed against the judgment

on 20 June 2023. The next court hearing by the Municipal Court to hear the appeal was set for 28 March 2024.

On the basis of the current state of the litigation and the out-of-court negotiations, a provision of TCZK 19,857 has been made, representing the amount of the principal (TCZK 12,700) awarded by the non-final judgment, together with its accessories.

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 Real Estate Cadastre is digitalised. Adjustments, if any, are charged against equity accounts (refer to note 3.4).

6.4 Projected commitments associated with corridor construction

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.

Balance at 31 December 2023	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	55,590,825	12,389,892	67,980,717
Corridor IV	35,432,232	653,684	36,085,916
Total	170,798,916	13,043,576	183,842,492

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 Act on Transformation 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 (nowadays Správa železnic) and the company ČD 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 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.

7.3 Transactions with major customers ČD and ČD Cargo

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

	2023	2022
Sales from use of the railway infrastructure – passenger transport*)	1,740,994	1,740,057
Sales from use of the railway infrastructure – freight transport	2,258	2,531
Revenues from allocated capacity	60,636	60,628
Revenues from distribution and sale of electricity	2,438,161	2,907,762
Fire Rescue Corps services	398	623
Telecommunication network operation services	45,677	53,010
Total	4,288,124	4,764,611

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

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.

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 Pricing. 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 subsidies from the state and/or other entities.

As at 31 December 2023, Správa železnic recorded amounts due from and to ČD at the net amount resulting in a receivable of TCZK 312,598 (as at 31 December 2022 in an amount of TCZK 545,478). The amount which is reported in the balance sheet as a part of trade receivables and advances paid by ČD is TCZK 587,970 (in 2022 it was TCZK 604,408). Trade payables, including received prepayments, totalled TCZK 275,372 (in 2022 it amounted to TCZK 58,930).

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

	2023	2022
Sales from use of the railway infrastructure – passenger transport	3	10
Sales from use of the railway infrastructure – freight transport	676,825	832,738
Revenues from allocated capacity	27,786	32,939
Revenues from distribution and sale of electricity	709,790	1,086,528
Fire Rescue Corps services	517	577
Telecommunication network operation services	38,028	38,373
Total	1,452,949	1,991,165

As at 31 December 2023, 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 120,932 (as at 31 December 2022 it was TCZK 232,934). The amount which is reported in the balance sheet as a part of trade receivables amounted, as at 31 December 2022, for ČD Cargo, to TCZK 181,776 (as at 31 December 2022 it was TCZK 242,175). Trade payables including received prepayments amounted, as at 31 December 2023, to TCZK 60,844 (as at 31 December 2022 it was TCZK 9,241).

7.4 Project for settlement of property relations in railway stations

On 17 January 2023, Správa železnic received a tax document from ČD for the use of the ČD land in question for the period from 1 January 2023 to 31 December 2023 in the total amount of TCZK 577,054 (i.e. TCZK 698,235, VAT inclusive). The total amount of the tax documents sent for individual calendar years for the period from 1 March 2017 to 31 December 2023, together with corrective tax documents, which adjusted the due date to 31 December 2024 in view of the expected opinion of the European Commission, amounts to TCZK 3,564,290 (i.e. TCZK 4,242,255, VAT inclusive). The subject matter of the tax documents is the issue of unjustified enrichment in connection with the use of land owned by ČD which is a part of the project Settlement of Property Relations in Railway Stations Circuit (ÚMVŽST).

No Purchase Agreement or Settlement Agreement has been concluded so far in the context of the pending transaction of the ÚMVŽST project in accordance with the procedure pre-notified by the European Commission. The European Commission authorities have not approved a uniform

Methodology for the Valuation of Immovable Property on the basis of which the subject matter of the transfer of the ÚMVŽST project transaction is valued. On the contrary, this methodology has been commented on by the European Commission in several places. 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 subject matter of the transfer determined by an expert opinion prepared in accordance with the Methodology for the Valuation of Immovable Property, and the terms of the transaction, including the volume of financial performance, have thus not even been approved by the competent authorities of the Czech Republic.

In the opinion of Správa železnic, the joint pre-notification proposal presupposes the conclusion of a legal relationship in the future, i.e. there is currently no obligation of Správa železnic now, albeit with an extended maturity in relation to the received corrective tax documents. This is also confirmed by the methodological opinion of the General Financial Directorate, which considers the compensation in question to be payment for the service of long-term use of land, which will make it subject to tax in the future, but also only on condition that a legal relationship is established between ČD and Správa železnic, meeting the above-mentioned presumptions.

For the reasons set out above (among others, e.g. as regards the amount), Správa železnic continues to contradict all the tax documents referred to above and refuses to provide performance in accordance therewith. Správa železnic has not yet accounted for all these tax documents of ČD for the period from 1 March 2017 to 31 December 2023 in the

general ledger, nor has it reflected them in the balance sheet and profit and loss account, nor has it reimbursed them. Správa železnic therefore reports these potential liabilities in the Notes to the Financial Statements.

As at the date of these Financial Statements, and in view of all the above, where there is a high degree of uncertainty regarding the amount at which the use of the land subject to the ÚMVŽST project will be settled in the future, Správa železnic has decided not to account for the tax documents issued to ČD for the issue of unjustified enrichment as at 1 March 2017. At the same time, it does not make accounting provisions for these future expenses as it is unable to quantify their amount objectively. The further accounting treatment of these liabilities will be influenced by developments in the design of the ÚMVŽST project.

8. Subsequent events

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 2023.

Prague, 22 March 2024




Jiří Svoboda
Director General

Persons responsible for the Annual Report

We hereby affirm that the information stated in the Annual Report for 2023 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 22 March 2024.

Annual Report on the Provision of Information

Správa železnic, státní organizace

Dlážděná 1003/7 110 00 Praha 1

The 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 2023

File No. 721/2024-SŽ-GŘ-O25

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 2023.

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	153
Number of issued decisions to dismiss the request	25
Number of issued decisions to dismiss a part of the request	35
b) Number of submitted appeals against the decisions	11
c) Number of closed court proceedings	2
d) Number of exclusive licences provided	0
e) Number of complaints filed under Section 16a	4
Number of complaints filed under Section 16a(a)	1
Number of complaints filed under Section 16a(b)	1
Number of complaints filed under Section 16a(c)	2
Number of complaints filed under Section 16a(d)	0

To point c) of the Annual Report of Správa železnic

1) Judgment No. 14 A 93/2021 – 34 of 25 May 2023, Správa železnic, státní organizace, is ordered to provide the plaintiff with the documents submitted by the contractor at the conclusion of the 2nd sub-stage of the feasibility study Feasibility Study of the Tišnov – Nedvědice – Žďár nad Sázavou Railway Line.

2) Judgment No. 14 A 38/2021 – 121 of 24 May 2023, Správa železnic, státní organizace, is ordered to provide the plaintiff with the following information:

a) the text wording of Caluse 1.10 of the Agreement of 24 June 2016 entered into by and between České dráhy, a.s., and Správa železnic, státní organizace, on the regulation of the legal relations of information system carriers,

b) Annex No. 1 to the Agreement of 24 June 2016 entered into by and between České dráhy, a.s., and Správa železnic, státní organizace, on the regulation of the legal relations of information system carriers,

c) Annex No. 2 to the Agreement of 24 June 2016 entered into by and between České dráhy, a.s. and Správa železnic, státní organizace, on the regulation of the legal relations of information system carriers.

To point c) of the Annual Report, Správa železnic further 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 that in one case, a complaint was lodged against the conduct of the obliged entity due to the provision of a non-functional link when referring to published information, which was resolved by the obliged entity by correcting the link in the framework of the automatic correction procedure. In one case, the complaint about the procedure concerned a failure to provide the requested information as the applicant understood it.

Prague, 29 February 2024



Richard Čihlář
Director of Legal Department

This complaint was resolved by the obliged entity in the context of the automatic correction procedure by providing the information. In two cases, the complaints were directed against a failure to provide the information and no decision was taken to refuse the request. One complaint was forwarded to a superior authority and the other complaint was settled by a decision rejecting a part of the request in question.

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 entitled “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 No. 266/1994, 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 2023). As one of the most significant employers, Správa železnic 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.
BIM	Building Information Modelling/Management
BPD	Building Permit Documentation
ČD	České dráhy, a.s.
ČD Cargo	ČD Cargo, a.s.
ČD, s.o.	České dráhy, státní organizace
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
ČEZ	ČEZ Prodej, s.r.o.
CNB	Czech National Bank
covid-19	a highly infectious disease caused by SARS-CoV-2 coronavirus identified in 2019
CPK	Centralny Port Komunikacyjny
CSNF	Cultural and Social Needs Fund
CTU	Czech Technical University in Prague
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 (process, study)
EIB	European Investment Bank
ERA	European Union Agency for Railways
ERJU	Europe's Rail Joint Undertaking
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
FC (RS)	Fast connection(s)
FRMCS	Future Railway Mobile Communication System
GIS	Geographic Information 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
KPI	key performance indicator(s)
LDS	local distribution system
MoF	Ministry of Finance of the Czech Republic
MoT	Ministry of Transport of the Czech Republic
MUV	multi-purpose motor trolley
MVTV	vehicle for overhead contact line work
ÖBB	Österreichische Bundesbahnen
OPT2/OPT3	Operational Programme for Transport (within the European Union)
PDPS	Detailed Design (Design Documentation for Construction Implementation)
PMCs	preliminary market consultations
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
RNE	RailNetEurope
RRF	Recovery and Resilience Facility
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
SŽDC	Správa železniční dopravní cesty, státní organizace (previous name of Správa železnic)
SŽG	Railway Geodesy Administration
SŽT	Railway Telematics Administration
TCC	Traffic Control Centre
trkm	train kilometre
CTD	Technology and Diagnostics Centre
TEN-T	Trans-European Network – Transport
TSI	Technical Specification for Interoperability
TTR	Time Table Redesign for Smart Capacity Management
UIC	International Union of Railways
ÚMVŽST	project for settlement of property relations in railway stations
UNECE	United Nations Economic Commission for Europe
VRT	vysokorychlostní trať (high-speed line)

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, Postcode 110 00, Czech Republic
Phone E-mail	+420 800 210 021 info@spravazeleznic.cz
Website	spravazeleznic.cz

