



2024

**Interim Report
of the České dráhy Group**

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Key Indicators of the ČD Group

| ČD Group | Unit | 1-6/2024 | 1-6/2023 | Difference | Index |
|--------------------------------------------------------------|------------------------------|----------|----------|------------|-------|
| Revenues | CZK million | 25,373 | 24,344 | 1,029 | 104.2 |
| EBITDA from continuing operations | CZK million | 7,106 | 6,496 | 610 | 109.4 |
| EBIT from continuing operations | CZK million | 2,118 | 2,003 | 115 | 105.7 |
| Profit before tax | CZK million | 694 | 987 | (293) | 70.3 |
| Profit for the period | CZK million | 554 | 640 | (86) | 86.6 |
| Total assets | CZK million | 136,548 | 119,288 | 17,260 | 114.5 |
| CAPEX (capital expenditure) | CZK million | 7,575 | 7,343 | 232 | 103.2 |
| Depreciation, amortisation and impairment | CZK million | 4,988 | 4,493 | 495 | 111.0 |
| Gross indebtedness – liabilities / total assets | % | 72.2 | 70.2 | 2 | 102.8 |
| Debt/EBITDA – loans, borrowings and lease liabilities/EBITDA | 1 | 11.7 | 10.5 | 1.2 | 111.4 |
| Average recalculated headcount | persons | 21,532 | 21,796 | (264) | 98.8 |
| Passenger transport | | | | | |
| Number of carried passengers | million persons | 81.6 | 79.1 | 2.5 | 103.2 |
| Transport performance | million passenger-kilometres | 3,914 | 3,609 | 305 | 108.5 |
| Traffic performance | million train-kilometres | 58.3 | 58.3 | - | 100.0 |
| Average transport distance | km | 48.0 | 45.6 | 2.4 | 105.3 |
| Occupancy ratio | % | 28.9 | 27.1 | 1.8 | 106.6 |
| Freight transport | | | | | |
| Transport volume | million tonnes | 28.1 | 30.9 | (2.8) | 90.9 |

Introduction by the Chairman of the Board of Directors

Ladies and gentlemen,

We are pleased to present the ČD Group's interim report for the period from January to June 2024.

During the first half of the year, the Group achieved a pre-tax profit of nearly CZK 700 million. While this is slightly lower than last year's figure, the trends in the passenger transport segment are encouraging. As a result, our group sales increased by over CZK 1 billion year-on-year, reaching CZK 25.4 billion.

I firmly believe that the modernisation of our services and the acquisition of new trainsets have played a crucial role in attracting more customers to choose ČD for their journeys, both domestically and internationally. Consequently, we carried nearly 82 million passengers in the first half of 2024, marking a 3% year-on-year growth. This increase in passengers has also had a significant positive impact on passenger revenue, which grew by CZK 1.6 billion year-on-year to over CZK 16 billion. International transport saw particularly robust growth, with revenues increasing by 23% compared to the same period last year. We attribute this success to rising demand and the expansion of our night service offerings, which were met with strong passenger interest. Transport performance reached 3,914 million passenger-kilometres, representing an almost 8.5% year-on-year increase.

Investments in new trains have clearly enhanced customer satisfaction. The year 2024 is pivotal for us in renewing and modernising our train fleet. In just the first half of this year, we introduced 15 new RegioFox DMUs, 22 electric RegioPanters, and 17 high-performance Vectron locomotives into service. These new vehicles not only boost the comfort and reliability of our services but also attract more passengers, who value the quality and comfort we provide.

Our future plans include not only continuing the upgrade of our fleet but also making strategic investments in infrastructure, such as building new maintenance and repair facilities and expanding our network of charging stations for low-emission vehicles.

However, fleet modernisation also impacts our costs. Due to indexation mechanisms, our leased vehicle costs have risen year-on-year, as have energy consumption costs. Despite these challenges, the segment's EBITDA increased by over CZK 900 million year-on-year. Fleet modernisation led to an increase in depreciation by more than CZK 0.5 billion, and we faced additional pressure from the exchange rate of the Czech Crown against the Euro, which decreased by almost 6% year-on-year, negatively affecting our financial results. Nonetheless, the passenger transport segment achieved the highest pre-tax profit of all ČD Group segments this year.

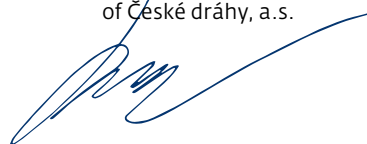
The freight transport segment also recorded a pre-tax profit of CZK 240 million, which is commendable given the current state of the domestic economy. The year-on-year decline in financial performance was primarily driven by a significant drop in transport volumes and revenues in the domestic market. This was particularly noticeable in the lignite transport sector, due to reduced energy production from fossil fuels, and in the metallurgical industry, due to limited production at Liberty Ostrava. While the growth in combined transport volumes and other commodities, along with ČD Cargo's performance abroad, helped mitigate this decline, they were not sufficient to fully offset it.

Nonetheless, ČD Cargo remains committed to investing in the enhancement of transport service quality and the expansion of international transport, which are key pillars of its strategic vision.

The other segments largely met expectations.

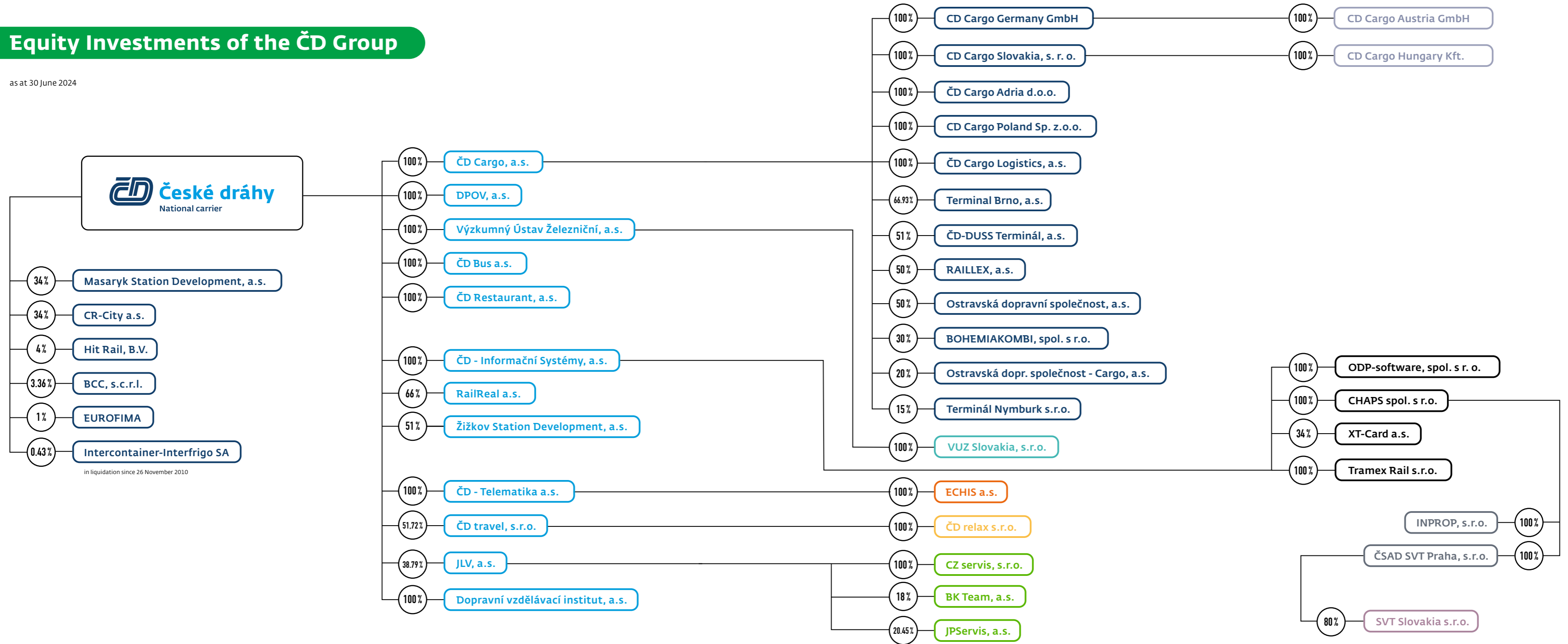
To conclude, I would like to extend my heartfelt thanks to all our customers, employees, and partners for their ongoing support and trust. I am confident that together we will continue to improve rail transport in the coming months and years, ensuring that ČD remains the top choice for travel, freight transport, and career opportunities.

Michal Krapinec
Chairman of the Board of Directors
of České dráhy, a.s.



Equity Investments of the ČD Group

as at 30 June 2024



Information on Business Activities

of the ČD Group for 6 months ended 30 June 2024

Financial Results by the Segments

(CZK million)

| | | Passenger transport | Freight transport | Asset management | Certification and testing | Other | Elimination | Total |
|-------------------------------------------|--------|---------------------|-------------------|------------------|---------------------------|---------|-------------|----------|
| Revenues | 6/2024 | 16,021 | 7,845 | 257 | 466 | 3,331 | (2,547) | 25,373 |
| | 6/2023 | 14,402 | 7,952 | 256 | 475 | 3,551 | (2,292) | 24,344 |
| Cost of services, raw material and energy | 6/2024 | (6,445) | (3,374) | (211) | (119) | (2,292) | 2,151 | (10,290) |
| | 6/2023 | (5,758) | (3,293) | (243) | (80) | (2,523) | 2,004 | (9,893) |
| Staff costs | 6/2024 | (4,965) | (2,650) | (121) | (94) | (772) | 183 | (8,419) |
| | 6/2023 | (4,887) | (2,534) | (136) | (77) | (713) | 182 | (8,165) |
| EBITDA from continuing operations | 6/2024 | 4,905 | 1,793 | 60 | 240 | 892 | (784) | 7,106 |
| | 6/2023 | 3,977 | 2,082 | (21) | 311 | 858 | (711) | 6,496 |
| Depreciation, amortisation and impairment | 6/2024 | (3,482) | (1,287) | (117) | (31) | (157) | 86 | (4,988) |
| | 6/2023 | (2,932) | (1,338) | (114) | (30) | (144) | 65 | (4,493) |
| EBIT from continuing operations | 6/2024 | 1,423 | 506 | (57) | 209 | 735 | (698) | 2,118 |
| | 6/2023 | 1,045 | 744 | (135) | 281 | 714 | (646) | 2,003 |
| Profit/(loss) before tax | 6/2024 | 262 | 240 | (54) | 221 | 727 | (702) | 694 |
| | 6/2023 | 286 | 481 | (132) | 290 | 706 | (644) | 987 |

Passenger Transport

In the first half of 2024, both passenger transport performance and passenger revenue increased compared to 2023.

In terms of **passenger transport performance**, almost 82 million passengers were carried in the period from January to June 2024 (3% year-on-year growth) and the transport performance amounted to 3,914 million passenger-kilometres (8% year-on-year growth). The largest year-on-year increase in the first half of the year was recorded for international journeys (13% growth), which was reflected in an increase in the total average distance travelled. The average distance travelled in the first half of 2024 was 48 km, i.e. 2.4 km more than in the first half of 2023.

Passenger transport performance for the period from January to June 2024 was **stable** compared to the first half of the previous year.

The passenger transport segment's **revenue** in the period from January to June 2024 was affected by the positive development in passenger transport compared to the same period of the previous year, which resulted in an increase in passenger transport revenue to CZK 4,997 million (+ CZK 355 million, i.e. +8%).

The **domestic transport** revenues (including gross contracts) for the period from January to June 2024 grew by CZK 129 million (i.e. +4%) compared to the same period of the previous year, as a result of the inflationary indexation in December 2023 and the increase in the number of domestic passengers.

An even more significant growth in revenue was recorded in **international transport**, with an increase of CZK 226 million (i.e. +23%) in the period from January to June 2024 compared to the same period of the previous year. The positive result in international transport can be explained not only by the growing demand for daytime connections, but also by an increase in the offer of night services.

On the cost side, in the first half of 2024, the passenger segment was negatively impacted by an increase in the cost of rail rentals from RSL and ELL and other services primarily due to inflation and contractual indexation mechanisms. In addition, the result is negatively affected by the negative balance of exchange rate differences according to the CZK/EUR exchange rate, higher staff costs due to the approved annual valorisation and higher traction costs dependent on higher sales prices.

As regards the economic situation, the development of real wages stabilised in the past half-year; therefore, from an economic point of view, favourable conditions for the development of economic activity with a positive impact on travel demand in the second half of the year can be expected. Further developments in 2024 will, however, depend not only on the overall economic situation in the Czech Republic and neighbouring countries, but also on the success in continuing the renewal of the fleet and on the success in meeting the established carrier quality standards.

In the area of long-term fixed assets, ČD put into operation 22 RegioPanter trainsets (15x EMU240 for the Olomouc Region, 4x EMU240 and 2x EMU160 for the Hradec Králové Region and 1x EMU240 for the Central Bohemia Region), 17 Vectron locomotives, 15 RegioFox trains (9 for the Vysočina Region and 6 for the Pardubice Region) and the first ComfortJet. The intensive takeover of other vehicles into ČD's ownership will continue in the second half of 2024.

Freight Transport

In the first half of 2024, the ČD Cargo Group generated profit before tax of CZK 240 million.

The 50% year-on-year decline in economic results is primarily attributed to a substantial reduction in transport volumes and revenues within the domestic transport market, where performance dropped by nearly 3.5 million tonnes. This decline was largely driven by decreased lignite transport due to the scaling back of fossil fuel energy production, and reduced transport for the metallurgical industry following a downturn in Liberty Ostrava's output. Although the increasing volumes in combined transport, other commodities, and ČD Cargo's international performance significantly contributed to profits, they were insufficient to fully offset this decline. Additionally, the year-on-year rise in several cost inputs, particularly traction energy and fuel, coupled with the general upward pressure on wages due to recent price level trends, further impacted the results.

The shift in the structure of transported commodities and the overall decline in rail freight market performance in the Czech Republic necessitates a reduction in excess capacity that ČD Cargo cannot utilise. In the first half of this year, there was already a slight decrease in employment, retirement of surplus freight wagons and locomotives, and the suspension of certain planned investments. The development over the coming months will determine the full extent of the required capacity reduction, which is essential to maintaining competitiveness, service sustainability, and overall company stability.

Despite these challenges, ČD Cargo remains committed to investing in enhancing the quality of its transport services and supporting the growth of international transport, which it views as the foundational pillars of its strategy.

Asset Management

In April 2024, a major construction investment project, the Construction of a maintenance hall for new units in the Cheb Maintenance Centre, was launched. Furthermore, the roofing of the repair halls in the Brno Maloměřice Maintenance Centre is under construction, and a project for the gasification of the Maintenance Centre and Supply Centre in Česká Třebová is currently underway.

In the asset management segment, planned sales of immovable assets were carried out. The most significant sales of real estate as of 30 June 2024 took place in the Prague district of Vršovice and Libeň (plots of land) as well as in the territories of the cities of Kladno, Beroun, and Chabařovice (plots of land).

As part of our development projects, we are preparing to sell the station building and selected plots of land in the Prague – Nákladové nádraží Žižkov area. At the end of 2023, we received a request from the City Hall of Prague to purchase these remaining properties. Earlier this year, in May, we initiated a tender process for the new ČD Headquarters, utilizing a competitive dialogue approach. This process aims to select the site for the new ČD Headquarters, with the goal of occupancy in 2028-2029.

In the energy sector, we have conducted preparatory activities and compiled necessary documentation in the previous period for the construction of rooftop and ground-mounted photovoltaic power plants.

Certification and Testing

The Certification and Testing segment achieved a pre-tax profit of CZK 221 million in the first half of 2024, driven by strong demand in the testing and assessment sectors. The performance of the Authorised Person in Certification has improved year-on-year, and VUZ Velim testing centre's capacity utilisation remains at the 2023 level. The outlook for the second half of 2024 will depend on the readiness of customer projects in both Testing and Certification.

Condensed Interim Consolidated Financial Statements

for 6 months ended 30 June 2024

Interim Consolidated Profit and Loss Statement for 6 months ended 30 June 2024

(CZK million)

| | | 6 months ended 30 June 2024 (unaudited) | 6 months ended 30 June 2023 (unaudited) |
|----------------------------------------------------------------------------|---|--------------------------------------------|--------------------------------------------|
| Continuing operations | | | |
| Revenues | 5 | 25,373 | 24,344 |
| Other operating income | | 880 | 622 |
| Cost of services, raw material and energy | | (10,290) | (9,893) |
| Staff costs | | (8,419) | (8,165) |
| Depreciation, amortisation and impairment of property, plant and equipment | | (4,988) | (4,493) |
| Other operating expenses | | (492) | (402) |
| Profit and loss on impairment of financial assets (net of reversal) | | 54 | (10) |
| Profit from operating activities | | 2,118 | 2,003 |
| Finance costs | | (1,713) | (1,628) |
| Finance income | 6 | 283 | 606 |
| Share of profits of associates and joint ventures | | 6 | 6 |
| Profit before tax | | 694 | 987 |
| Income tax | 7 | (140) | (347) |
| Profit from continuing operations for the period | | 554 | 640 |
| Profit for the period | | 554 | 640 |
| Attributable to the owners of the Company | | 552 | 637 |
| Attributable to non-controlling interests | | 2 | 3 |

Interim Consolidated Comprehensive Income Statement for 6 months ended 30 June 2024

(CZK million)

| | 6 months ended 30 June 2024 (unaudited) | 6 months ended 30 June 2023 (unaudited) |
|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Profit for the period | 554 | 640 |
| Actuarial loss on remeasurement of defined benefit obligations | (6) | (14) |
| Revaluation of investments in equity instruments at fair value through other comprehensive income | 28 | (5) |
| Related income tax | (6) | 1 |
| Other comprehensive income for the period (items not subsequently reclassified to profit/loss) | 16 | (18) |
| Exchange differences arising from the translation of foreign operations | 19 | 19 |
| Change in cash flow hedge fund | (259) | (446) |
| Change in hedge expense fund | (23) | 116 |
| Related income tax | 26 | 62 |
| Other comprehensive income for the period (items that may be reclassified to profit/loss in following periods) | (237) | (249) |
| Other comprehensive income for the period after tax | (221) | (267) |
| Total comprehensive income for the period | 333 | 373 |
| Attributable to the owners of the Company | 331 | 370 |
| Attributable to non-controlling interests | 2 | 3 |

Interim Consolidated Statement of Financial Position as of 30 June 2024

(CZK million)

| | | 30 June 2024 (unaudited) | 31 Dec 2023 (audited) |
|---------------------------------------------------------|----|--------------------------|-----------------------|
| Property, plant and equipment | 8 | 101,354 | 97,726 |
| Investment property | | 933 | 941 |
| Goodwill | | 141 | 141 |
| Intangible assets | 9 | 1,021 | 1,128 |
| Right-of-use assets | 10 | 7,296 | 6,852 |
| Investments in joint ventures and associates | | 190 | 206 |
| Deferred tax asset | | 10 | 8 |
| Trade receivables | | 1,417 | 1,416 |
| Other financial assets | | 606 | 568 |
| Other assets | | 41 | 36 |
| Total non-current assets | | 113,009 | 109,022 |
| Inventories | 11 | 3,132 | 3,078 |
| Trade receivables | 12 | 4,399 | 3,853 |
| Prepaid income tax | | 17 | 31 |
| Other financial assets | | 948 | 1,262 |
| Other assets | 13 | 2,057 | 1,618 |
| Cash and cash equivalents | 14 | 12,986 | 8,119 |
| Total current assets | | 23,539 | 17,961 |
| TOTAL ASSETS | | 136,548 | 126,983 |
| Share capital | | 20,000 | 20,000 |
| Other capital funds | | 17,159 | 17,240 |
| Accumulated profit | | 751 | 339 |
| Equity attributable to the owners of the Company | | 37,910 | 37,579 |
| Non-controlling interests | | 57 | 55 |
| Total equity | | 37,967 | 37,634 |
| Loans, borrowings and lease liabilities | 15 | 74,984 | 65,849 |
| Deferred tax liability | | 1,856 | 1,891 |
| Provisions | 16 | 299 | 290 |
| Other financial liabilities | | 994 | 1,186 |
| Other liabilities | | 37 | 63 |
| Total non-current liabilities | | 78,170 | 69,279 |
| Trade payables | | 6,490 | 6,406 |
| Loans, borrowings and lease liabilities | 15 | 7,852 | 6,911 |
| Current income tax payables | | 95 | 134 |
| Provisions | 16 | 1,652 | 1,657 |
| Other financial liabilities | | 800 | 718 |
| Other liabilities and contract liabilities | 17 | 3,522 | 4,244 |
| Total current liabilities | | 20,411 | 20,070 |
| TOTAL LIABILITIES | | 136,548 | 126,983 |

Interim Consolidated Statement of Changes in Equity for 6 months ended 30 June 2024

(CZK million)

| | Share capital | Other capital funds | | | Accumulated Profit / (Accumulated Loss) | Equity attributable to the owners of the Company | Non-controlling interests | Total equity |
|------------------------------------------------------|---------------|---------------------|----------------------|-------------|-----------------------------------------|--------------------------------------------------|---------------------------|---------------|
| | | Share premium | Cash flow hedge fund | Other funds | | | | |
| Balance as of 1 January 2023 (audited) | 20,000 | 16,440 | 1,074 | 371 | (2,812) | 35,073 | 50 | 35,123 |
| Comprehensive income | | | | | | | | |
| Profit for the period | - | - | - | - | 637 | 637 | 3 | 640 |
| Other comprehensive income for the period | - | - | (361) | 94 | - | (267) | - | (267) |
| Total comprehensive income for the period | - | - | (361) | 94 | 637 | 370 | 3 | 373 |
| Transactions with owners | | | | | | | | |
| Allocation to the reserve fund | - | - | - | 19 | (19) | - | - | - |
| Total transactions with owners for the period | - | - | - | 19 | (19) | - | - | - |
| Balance as of 30 June 2023 (unaudited) | 20,000 | 16,440 | 713 | 484 | (2,194) | 35,443 | 53 | 35,496 |
| Balance as of 1 January 2024 (audited) | 20,000 | 16,440 | 209 | 591 | 339 | 37,579 | 55 | 37,634 |
| Comprehensive income | | | | | | | | |
| Profit for the period | - | - | - | - | 552 | 552 | 2 | 554 |
| Other comprehensive income for the period | - | - | (233) | 12 | - | (221) | - | (221) |
| Total comprehensive income for the period | - | - | (233) | 12 | 552 | 331 | 2 | 333 |
| Transactions with owners | | | | | | | | |
| Allocation to the reserve fund | - | - | - | 186 | (186) | - | - | - |
| Transfers from the reserve fund | - | - | - | (46) | 46 | - | - | - |
| Total transactions with owners for the period | - | - | - | 140 | (140) | - | - | - |
| Balance as of 30 June 2024 (unaudited) | 20,000 | 16,440 | (24) | 743 | 751 | 37,910 | 57 | 37,967 |

Interim Consolidated Cash Flow Statement for 6 months ended 30 June 2024

(CZK million)

| | 6 months ended 30 June 2024 (unaudited) | 6 months ended 30 June 2023 (unaudited) |
|----------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit for the period | 554 | 640 |
| Income tax expense | 7 | 140 |
| Dividend income | (3) | (1) |
| Finance costs – interest expense | 1,387 | 1,310 |
| Profit on the sale and disposal of non-current assets | (193) | (107) |
| Profit on the sale of an associate | (7) | - |
| Depreciation and amortisation | 4,911 | 4,618 |
| Impairment losses/(reversal of asset impairment losses) | 28 | (87) |
| Change in provisions | 16 | 4 |
| Foreign exchange rate (gains)/losses | 6 | 182 |
| Share of profits of joint ventures and associates | (6) | (6) |
| Other items | (158) | (190) |
| Cash flows from operating activities before changes in working capital | 6,839 | 6,349 |
| (Increase)/decrease in trade receivables | 12 | 465 |
| (Increase) in inventories | (56) | (320) |
| (Increase) in other assets | 13 | (621) |
| Increase/(decrease) in trade payables | (323) | 165 |
| (Decrease) in other liabilities and contract liabilities | 17 | (41) |
| Total changes in working capital | (1,270) | (352) |
| Cash flows from operating activities before interest, dividends and taxes | 5,569 | 5,997 |
| Interest paid | (1,378) | (950) |
| Income tax paid | 7 | (134) |
| Dividends received | 23 | 1 |
| Net cash flows from operating activities | 4,059 | 4,914 |
| CASH FLOWS FROM INVESTMENT ACTIVITIES | | |
| Payments for property, plant and equipment | 8 | (7,444) |
| Proceeds from disposal of property, plant and equipment | 192 | 130 |
| Payments for investment property | (6) | (8) |
| Payments for intangible assets | 9 | (132) |
| Net cash flow from the sale of an associate | 7 | - |
| Received interest | 165 | 187 |
| Net cash flows from investment activities | (7,211) | (7,026) |

(CZK million)

| | 6 months ended 30 June 2024 (unaudited) | 6 months ended 30 June 2023 (unaudited) |
|--------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from loans and borrowings | 15 | 10,386 |
| Repayments of loans and borrowings | 15 | (1,330) |
| Payment of principal of lease liabilities | 15 | (1,046) |
| Net cash flows from financing activities | 8,010 | (978) |
| Net increase/(decrease) in cash and cash equivalents | 4,858 | (3,090) |
| Cash and cash equivalents at the beginning of the period | 8,119 | 8,761 |
| Impact of exchange rate changes on cash and cash equivalents | 9 | (152) |
| Cash and cash equivalents at the end of the period | 14 | 12,986 |

Notes to the Interim Consolidated Financial Statements

for 6 months ended 30 June 2024

| | | | |
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1. General Information

1.1. General information

The parent company České dráhy, a.s. (the “Company”, “Parent Company” or “ČD”) was incorporated on 31 March 2002. The sole shareholder of the Company is the Czech Republic. The Company’s share capital amounts to CZK 20,000 million. The Company’s registered office is at nábr. L. Svobody 1222, Prague 1.

The Group’s principal business activity is the operation of railway transport. Other activities of the Group include mainly asset management. In addition, the Group is engaged in other activities relating to its principal business activity.

The assets comprising the railway infrastructure do not belong to the Group but to the state. The right to operate these state assets is exercised by Správa železnic, s.o. (“SŽ”). SŽ secures the operability and servicing of the railway infrastructure.

1.2. Changes in the Consolidation Group

On 5 June 2024, České dráhy, a.s., transferred all 51 ordinary shares of Smíchov Station Development, a.s. to Sekyra Group, a.s. and České dráhy, a.s. is no longer a shareholder of Smíchov Station Development, a.s. as of that date.

On 22 April 2024, the shares of ČD Cargo Logistics, a.s. were transferred to the remaining shareholders in Terminál Mošnov, a.s. and thus the share of ČD Cargo Logistics, a.s. in this company was terminated.

2. Statement of Compliance and Significant Accounting Policies

The condensed interim consolidated financial statements for 6 months ended 30 June 2024 were prepared in accordance with IAS 34 adopted by the European Union. They do not include all the information required to be disclosed in the annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2023.

These condensed interim consolidated financial statements were not audited by independent auditors.

These condensed interim consolidated financial statements have been prepared using the same accounting policies and calculation methods that were applied in the Group’s consolidated financial statements for the year ended 31 December 2023, except for the estimated income tax expense (Note 7) and the adoption of amendments to standards effective from 1 January 2024. The Group has not applied any standard, interpretation or amendment adopted by the European Union prior to their effective dates. Several amendments to the standards were applied for the first time in 2024 but have no impact on the interim consolidated financial statements of the Group.

In preparing these interim financial statements, Management made judgements and estimates that may affect the application of accounting policies and the reported amounts of assets and liabilities. Actual results may differ from these estimates. The significant judgements made by Management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the financial statements for the year ended 31 December 2023.

Going Concern Principle

At the time of approval of the interim financial statements, the Group’s management has a reasonable expectation that the Group has adequate resources to continue operations for the foreseeable future. Therefore, these financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying amounts and classifications of assets, liabilities, and reported expenses that may otherwise be required if the going concern basis was not appropriate.

3. Seasonality

Passenger rail transport revenues are generally stable and not heavily influenced by seasonal variations. However, certain factors can impact passenger numbers and revenue levels throughout the year, such as fluctuations in fuel prices, weather conditions, and major cultural or sporting events with high attendance. Additionally, travel demand is significantly affected by broader economic conditions, real wage trends, fleet renewal, adherence to quality standards, the carrier’s pricing strategy, and marketing initiatives. In the case of international transport, the prevailing security situation in Europe – such as travel restrictions related to the COVID-19 pandemic or conflicts – plays a particularly crucial role.

In freight transport, seasonality is noticeable in transport of some commodities, especially coal for heating plants and food (grain, sugar beet, etc.).

4. Segments

(CZK million)

| 6 months ended 30 June 2024 | Passenger transport | Freight transport | Asset management | Certification and testing | Total of reportable segments | Other * | Elimination ** | Total |
|-------------------------------------------------------------------------------|---------------------|-------------------|------------------|---------------------------|------------------------------|----------------|----------------|-----------------|
| Revenue | | | | | | | | |
| of which revenue from external customers outside the Group: | 15,857 | 7,594 | 43 | 455 | 23,949 | 1,022 | - | 24,971 |
| Revenue from passenger transport | 5,660 | - | - | - | 5,660 | - | - | 5,660 |
| Revenue from freight transport | - | 6,997 | - | - | 6,997 | - | - | 6,997 |
| Revenue from customers | 10,040 | - | - | - | 10,040 | - | - | 10,040 |
| Revenue from other services | 157 | 597 | 43 | 455 | 1,252 | 1,022 | - | 2,274 |
| of which revenue from the Group: | 106 | 48 | - | 10 | 164 | 2,308 | (2,472) | - |
| Revenue from passenger transport | 5 | - | - | - | 5 | - | (5) | - |
| Revenue from other services | 101 | 48 | - | 10 | 159 | 2,308 | (2,467) | - |
| Total revenue from contracts with customers | 15,963 | 7,642 | 43 | 465 | 24,113 | 3,330 | (2,472) | 24,971 |
| Rental income outside the Group | 23 | 193 | 185 | 1 | 402 | - | - | 402 |
| Rental income in the Group | 35 | 10 | 29 | - | 74 | 1 | (75) | - |
| Total rental income | 58 | 203 | 214 | 1 | 476 | 1 | (75) | 402 |
| Total revenue | 16,021 | 7,845 | 257 | 466 | 24,589 | 3,331 | (2,547) | 25,373 |
| Traction costs | (2,154) | (963) | - | - | (3,117) | - | 5 | (3,112) |
| Payments for the use of railway infrastructure and allocated railway capacity | (949) | (542) | - | - | (1,491) | - | 1 | (1,490) |
| Other services, consumption of material and energy | (3,342) | (1,869) | (211) | (119) | (5,541) | (2,292) | 2,145 | (5,688) |
| Total services, consumption of material and energy | (6,445) | (3,374) | (211) | (119) | (10,149) | (2,292) | 2,151 | (10,290) |
| Staff costs | (4,965) | (2,650) | (121) | (94) | (7,830) | (772) | 183 | (8,419) |
| Depreciation, amortisation | (3,395) | (1,288) | (117) | (31) | (4,831) | (159) | 86 | (4,904) |
| Impairment *** | (87) | 1 | - | - | (86) | 2 | - | (84) |
| Other operating income | 456 | 230 | 175 | 2 | 863 | 601 | (584) | 880 |
| Other operating expenses | (163) | (262) | (40) | (15) | (480) | (25) | 13 | (492) |
| Profit/(loss) from impairment of financial assets (net of reversal) | 1 | 4 | - | - | 5 | 49 | - | 54 |
| Profit/(loss) from operating activities | 1,423 | 506 | (57) | 209 | 2,081 | 735 | (698) | 2,118 |
| Finance costs | (1,354) | (352) | (8) | - | (1,714) | (38) | 39 | (1,713) |
| Finance income **** | 193 | 86 | 11 | 12 | 302 | 30 | (43) | 289 |
| Profit/(loss) before tax | 262 | 240 | (54) | 221 | 669 | 727 | (702) | 694 |
| Tax expense | 5 | (54) | - | (43) | (92) | (53) | 5 | (140) |
| Profit/(loss) for the period | 267 | 186 | (54) | 178 | 577 | 674 | (697) | 554 |

* The Other column includes revenues and expenses of all subsidiaries except for the ČD Cargo Group and Výzkumný Ústav Železniční and revenues and expenses of the Company that do not fall within the Passenger Transport and Asset Management segments.

** The Elimination column includes eliminations of intercompany relationships.

*** Impairment includes impairment of property, plant and equipment, and investment property.

**** Includes also share of profits of associates and joint ventures.

(CZK million)

| 6 months ended 30 June 2023 | Passenger transport | Freight transport | Asset management | Certification and testing | Total of reportable segments | Other * | Elimination ** | Total |
|--------------------------------------------------------------------------------|---------------------|-------------------|------------------|---------------------------|------------------------------|----------------|----------------|----------------|
| Revenue | | | | | | | | |
| of which revenue from external customers outside the Group: | 14,278 | 7,724 | 65 | 471 | 22,538 | 1,439 | - | 23,977 |
| Revenue from passenger transport | 5,208 | - | - | - | 5,208 | - | - | 5,208 |
| Revenue from freight transport | - | 7,329 | - | - | 7,329 | - | - | 7,329 |
| Revenue from customers | 8,998 | - | - | - | 8,998 | - | - | 8,998 |
| Revenue from other services | 72 | 395 | 65 | 471 | 1,003 | 1,439 | - | 2,442 |
| of which revenue from the Group: | 103 | 39 | - | 3 | 145 | 2,112 | (2,257) | - |
| Revenue from passenger transport | 5 | - | - | - | 5 | - | (5) | - |
| Revenue from other services | 98 | 39 | - | 3 | 140 | 2,112 | (2,252) | - |
| Total revenue from contracts with customers | 14,381 | 7,763 | 65 | 474 | 22,683 | 3,551 | (2,257) | 23,977 |
| Rental income outside the Group | 19 | 183 | 164 | 1 | 367 | - | - | 367 |
| Rental income in the Group | 2 | 6 | 27 | - | 35 | - | (35) | - |
| Total rental income | 21 | 189 | 191 | 1 | 402 | - | (35) | 367 |
| Total revenue | 14,402 | 7,952 | 256 | 475 | 23,085 | 3,551 | (2,292) | 24,344 |
| Traction costs | (1,895) | (922) | - | - | (2,817) | - | 7 | (2,810) |
| Payments, for the use of railway infrastructure and allocated railway capacity | (908) | (537) | - | - | (1,445) | - | 1 | (1,444) |
| Other services, consumption of material and energy | (2,955) | (1,834) | (243) | (80) | (5,112) | (2,523) | 1,996 | (5,639) |
| Total services, consumption of material and energy | (5,758) | (3,293) | (243) | (80) | (9,374) | (2,523) | 2,004 | (9,893) |
| Staff costs | (4,887) | (2,534) | (136) | (77) | (7,634) | (713) | 182 | (8,165) |
| Depreciation, amortisation | (3,028) | (1,344) | (114) | (30) | (4,516) | (144) | 65 | (4,595) |
| Impairment *** | 96 | 6 | - | - | 102 | - | - | 102 |
| Other operating income | 333 | 217 | 106 | 4 | 660 | 574 | (612) | 622 |
| Other operating expenses | (125) | (237) | (4) | (11) | (377) | (32) | 7 | (402) |
| Profit/(loss) from impairment of financial assets (net of reversal) | 12 | (23) | - | - | (11) | 1 | - | (10) |
| Profit/(loss) from operating activities | 1,045 | 744 | (135) | 281 | 1,935 | 714 | (646) | 2,003 |
| Finance costs | (1,298) | (303) | (19) | - | (1,620) | (37) | 29 | (1,628) |
| Finance income **** | 539 | 40 | 22 | 9 | 610 | 29 | (27) | 612 |
| Profit/(loss) before tax | 286 | 481 | (132) | 290 | 925 | 706 | (644) | 987 |
| Tax expense | (77) | (167) | (5) | (56) | (305) | (65) | 23 | (347) |
| Profit/(loss) for the period | 209 | 314 | (137) | 234 | 620 | 641 | (621) | 640 |

* The Other column includes revenues and expenses of all subsidiaries except for the ČD Cargo Group and Výzkumný Ústav Železniční and revenues and expenses of the Company that do not fall within the Passenger Transport and Asset Management segments.

** The Elimination column includes eliminations of intercompany relationships.

*** Impairment includes impairment of property, plant and equipment, and investment property.

**** Includes also share of profits of associates and joint ventures.

5. Revenues

(CZK million)

| | 2024 | 2023 |
|---------------------------------------------------------------------------|---------------|---------------|
| REVENUE FROM CONTRACTS WITH CUSTOMERS | | |
| Passenger transport segment | 15,857 | 14,278 |
| Revenue from passenger transport – travel fares | 5,660 | 5,208 |
| <i>Domestic passenger transport</i> | 3,792 | 3,663 |
| <i>International passenger transport *</i> | 1,868 | 1,545 |
| Revenue from passenger transport – payments from public service customers | 10,040 | 8,998 |
| <i>Payment from the state budget</i> | 2,667 | 2,724 |
| <i>Payment from the regional budgets</i> | 7,373 | 6,274 |
| Revenue from other services | 157 | 72 |
| Freight transport segment | 7,594 | 7,724 |
| Revenue from freight transport | 6,997 | 7,329 |
| <i>Revenue from domestic freight transport</i> | 1,787 | 2,457 |
| <i>Revenue from foreign freight transport</i> | 5,210 | 4,872 |
| <i>Revenue from freight transport – Germany</i> | 1,839 | 1,508 |
| <i>Revenue from freight transport – Austria</i> | 586 | 587 |
| <i>Revenue from freight transport – Slovakia</i> | 546 | 669 |
| <i>Revenue from freight transport – Poland</i> | 699 | 1,298 |
| <i>Revenue from freight transport – other countries</i> | 1,540 | 810 |
| Other revenue from freight transport | 467 | 300 |
| <i>Other revenue from domestic freight transport</i> | 226 | 234 |
| <i>Other revenue from foreign freight transport</i> | 241 | 66 |
| Other transport-related services | 130 | 95 |
| Asset management segment | 43 | 65 |
| Revenue from other services | 43 | 65 |
| Certification and testing segment | 455 | 471 |
| Revenue from other services | 455 | 471 |
| Not assigned to segments | 1,022 | 1,439 |
| Sale of other services | 1,022 | 1,439 |
| <i>Sale of other services recognised over time</i> | 1,022 | 1,439 |
| <i>Sales of telematics services</i> | 646 | 1,043 |
| <i>Sales of other own services</i> | 376 | 396 |
| Total revenue from contracts with customers | 24,971 | 23,977 |

(CZK million)

| | 2024 | 2023 |
|-----------------------------------|---------------|---------------|
| RENTAL INCOME | | |
| Asset management segment | 185 | 164 |
| Freight transport segment | 193 | 183 |
| Passenger transport segment | 23 | 19 |
| Certification and testing segment | 1 | 1 |
| Total rental income | 402 | 367 |
| TOTAL REVENUE | 25,373 | 24,344 |

* Includes sales for international performance in the amount of CZK 663 million for January - June 2024 (CZK 566 million for January - June 2023).

Payments from public service customers apply to regional and long-distance domestic passenger transport.

The Group provides transport services in public railway transport for a stated (rectified) price and secures transport services in the specified categories of passenger trains on the railway network of the Czech Republic. The scope of these services and the compensation (revenue of the Group) are specified in contracts with the state and regional authorities. Payments from the customer (the state) are limited by the number of financial resources that were determined by the state budget for the reimbursement of a demonstrable loss in rail passenger transport.

6. Financial Income

The decrease in financial income compared to the previous comparative period is mainly due to the depreciation of the Czech Crown this year compared to the end of 2023. By contrast, the strengthening of the Czech Crown in the first half of 2023 compared to the end of 2022 resulted in higher exchange gains in the first half of 2023. Foreign exchange gains this year decreased by CZK 310 million compared to the first half of 2023.

7. Income Tax

Income tax recognised in the interim consolidated profit and loss statement for 6 months ended 30 June 2024 and 30 June 2023 in the amount of (CZK 140 million) and (CZK 347 million), respectively, includes a tax payable of (CZK 156 million) and (CZK 217 million) as of 30 June 2024 and 30 June 2023, respectively, and a deferred tax of CZK 16 million and (CZK 130 million) as of 30 June 2024 and 30 June 2023, respectively.

The Group calculates income tax expense for the period using a tax rate determined based on an estimated weighted arithmetic average of the annual income tax rate expected for the entire accounting year.

The effective tax rate is mainly affected by the fact that the Parent Company does not recognise a deferred tax asset for prudence reason, as its utilisation is uncertain due to low expected future taxable profits.

8. Property, Plant and Equipment

In the period from 1 January to 30 June 2024, the Group acquired property, plant and equipment in the amount of CZK 8,995 million (CZK 7,208 million as of 30 June 2023). Of this amount, CZK 198 million represents advances made (CZK 2,117 million as of 30 June 2023) and CZK 6,056 million are additions to vehicles and components (CZK 3,899 million as of 30 June 2023).

The most significant items of advances provided are advances for the purchase of railway rolling stock and advances for ETCS.

The most significant items of additions to transport equipment and components include the acquisition of railway rolling stock and passenger cars in the amount of CZK 3,835 million and introduction of ETCS.

Other significant additions include the purchase of traction vehicles and wagons, modernisation and periodic repairs of traction vehicles and wagons, and the acquisition of new wheelsets in freight transport.

Property, plant and equipment with a residual value of CZK 95 million were disposed of by the Group in the period from 1 January to 30 June 2024 (as of 30 June 2023 in the amount of CZK 117 million).

The assets with the most significant impairment loss recognised are the 680 series swing box units (Pendolino) and 380 series locomotives. The impairment status of the 680 series is CZK 424 million as of 30 June 2024 (30 June 2023: CZK 438 million) and the impairment of the 380 series as of 30 June 2024 is CZK 1,599 million (31 December 2023: CZK 1,635 million).

The Group did not identify any significant factors that would lead to a change in the conclusions made regarding the impairment of non-financial assets as of 31 December 2023.

9. Intangible Assets

From 1 January to 30 June 2024, the Group acquired intangible assets in the amount of CZK 86 million (as of 30 June 2023: CZK 106 million).

The most significant addition of intangible asset is software used for business activity (DISOD, PARIS, APS, In-karta, POP, UNIPOK, IS OPT, and KASO).

10. Right-of-use Assets

From 1 January to 30 June 2024, the Group entered into new lease agreements in the amount of CZK 1,713 million (CZK 1,363 million as of 30 June 2023).

The most significant items of newly leased assets include the lease of 17 Vectron locomotives for passenger transport.

Right-of-use assets with the net book value of CZK 349 million were disposed by the Group from 1 January to 30 June 2024 (as of 30 June 2023: CZK 161 million).

During the interim period, the main contracts terminated were the contracts for the lease of freight wagons and the lease of 2 Vectron locomotives for which the purchase option was exercised and which were included in the Group's assets.

11. Inventories

The impairment of inventories to their net realisable value as of 30 June 2024 amounted to CZK 173 million (as of 31 December 2023: CZK 175 million).

12. Trade Receivables

The increase in trade receivables compared to year-end 2023 is mainly due to higher freight volumes at the half-year compared to year-end.

13. Other Assets

The increase in other assets is mainly due to an increase in VAT receivables.

14. Cash and Cash Equivalents

(CZK million)

| | 30 June 2024 | 31 Dec 2023 |
|----------------------------------|---------------|--------------|
| Cash on hand and cash in transit | 136 | 71 |
| Bank accounts | 12,850 | 7,801 |
| Deposit bills | - | 247 |
| Total | 12,986 | 8,119 |

15. Loans, Borrowings and Lease Liabilities

(CZK million)

| | 30 June 2024 | 31 Dec 2023 |
|------------------------------------------------|---------------|---------------|
| Bank loans | 2,430 | 2,185 |
| Payable to EUROFIMA | 129 | 290 |
| Lease liabilities | 2,627 | 2,503 |
| Secured loans | 376 | 355 |
| Overdraft accounts | 793 | 415 |
| Bonds issued | 1,469 | 1,094 |
| Other received short-term loans and borrowings | 28 | 69 |
| Total short-term | 7,852 | 6,911 |
| Bank loans | 13,219 | 13,015 |
| Payable to EUROFIMA | 11,342 | 11,321 |
| Lease liabilities | 4,646 | 4,418 |
| Secured loans | 2,488 | 2,149 |
| Bonds issued | 43,274 | 34,931 |
| Other received long-term loans and borrowings | 15 | 15 |
| Total long-term | 74,984 | 65,849 |
| Total | 82,836 | 72,760 |

On 24 June 2024, bonds in the amount of CZK 8,001 billion were issued, maturing in 2029 at a rate of 5.50%.

In addition, new bank loans totalling EUR 61 million were drawn during the interim period at a fixed interest rate.

16. Provisions

(CZK million)

| | Balance as of 31 December 2023 | Creation | Use | Release of unused part | Balance as of 30 June 2024 |
|-------------------------------------------------|-----------------------------------|------------|------------|---------------------------|-------------------------------|
| Provision for legal disputes | 1,029 | - | - | - | 1,029 |
| Provision for post-employment benefits | 193 | 1 | 3 | - | 191 |
| Provision for other long-term employee benefits | 296 | 57 | 72 | 1 | 280 |
| Provision for restructuring | 23 | 63 | 23 | - | 63 |
| Provision for onerous contracts | 118 | - | 32 | - | 86 |
| Other provisions | 288 | 79 | 62 | 3 | 302 |
| Total provisions | 1,947 | 200 | 192 | 4 | 1,951 |
| <i>Long-term</i> | 290 | | | | 299 |
| <i>Short-term</i> | 1,657 | | | | 1,652 |

16.1. Provision for legal disputes – development in 2024

From January to June 2024, there was no significant change (in creation or use) in the provision for legal disputes. All matters described in the Group's consolidated financial statements for 2023 relating to legal disputes and provisions for legal disputes are also valid for these interim financial statements, and only new developments and significant relevant events of 2024 are described in Note 20.

17. Other Liabilities and Contract Liabilities

The decrease in other liabilities and contract liabilities compared to year-end 2023 is primarily due to unbilled relationships with regions at the half-year and a decrease in contractual obligations representing prepaid services.

18. Related Party Transaction

18.1. Revenue, purchases and outstanding balances with related parties

Purchase of services from JLV, a.s. amounted to CZK 128 million for the period 1-6/2024 (1-6/2023: CZK 113 million). Liabilities to JLV, a.s. amounted to CZK 51 million as of 30 June 2024 (1-6/2023: CZK 46 million).

18.2. Relations with state-controlled companies

Below are the significant transactions with related parties identified by the Group: public service obligation payments (regions and the Ministry of Transport), transactions with SŽ and the ČEZ Group.

(CZK million)

| Revenues | Counterpart | 30 June 2024 | 30 June 2023 |
|--------------------------------------------------------------------------------|-------------|--------------|--------------|
| Property rental income | SŽ | 25 | 15 |
| Payment for substitute bus service | SŽ | 226 | 97 |
| Payments from public service customers – the state budget | state – MT | 2,668 | 2,724 |
| Compensation of 50% discount fares | state – MT | 785 | 764 |
| Payments from public service customers – the regional budget – gross contracts | regions | 3,206 | 2,121 |
| Payments from public service customers – the regional budget – net contracts | regions | 4,168 | 4,153 |
| Revenues – telecommunication services | SŽ | 327 | 701 |
| Revenues from the sale of employee holidays | SŽ | 16 | 99 |
| Revenues from freight transportation | ČEZ | 9 | 44 |
| SW operation and maintenance | SŽ | 30 | 29 |
| Revenues from traction energy recovery | SŽ | 85 | 50 |
| Other revenues | SŽ | 22 | - |

(CZK million)

| Expenses | Counterpart | 30 June 2024 | 30 June 2023 |
|-----------------------------------------------------------------------|-------------|--------------|--------------|
| Use of railroads and allocated railway capacity – passenger transport | SŽ | 944 | 904 |
| Use of railroads and allocated railway capacity – freight transport | SŽ | 301 | 373 |
| Consumption of electric traction energy – passenger transport | SŽ | 1,478 | 1,304 |
| Consumption of electric traction energy – freight transport | SŽ | 410 | 432 |
| Telecommunication services | SŽ | 23 | 25 |
| Other expenses | SŽ | 81 | - |
| Other expenses | ČEZ | 37 | - |

(CZK million)

| Receivables | Counterparty | 30 June 2024 | 31 Dec 2023 |
|-----------------------------------------|---------------------|---------------------|--------------------|
| Compensation for substitute bus service | SŽ | - | 184 |
| Compensation of 50% discount fares | state – MT | 247 | 112 |
| Public service obligation | regions | 117 | 283 |
| Telecommunication services | SŽ | 235 | 127 |
| Advances provided | SŽ | 50 | 60 |
| Freight transport | ČEZ | 2 | 26 |
| Freight transport | SŽ | 18 | 12 |
| Compensation for unjust enrichment | SŽ | 679 | 678 |
| Operation and maintenance of SW | SŽ | 15 | - |
| Other receivables | ČEZ | 3 | - |
| Other receivables | SŽ | 7 | 19 |

(CZK million)

| Liabilities | Counterparty | 30 June 2024 | 31 Dec 2023 |
|-----------------------------------------------------------------------|---------------------|---------------------|--------------------|
| Use of railroads and allocated railway capacity – passenger transport | SŽ | 370 | 410 |
| Use of railroads and allocated railway capacity – freight transport | SŽ | 110 | 160 |
| Consumption of electric traction energy – passenger transport | SŽ | 98 | 83 |
| Lease liabilities | SŽ | 200 | 190 |
| Public service obligation | state – MT | 113 | 202 |
| Public service obligation | regions | 282 | 436 |
| Consumption of electric traction energy – freight transport | SŽ | 98 | 76 |
| Other liabilities | SŽ | 57 | 43 |
| Other liabilities | ČEZ | 9 | 19 |

19. Capital Commitments

As of the date of the interim consolidated financial statements, the Group concluded contracts for the purchase of property, plants and equipment in the amount of CZK 53,863 million (as of 31 December 2023 in the amount of CZK 54,704 million). Investments in rolling stock represent a substantial part of the capital commitments.

20. Legal Disputes

All legal disputes matters described in the Group's consolidated financial statements for 2023 are also applicable to these condensed interim consolidated financial statements. There are no significant relevant events as of 30 June 2024 or the date of these financial statements, other than the information described below.

20.1. LEO Express claim for damages

In 2023, the Municipal Court allowed LEO Mobility s.r.o. (a claim for CZK 34 million) and Mr L. Novotný (a claim for CZK 434 million) to intervene as the claimants in place of the current claimant, i.e. LEO Express Global a.s. ČD appealed against this decision, as LEO Mobility s.r.o. eventually intervened in the proceedings for CZK 34 million, while the procedural succession in the proceedings for CZK 434 million has not yet been finally decided.

On 23 June 2024, a court settlement was concluded in the proceedings for CZK 34 million, on the basis of which all claims of LEO Mobility s.r.o. are extinguished and the company is obliged to pay the costs of the proceedings to ČD in the amount of CZK 2 million. This dispute has thus been finally terminated.

In 2024, the court has already finally ruled on the matter of standing to bring proceedings (locus standi) in the CZK 434 million dispute; however, this decision has been appealed and the court of first instance is awaiting a decision on the appeal before taking the matter forward.

In the opinion of the Group's management, it is not probable that the Group will incur liability in this respect and has, therefore, created no provision.

21. Fair Value of Financial Instruments

(CZK million)

| Financial assets | Level | Fair value as of 30 June 2024 | Carrying amount as of 30 June 2024 | Fair value as of 31 December 2023 | Carrying amount as of 31 December 2023 |
|-------------------------------------------------------------------|---------|----------------------------------|------------------------------------------|--------------------------------------|----------------------------------------------|
| Measured at fair value | | 706 | 706 | 674 | 674 |
| Derivative instruments used in hedge accounting | Level 2 | 345 | 345 | 341 | 341 |
| Financial assets at fair value through other comprehensive income | Level 3 | 361 | 361 | 333 | 333 |
| Measured at amortised cost | | 202 | 205 | 214 | 216 |
| Finance lease receivables | Level 2 | 149 | 149 | 139 | 139 |
| Other non-current financial assets | Level 2 | 53 | 56 | 75 | 77 |
| Total | | 908 | 911 | 888 | 890 |

(CZK million)

| Financial liabilities | Level | Fair value as of 30 June 2024 | Carrying amount as of 30 June 2024 | Fair value as of 31 December 2023 | Carrying amount as of 31 December 2023 |
|---------------------------------------------------|---------|----------------------------------|------------------------------------------|--------------------------------------|----------------------------------------------|
| Measured at fair value | | 1,341 | 1,341 | 1,481 | 1,481 |
| Derivative instruments used in hedge accounting | Level 2 | 1,341 | 1,341 | 1,478 | 1,478 |
| Other financial derivatives | Level 2 | - | - | 3 | 3 |
| Measured at amortised cost | | 70,809 | 72,070 | 61,252 | 63,110 |
| Issued bonds | Level 2 | 9,458 | 10,344 | 8,531 | 10,167 |
| Issued bonds (traded publicly) | Level 1 | 34,034 | 34,398 | 25,663 | 25,858 |
| Loans * | Level 2 | 15,287 | 15,648 | 14,902 | 15,201 |
| Loan from EUROFIMA | Level 2 | 11,843 | 11,471 | 11,909 | 11,611 |
| Other non-current financial liabilities and loans | Level 2 | 187 | 209 | 247 | 273 |
| Total | | 72,150 | 73,411 | 62,733 | 64,591 |

* The fair value of variable interest loans approximates the carrying amount of these loans.

Cash and cash equivalents, trade receivables and payables, other current financial assets, and other current financial liabilities are not included in the table because their fair value approximates their carrying amount due to their short-term maturity.

There were no transfers of financial instruments between levels during 2024 and 2023.

21.1. Valuation procedures used to determine fair value

The fair value of financial assets and financial liabilities measured at fair value are determined as follows:

- The fair value of investments in equity instruments at fair value through other comprehensive income was estimated using asset-based approach. As of 30 June 2024 and 31 December 2023, the Group's management analysed the investee's audited financial statements and concluded that its fair value is approximately equal to the carrying amount of its net assets.
- The fair value of interest rate swaps is calculated using a valuation model on the basis of discounted future cash flows.
- The fair value of cross-currency interest rate swaps is calculated using a valuation model on the basis of discounted future cash flows in respective currencies.
- The fair value of currency swaps is calculated using a valuation model based on discounted yield curves and swap points for the relevant currencies.
- The fair value of commodity swaps is calculated using a valuation model based on discounted future cash flows based on expected commodity prices.

The fair value of financial assets and financial liabilities that are not measured at fair value but are required to be disclosed are determined as follows:

- The fair value of the bonds is determined on the basis of quoted market prices, if available. If quoted market prices do not exist, the fair value is determined using valuation model on the basis of quoted market prices of comparable bonds.
- The fair value of other non-current financial assets and liabilities is calculated using the discounted cash flow method.

Future cash flows are discounted using the discount rate derived from the incremental borrowing rate.

21.2. Fair value measurement recognised in the consolidated statement of financial position

Financial instruments measured at fair value are allocated to Levels 1 to 3 according to the extent to which the fair value can be ascertained or verified:

- Fair value measurements at Level 1 are valuations that are determined based on unadjusted quoted prices of the same assets or liabilities in active markets.
- Fair value measurements at Level 2 are valuations that are determined based on inputs other than quoted prices used at Level 1; this information can be obtained from the asset or liability directly (i.e., prices) or indirectly (i.e., data derived from prices).
- Fair value measurements at Level 3 are valuations based on valuation techniques that use asset or liability information that is not derived from observable market data (unverifiable inputs).

Investments in equity instruments measured at fair value through other comprehensive income as of 30 June 2024 and 31 December 2023 are included in Level 3. All other financial instruments measured at fair value as of 30 June 2024 and 31 December 2023 are included in Level 2.

22. Interim Post Balance Sheet Events

There were no significant events after the interim balance sheet date.

23. Approval of the Condensed Interim Consolidated Financial Statements

These condensed interim consolidated financial statements were approved by the Board of Directors and authorised for issue on 3 September 2024.

Responsibility for the Interim Report of the ČD Group

AFFIDAVIT

Authorised individuals of the issuer declare that to the best of their knowledge, the consolidated interim report gives a true and fair view of the financial position, business activities and financial results of the issuer and its consolidation group for the past six months and of the outlook of the future development in the financial position, business activities, and financial results of the issuer and its consolidation group.

In Prague on 3 September 2024



Michal Krapinec
Chairman of the Board of Directors
České dráhy, a.s.



Lukáš Svoboda
Member of the Board of Directors
České dráhy, a.s.

This report has not been audited.

List of Abbreviations

| | |
|-----------------|-----------------------------------------------------------------------------------------------------------------|
| CAPEX | Investment (capital) expenditures |
| ČD | České dráhy, a.s. |
| DISOD | Dispatcher Information System for Passenger Transport |
| EBIT | Earnings before Interest and Taxes |
| EBITDA | Earnings before Interest, Taxes, Depreciation and Amortisation |
| ETCS | European Train Control System |
| EUROFIMA | European Company for the Rolling Stock Financing |
| IAS | International Accounting Standard |
| IFRS | International Financial Reporting Standards |
| IS | Information System |
| IS OPT | Information System of the Shipping Revenue Centre |
| JLV | Sleeping and Dining Car Company (Jídelní a lůžkové vozy, a.s.) |
| KASO | Comprehensive Application for Scheduling Circuits |
| MT | Ministry of Transport of the Czech Republic |
| OPT | Shipping Revenue Centre |
| PARIS | Sales and booking information system |
| POP | Portable personal cash register |
| SW | Software |
| SŽ | Railway Transport Route Administration, state organisation (Správa železnic, state organisation, formerly SŽDC) |
| UNIPOK | Cash register system for ČD personal transport |
| VUZ | Railway Research Institute |

Identification and Contact Information

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