

Annual report 2025



Table of Contents

PROFILE OF THE ČD GROUP

- 4 Opening Statement
- 6 Board of Directors
- 7 Report on the Activities of the Supervisory Board of the Company for 2025
- 8 Corporate Governance
- 11 Principal Indicators for the ČD Group
- 13 Equity Investments of the ČD Group

FINANCIAL OVERVIEW

- 15 **REPORT OF THE BOARD OF DIRECTORS ON BUSINESS ACTIVITIES OF THE ČD GROUP AND THE BALANCE OF ITS ASSETS**
- 16 Economic Results
- 18 Passenger Transport
- 19 Freight Transport
- 21 Asset Management
- 21 Certification and Testing

- 22 **INDEPENDENT AUDITOR'S REPORT**

- 28 **CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2025**
- 30 Consolidated Statement of Profit or Loss
- 31 Consolidated Statement of Comprehensive Income
- 32 Consolidated Statement of Financial Position
- 34 Consolidated Statement of Changes in Equity
- 35 Consolidated Cash Flow Statement
- 37 Notes to the Consolidated Financial Statements

- 120 **SEPARATE FINANCIAL STATEMENTS FOR THE YEAR 2025**
- 122 Separate Statement of Profit or Loss
- 123 Separate Statement of Comprehensive Income
- 124 Separate Statement of Financial Position
- 126 Separate Statement of Changes in Equity
- 127 Separate Cash Flow Statement
- 129 Notes to the Separate Financial Statements

NON-FINANCIAL OVERVIEW

- 190 **INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT**

- 194 **CONSOLIDATED SUSTAINABILITY STATEMENT**
- 195 General Disclosures ESRS 2
- 216 Environmental Responsibility
- 245 Social Responsibility
- 258 Governance

OTHER

- 265 Report on Relations
- 272 Definition of Used Alternative Performance Measures
- 275 Provision of Information Pursuant to Act No. 106/1999 Coll.
- 276 Information on Persons Responsible for the Annual Report of the ČD Group
- 277 List of Used Abbreviations
- 280 Identification and Contact Information

PROFILE OF THE ČD GROUP

- 4 Opening Statement
- 6 Board of Directors
- 7 Report on the Activities of the Supervisory Board of the Company for 2025
- 8 Corporate Governance
- 11 Principal Indicators for the ČD Group
- 13 Equity Investments of the ČD Group



Opening Statement of the Chairman of the Board of Directors

MICHAL KRAPINEC

CHAIRMAN OF THE BOARD OF DIRECTORS

Ladies and Gentlemen,

2025 brought passengers the most comfortable and most modern train fleet in the modern history of the Czech Republic. On average, it was used by approximately 460 thousand passengers every day, and we achieved our most punctual operations since 2016. Of the 2.4 million trains dispatched, 88.2% ran on time. These changes were reflected in higher customer satisfaction.

Significant changes also took place in the freight transport segment. Freight transport by rail is going through a deep crisis across Europe, mainly as a result of changes in the energy sector, industrial production, and unequal competitive conditions vis-à-vis road transport. For this reason, we implemented an extensive recovery programme at our subsidiary ČD Cargo, aimed at adapting the freight carrier to the new market situation.

Despite the unfavourable development in the freight transport segment, the ČD Group achieved a profit before tax of CZK 1.8 billion. This represents a year-on-year increase of 46%. A significant improvement was recorded primarily in the passenger transport segment, which achieved a profit before tax of CZK 2.4 billion, up by CZK 1.7 billion year on year. Extraordinary asset sales also contributed to the result, partially offsetting the impact of restructuring

measures in the freight transport segment. The other segments also performed well.

In the passenger transport segment, despite low fuel prices and strong competition from individual car transport, we carried 168 million passengers, i.e. virtually the same number as in 2024. The modernisation of the rolling stock continued: in long-distance transport, we deployed ComfortJet train units, while the first Vectron 384 class locomotives were also delivered. Thanks to them, we are developing cooperation with foreign partners. Since December 2025, our trains have been running as far as Villach on the Austrian-Italian border, and during 2026, they will begin operating to the Danish capital of Copenhagen. New trains brought benefits to other routes as well. Comfortable Railjet trains now operate to Bratislava and Budapest, and we deployed more air-conditioned coaches with onboard Wi-Fi on domestic fast services. In regional transport, in cooperation with the regions, we put a further 22 RegioFox units into operation. Overall, during the last four years, we have introduced new, air-conditioned and barrier-free trains in both regional and long-distance transport, offering approximately 45,000 seats, and have replaced outdated trainsets that in some cases had been in service for as long as 50 years.



2025 BROUGHT PASSENGERS THE **MOST COMFORTABLE** AND **MOST MODERN** TRAIN FLEET IN THE MODERN HISTORY OF THE CZECH REPUBLIC.

I already mentioned earlier how difficult the situation has been in the rail freight transport segment. The situation in this sector is further complicated by unequal competitive conditions vis-à-vis road transport, such as the extent of track access charging or technical equipment requirements. ČD Cargo responded to the crisis in rail freight transport as early as 2024 and continued to adapt to the new conditions in 2025. The ČD Cargo Group managed to transport 57.8 million tonnes of goods, i.e. 1.1 million tonnes more than in the previous year, while revenues increased slightly year on year by CZK 47 million to a total of CZK 15.6 billion. Demand for the transport of certain commodities, however, will continue to decline in the future. The loss before tax of CZK 3.8 billion is therefore primarily related to the restructuring of ČD Cargo and the disposal of surplus wagons and locomotives, as well as the departure of redundant employees. This was reflected in higher depreciation and provisions created. Thanks to these recovery steps, however, ČD Cargo has the potential to come through the crisis in European rail freight transport in good shape.

As regards the other segments, virtually all subsidiaries performed well. We also continued the sale of non-core assets. This related primarily to real estate that is surplus to the development of rail transport and our growth in our core business activities. The largest volumes of these sales were

realised within real estate projects in the area of the former Prague-Žižkov freight station and around the main railway stations in Prague and Brno. The sale of land is important above all for the development of cities and municipalities and, in the case of development projects, will contribute to a significant improvement in the quality of life of their residents. This applies in particular to the capital city of Prague, where new residential districts, including full urban infrastructure – roads, public transport lines, shops, parks, and other civic amenities – are being developed on our former sites.

In April 2025, the rating agency Moody's affirmed the ČD Group's rating at Baa2 and, in addition, improved its outlook from stable to positive. One month later, we successfully placed a bond issue in the amount of EUR 500 million.

In 2025, we also updated the ČD Group's strategy. Its main priorities include the continued modernisation of the rolling stock, greater operational and commercial efficiency, support for digital technologies and electronic passenger check-in, as well as the modernisation of service facilities. The maintenance of railway vehicles thus represents the third important pillar of our business.

Sustainability, as a natural part of the ČD Group's business, has been fully integrated into our strategy. Last year, we also continued to focus on the development of non-financial reporting, and for



2025, we are newly reporting Taxonomy alignment for the passenger transport segment as well. Across the entire ČD Group, 61% of our investments and 45% of our revenue are in line with the EU taxonomy, and an additional 33% of investments and 42% of revenue are eligible. I believe that these indicators will be appreciated especially by financial institutions, banks, and investors in our bonds.

I believe that the ČD Group is entering 2026 in good condition and is prepared to face new challenges. My sincere thanks go to everyone who contributes to its day-to-day operation and long-term development.



Michal Krapinec
Chairman of the Board of Directors

THE ČD GROUP ACHIEVED
A PROFIT BEFORE TAX OF

CZK 1.8 billion

Board of Directors



MICHAL KRAPINEC

CHAIRMAN OF THE BOARD OF DIRECTORS

He graduated from the Faculty of Law of Charles University in Prague, majoring in law and legal science. He started his professional career in advocacy and has been working for the ČD Group since 2012. In ČD Cargo, he served as secretary general of the company management and subsequently took over the division for management and administration of equity investments, where he was responsible for international expansion. Later, Mr Krapinec became a member of the Board of Directors of ČD Logistics and a member of the Supervisory Board of ČD – Informační Systémy. Subsequently, he managed the Strategy and Equity Investment Management Department and the Project Office Department at České dráhy. In June 2020, he was elected a member of the Board of Directors of ČD – Telematika, and in September of the same year, he became Chairman of the Board of Directors of ČD – Telematika. In April 2022, he was appointed the Chairman of the Board of Directors and the CEO of the parent company České dráhy.



JIŘÍ JEŘETA

MEMBER OF THE BOARD OF DIRECTORS

After graduating from the Industrial Secondary School of Transport in Strakonice, he started working for ČD as a dispatcher in 1994 and continued his studies in the field of transport technology and management at the Jan Perner Faculty of Transport at the University of Pardubice. In 2001, Mr Jeřeta joined the Controlling Department of the Directorate General of ČD. He has held several managerial positions at the Directorate General of ČD, including Director of the Office of the Deputy CEO for Sales and Marketing, Director of the Passenger Transport Business Department and Director of the Regional Transport Department. Mr Jeřeta was elected Deputy CEO for business and a member of the Board of Directors in May 2020. He has been responsible for the Passenger Transport Division since 1 July 2021.



LUKÁŠ SVOBODA

MEMBER OF THE BOARD OF DIRECTORS

As a graduate from the Faculty of Management at the University of Economics in Prague and the Faculty of Law at Palacký University in Olomouc, he worked in the Audit Department of PricewaterhouseCoopers, then in the Mergers and Acquisitions Department of PWC. From 2013 to 2014, Mr Svoboda served as a Finance Manager at Informační linky. From 2014 to 2018, he was the Controlling Director and later the Finance Director at Česká pošta. From 2014 to 2020, Mr Svoboda was a member of the Board of Directors of Poštovní tiskárna cenin in Prague. Starting in 2019, he worked for ČD – Telematika, a subsidiary of ČD, where he was also responsible for procurement, logistics and asset management from the position of Chief Financial Officer. In April 2022, Mr Svoboda was elected to the Board of Directors of ČD as Deputy CEO for Economics and Procurement.

Report on the Activities of the Supervisory Board of České dráhy, a.s. for 2025

VAZIL HUDÁK

CHAIRMAN OF THE SUPERVISORY BOARD OF ČESKÉ DRÁHY, A.S.

In 2025, thirteen meetings were held at the registered office of České dráhy, a.s., and the Supervisory Board always had a quorum. The meetings of the Supervisory Board were regularly attended by the chairman and other members of the Company's Board of Directors, as needed.

During the reporting period, the Company's Supervisory Board exercised its powers and performed all tasks in accordance with the law and the Company's Articles of Association. The Supervisory Board made use of all the options stipulated by the Company's Articles of Association for its supervisory activities.

As part of its oversight activities, the Supervisory Board supervised the proper exercise of powers of the Board of Directors and the Company's activities. The Supervisory Board was regularly informed by the Company's Board of Directors about the Company's current events, economic results, the Company's financial position, financial risks and the Company's risk position, as well as the economic results of subsidiaries, in particular ČD Cargo, a.s.

The Company's Supervisory Board meetings were regularly presented with the materials requested by the Supervisory Board and requests from the Company's Board of Directors for the prior approval of certain legal actions taken by the Company. All such requests were duly considered and acted upon by the Supervisory Board. The Supervisory Board continuously assigned tasks to the Company's Board of Directors to examine the need for and scope of investment projects in order to optimise the Company's costs. As part of its activities, the Supervisory Board monitored in particular the achievement of the economic targets set out in the Company's annual business plan and requested justification of the development of the business.

The Supervisory Board states that the Company's Board of Directors provided the Supervisory Board with all prescribed or required information as well as cooperation in 2025, and the Supervisory Board thus had at its disposal all the documents necessary for the performance of its oversight activities.



In the course of its oversight activities, the Supervisory Board did not find any violation or non-fulfilment of the obligations arising from legal regulations, the Company's Articles of Association, the Company's internal regulations or the instructions of the General Meeting on the part of České dráhy, a.s. or individual members of the Company's Board of Directors.

The Supervisory Board concludes that all the necessary conditions for the proper performance of its activities have been created.

In Prague, on 18 March 2026



Vazil Hudák

Chairman of the Supervisory Board of České dráhy, a.s.

Corporate Governance

LEGAL RELATIONS OF THE COMPANY

The legal relations of the joint stock company České dráhy, a.s. (ČD or the Company or České dráhy) are predominantly governed by:

- Act No. 77/2002 Coll., on the Joint-Stock Company České dráhy, the State Organisation Správa železnic and on the Amendment to Act No. 266/1994 Coll., on Railways, as amended, and Act No. 77/1997 Coll., on State Enterprise, as amended;
- Act No. 89/2012 Coll., the Civil Code, as amended; and
- Act No. 90/2012 Coll., on Commercial Companies and Cooperatives (the Act on Commercial Corporations), as amended.

The legal relations of the Company, as well as the rights and obligations of the Company's shareholders and bodies, are comprehensively regulated in the Company's Articles of Association.

SHAREHOLDER STRUCTURE AND BODIES OF THE COMPANY

The sole shareholder of ČD is the Czech Republic. The Company's supreme body is the General Meeting. If the Company has only one shareholder, no general meeting is held, and the powers of the general meeting are exercised by the sole shareholder. The scope of competence of the General Meeting is set out in the laws governing the Company's legal relations and in the Company's Articles of Association.

In 2025, the Company acquired no treasury shares.

Steering Committee

The state exercises its rights as the sole shareholder in the Company through the Steering Committee. The Steering Committee consists of three government-appointed employees of the Ministry of Transport (MT) and one government-appointed employee each of the Ministry of Finance (MF), Ministry of Defence (MD), Ministry of Industry and Trade (MIT) and Ministry of Regional Development (MRD). The decision-making process of the Steering Committee is governed by the laws governing the legal relations of the Company, the Articles of Association of the Company, and the Rules of Procedure of the Steering Committee. The working addresses of the members of the Steering Committee are located at the registered office of the Company.

The composition of the Steering Committee as at 31 December 2025 was as follows:

Jakub Kopřiva	Chairman, representative of MT
Petr Pavelek	Member, representative of MF
Eduard Muřický	Member, representative of MIT
Luděk Sosna	Member, representative of MT
Richard Vítek	Member, representative of MD
Leo Steiner	Member, representative of MRD

On 18 December 2025, Václav Bernard resigned from his positions as a member and vice-chairman of the Steering Committee. As at 12 January 2026, a resolution of the Czech government withdrew the authorisation granted to Leo Steiner to perform his activities in the Steering Committee. Subsequently, the resolution of the Czech government authorised Pavla Stanošková and Jiří Janoušek to perform activities in the Steering Committee.

Supervisory Board

The Supervisory Board has six members. Two thirds of the members are elected by the sole shareholder through the Steering Committee, one third is elected by the employees according to the election rules approved by the Company's Board of Directors after consultation with the relevant trade unions. The term of office of a member of the Supervisory Board is five years. The Supervisory Board meets as required (usually once a month), but at least four times a year. The Supervisory Board supervises the performance of the Board of Directors' duties and the Company's activities and submits its opinion to the General Meeting.

The Supervisory Board's decision-making procedure is governed by the laws governing the Company's legal relations, the Company's Articles of Association and the Supervisory Board's Rules of Procedure. The working addresses of the members of the Supervisory Board are located at the Company's registered office.

The composition of the Supervisory Board as at 31 December 2025 was as follows:

Miroslav Zámečník	Chairman
Josef Suchánek	Member
Filip Terš	Member
Věra Nečasová	Member
Štěpán Lev	Member
Michal Vozobule	Member

On 9 February 2026, Miroslav Zámečník, Michal Vozobule, Filip Terš and Josef Suchánek were recalled as members of the Supervisory Board by a resolution of the sole shareholder, through the Steering Committee. With effect from 10 February 2026, Dan Ťok, Vazil Hudák, Jaroslav Vodný and Radek Rozvorál were appointed members of the Supervisory Board. On 26 February 2026, members of the Supervisory Board appointed Vazil Hudák as the Chairman and Dan Ťok as the Vice-chairman of the Supervisory Board.

The Supervisory Board has established a Real Estate Committee, a Remuneration Committee and a Railway Vehicles Committee within its scope of competence.

The Real Estate Committee discusses proposals by the Board of Directors for the prior approval of the Supervisory Board for the management of real estate in cases where such approval is required under the Company's Articles of Association and where discussion in the Committee prior to submission to the Supervisory Board is required under the internal regulations on the sale and lease of ČD's real estate. The members of the Committee are elected and recalled by the Supervisory Board. The Committee's decision-making procedure is governed in particular by the Company's Articles of Association and, in detail, by the Committee's Rules of Procedure, which are approved by the Supervisory Board.

The Remuneration Committee monitors compliance with the rules governing the remuneration of members of the Company's Board of Directors. According to these rules, the members of the Board of Directors are remunerated in particular in accordance with the achievement of set objectives. The Committee also reviews the Company's proposals for determining the remuneration and other benefits of the members of the Board of Directors and submits its opinions and recommendations to the Company's Supervisory Board on these proposals. The members of the Committee are elected and dismissed by the Supervisory Board. The Committee's decision-making procedure is governed in particular by the Company's Articles of Association and, in detail, by the Committee's Rules of Procedure, which are approved by the Supervisory Board.

The Railway Vehicle Committee is an advisory body of the Supervisory Board, which discusses proposals from the ČD Board of Directors concerning the strategy and concept of the railway vehicle renewal. The Committee's decision-making procedure is governed in particular by the Company's Articles of Association.

Board of Directors

The Board of Directors is the statutory body of the Company. The Board of Directors is responsible for business management. As at 31 December 2025, the Board of Directors had four members. On 4 December 2025, the time in the office expired for the member and Vice-chairman of the Board of Directors Michal Kraus. The members of the Board of Directors are elected and recalled by the Company's Supervisory Board. The Board of Directors meets as required (usually once a week), but at least once every three months. Within the scope of its competence, the Company's Board of Directors decides, in particular, on all matters of the Company, unless they are reserved by the relevant legislation and the Company's Articles of Association to the General Meeting, the Supervisory Board or the Audit Committee. The decision-making procedure of the Board of Directors is governed by the laws governing the legal relations of the Company and the Articles of Association of the Company. The working addresses of the members of the Board of Directors are located at the registered office of the Company.

The composition of the Board of Directors as at 31 December 2025 was as follows:

Michal Krapinec	Chairman
Blanka Havelková	Member
Lukáš Svoboda	Member
Jiří Jeřeta	Member

On 17 December 2025, the sole shareholder, through the Steering Committee, approved a change in the Articles of Association under which the Company's Board of Directors has three members starting from 1 January 2026. On 22 December 2025, the Supervisory Board recalled Blanka Havelková from the position of a member of the Supervisory Board, with effect from 31 December 2025.

Audit Committee

Members of the Audit Committee are appointed and recalled by the Company's sole shareholder through the Steering Committee. The Audit Committee has three members. The term of office of an Audit Committee member is five years. The Audit Committee meets as required, but at least four times a year. The Audit Committee's terms of reference are determined by Act No. 93/2009 Coll., on Auditors, as amended, and the Company's Articles of Association. The decision-making procedure of the Audit Committee is governed by the Company's Articles of Association.

The composition of the Audit Committee as at 31 December 2025 was as follows:

Tomáš Vyhnánek	Chairman
Otakar Hora	Vice-chairman
Lenka Hamplová	Member

Composition of the Administrative, Management and Supervisory Bodies by Gender

Figures as at 31 December 2025

Management body	Total members	Men	%	Women	%	Classifications under ESRS
Steering Committee	6	6	100%	-	-	Non-executive members
Supervisory Board	6	5	83%	1	17%	Non-executive members
Board of Directors	4	3	75%	1	25%	Executive members
Audit Committee	3	2	67%	1	33%	Non-executive members

All members of the Company's Board of Directors are independent. As such, the percentage of independent members is 100%.

RISK MANAGEMENT

The primary objective of the integrated risk management system in the ČD Group is to continuously limit the negative impact of risks on the economic performance of the entire ČD Group, i.e. to eliminate, to the maximum extent possible, threats of decreased revenues or increased costs. The risk management system in the conditions of ČD is based on the established framework of corporate governance rules and is part of the "second line of defence" of the conceptual framework of internal control levels within the principle of all "three lines of defence" of the organisation.

The Risk Management Committee of ČD plays an important role in the risk management system, serving as an advisory body to the Board of Directors of ČD. The Committee meets at least four times a year.

A uniform system is used for recording and evaluating risks across the ČD Group, including the same method of quantifying and categorising risks, which enables us to provide comparable data, particularly when compiling the current overall risk position. Continuous monitoring and regular assessment of risks in relation to the relevant approved limits ensure that the management of the ČD Group is regularly informed of the current risk position.

The Company's financial risk management objectives and methods are described in detail in the separate financial statements for 2025, Notes 34.4 – 34.8. The objectives and methods of the ČD Group's financial risk management are described in detail in the consolidated financial statements for 2025, Notes 36.4 – 36.9.

INTERNAL AUDIT

Within its scope of competence, the internal audit function is carried out by the Internal Audit Department, together with the Director of the Internal Audit and Control Division. The Division falls under the management authority of the Board of Directors. The Audit Committee oversees the independence and efficiency of the internal audit.

The internal audit function of ČD is based on the principles of the International Standards for the Professional Practice of Internal Auditing. Accordingly, it undergoes an external independent assessment, which contributes to ensuring and continuously improving the quality of internal audit services. In the most recent external assessment conducted in 2024, ČD's internal audit activities and performance were found to be compliant with the International Standards for the Professional Practice of Internal Auditing. The internal audit serves as an independent "third line of defence" of the conceptual framework of internal control levels, aligning with the organisation's "three lines of defence" model.

The Internal Audit Department also communicates and cooperates with external oversight bodies, the external auditor, and law enforcement authorities. In coordination with the Compliance Officer, it is responsible for managing the reporting, registration, and investigation of fraud and unethical practices within ČD (whistleblowing).

ISO MANAGEMENT SYSTEMS

An essential component of ČD's operations is the implementation of management systems in accordance with international ISO standards. Certain standards are binding for ČD either because they fulfil the requirements of legislation or because of the commitment of the ČD Board of Directors regarding the quality of services offered and the safety and health protection of employees.

At present, ČD is certified under ČSN EN ISO 9001 and ČSN ISO 45001. The certification covers passenger transport security in both long-distance and regional services, timetable preparation and execution, product and standard development and management in passenger transport, pricing, operational planning and deployment, as well as the maintenance and repair of rolling stock. It also includes procurement for the ČD Group and external customers, storage and material supply, administration and maintenance of real estate and operation of service facilities. Additionally, the entire Company is certified under ČSN EN ISO 50001 for energy consumption management in passenger transport and property management.

QUALITY STANDARDS

České dráhy, a.s. determines quality standards in provided services which are based on Regulation (EU) 2021/782 of the European Parliament and of the Council on rail passengers' rights and obligations.

An assessment of quality standards is published on the ČD's website and the website of the European Union Agency for Railways (ERA).

Principal Indicators for the ČD Group

Key financial indicators	Unit	2025	2024	Difference	Index 2025/2024 (%)
Revenues	CZK million	54,307	51,644	2,663	105.2
- of which revenues from passenger transport	CZK million	35,921	33,282	2,639	107.9
- of which revenues from freight transport	CZK million	15,618	15,571	47	100.3
- of which other revenues	CZK million	2,768	2,791	(23)	99.2
Other operating income	CZK million	4,594	3,054	1,540	150.4
Services, material, and energy consumption	CZK million	(20,791)	(20,340)	(451)	102.2
Staff costs	CZK million	(18,371)	(17,717)	(654)	103.7
Other operating expenses	CZK million	(1,187)	(1,041)	(146)	114.0
EBITDA (from continuing operations) *	CZK million	18,560	15,654	2,906	118.6
EBITDA margin *	%	31.5	28.6	2.9	110.1
Depreciation, amortisation and impairment	CZK million	(14,010)	(11,551)	(2,459)	121.3
EBIT (from continuing operations) *	CZK million	4,550	4,103	447	110.9
EBIT margin *	%	7.7	7.5	0.2	102.7
Finance income and costs	CZK million	(2,713)	(2,841)	128	95.5
EBT (Earnings Before Taxes)	CZK million	1,837	1,262	575	145.6
EBT margin *	%	3.1	2.3	0.8	134.8
Total assets	CZK million	154,943	141,949	12,994	109.2
CAPEX (Capital Expenditures) *	CZK million	16,668	22,708	(6,040)	73.4
Total gross debt *	CZK million	96,649	87,426	9,223	110.5
Cash and cash equivalents	CZK million	15,231	9,338	5,893	163.1
Total net debt *	CZK million	81,418	78,088	3,330	104.3
Total gross debt / EBITDA *	1	5.2	5.6	(0.4)	92.9
Total net debt / EBITDA *	1	4.4	5.0	(0.6)	88.0

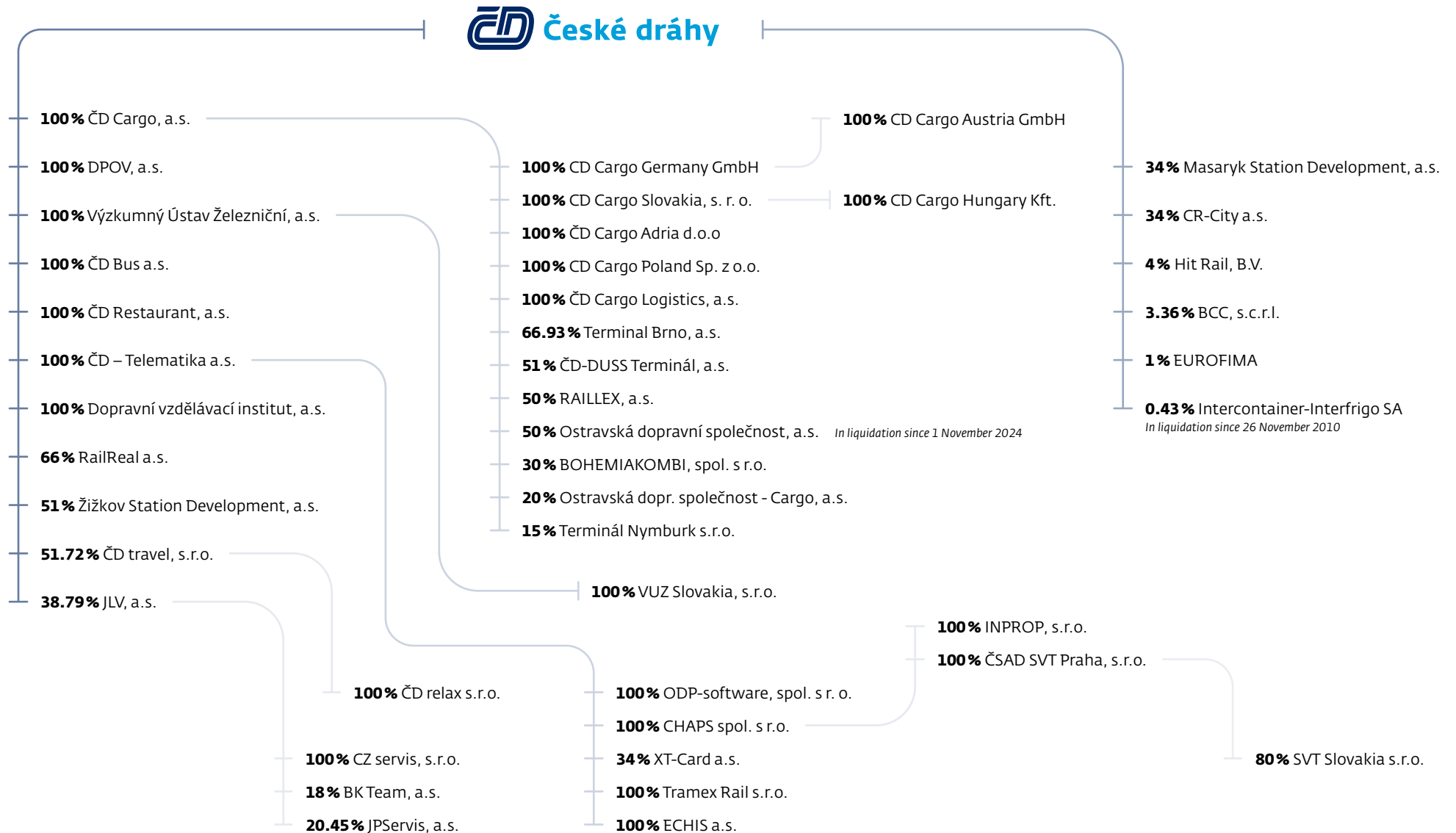
* The definition of alternative performance measures used is provided in the relevant chapter.

Key non-financial indicators	Unit	2025	2024	Difference	Index 2025/2024 (%)
Passenger transport					
Number of transported passengers	mil. persons	168.0	168.8	(0.8)	99.5
Passenger transport capacity	mil. passenger kilometres	8,002	8,280	(278)	96.6
Transport capacity	mil. train kilometres	117.9	115.2	2.7	102.3
Average transport distance	km	47.6	49.1	(1.5)	97.0
Occupancy of offered capacity	%	28.7	30.8	(2.1)	93.2
Freight transport					
Transport volume	mil. tonnes	57.8	56.7	1.1	101.9
Employees					
Average recalculated number of employees	persons	20,812	21,550	(738)	96.6
Gender balance (overall share of women)	%	25.6	25.8	(0.2)	99.2
Energy and emissions					
Total energy consumption	MWh	1,727,392	1,676,534*	50,859	103.0
Greenhouse gas emissions (S1-2)	t CO ₂ e	747,623	788,586	(40,963)	94.8
Customers					
Customer satisfaction with passenger transport services	NPS	37.3	33.7	3.6	110.7
Share of online sale channels in ČD in the total number of sold tickets	%	69.3	64.3	5.0	107.8

* The change in total energy consumption figures for 2024 is described in more detail in the "General Information" chapter of ESRS 2, under the section on disclosure of information regarding specific circumstances.

Equity Investments of the ČD Group

as at 31 December 2025



FINANCIAL OVERVIEW

- 
- 15 REPORT OF THE BOARD OF DIRECTORS ON BUSINESS
ACTIVITIES OF THE ČD GROUP AND THE BALANCE OF ITS ASSETS
- 28 CONSOLIDATED FINANCIAL STATEMENTS FOR 2025
- 120 SEPARATE FINANCIAL STATEMENTS FOR 2025

REPORT OF THE BOARD OF DIRECTORS ON BUSINESS ACTIVITIES OF THE ČD GROUP AND THE BALANCE OF ITS ASSETS

- 16 Economic Results
- 18 Passenger Transport
- 19 Freight Transport
- 21 Asset Management
- 21 Certification and Testing



Report of the Board of Directors on Business Activities of the ČD Group and the Balance of its Assets

ECONOMIC RESULTS

The table below was prepared using the information disclosed in the Segment Information note included in the consolidated financial statements.

(CZK million)

		Passenger transport	Freight transport	Assets management	Certification and testing	Other	Elimination	Total
Revenues	2025	35,921	15,618	509	1,015	7,013	(5,769)	54,307
	2024	33,282	15,571	516	1,015	7,462	(6,202)	51,644
Services, material and energy consumption	2025	(13,159)	(6,865)	(629)	(278)	(4,698)	4,838	(20,791)
	2024	(12,947)	(6,880)	(538)	(246)	(5,211)	5,482	(20,340)
Staff costs	2025	(10,904)	(6,018)	(263)	(224)	(1,731)	769	(18,371)
	2024	(10,498)	(5,530)	(250)	(192)	(1,671)	424	(17,717)
EBITDA from continuing operations	2025	12,517	2,540	2,403	504	1,518	(922)	18,560
	2024	10,514	3,183	1,150	573	1,265	(1,031)	15,654
Depreciation, amortisation and impairment	2025	(8,092)	(5,603)	(214)	(72)	(308)	279	(14,010)
	2024	(7,532)	(3,585)	(235)	(64)	(321)	186	(11,551)
EBIT from continuing operations	2025	4,425	(3,063)	2,189	432	1,210	(643)	4,550
	2024	2,982	(402)	915	509	944	(845)	4,103
Profit / (loss) before tax	2025	2,377	(3,820)	2,298	447	1,177	(642)	1,837
	2024	635	(946)	977	528	917	(849)	1,262

Passenger Transport Segment

The passenger transport segment achieved a profit before tax of CZK 2.4 billion in 2025. It is a year-on-year growth of CZK 1.7 billion. The revenues increased by CZK 2.6 billion year-on-year. The increase was primarily due to higher compensation from clients reflecting an increase in the price level in the prior period and investments in new vehicles that were put into operation in 2025. Revenues from the sale of tickets remained on the same level as in 2024, as well as the number of transported passengers, primarily due to track closure in certain key sections and a drop in the prices of fuels, which resulted in a partial decrease in passengers who used individual transport.

Operating costs increased by CZK 1.2 billion, predominantly due to recognition of statutory provisions for vehicle repairs and increased depreciation relating to the modernisation of the rolling stock. In addition, the increase was due to costs for the payments of the railway infrastructure caused by an increased price and staff costs relating to the Company's collective agreement. The costs of traction electricity declined as a result of the year-on-year lower price, and costs of replacement bus transport and costs of repairs and maintenance decreased as well. EBITDA of the passenger transport segment amounted to CZK 12.5 billion and increased year-on-year by CZK 2 billion. The financial profit increased year-on-year by CZK 0.3 billion primarily due to a lower CZK/EUR exchange rate.

Freight Transport Segment

In 2025, the freight transport segment recorded a loss before tax of CZK 3.8 billion. Year-on-year, the result of operations declined by almost CZK 2.9 billion. Sales of the segment remained at a similar level as in the last year. Although some selected segments saw positive development, for example, transport of automotive, combined transport and services of branches abroad in Austria and Germany, the negative result was primarily due to the implementation of restructuring measures reflecting the already happening and anticipated decline in transported volumes in selected fields that most large railway freight transporters in Europe have been facing. The decrease in these segments relates mostly to the transformation of certain industrial sectors, the gradual phase out of energy production from fossil fuels and the reduction in transportation of wood in localities where it does not make sense to continue to operate the current service system. As part of the restructuring measures, the number of employees was cut, redundant freight wagons and locomotives were stabled and physically liquidated. As to the impacts on the loss, the most significant was the recognised impairment of assets that will no longer be needed in the amount of CZK 2.9 billion and a provision for further reductions in employment of CZK 550 million. However, these measures are of an accounting nature; they have no impact on cash flows and, as such, have no negative impact on liquidity.

Asset Management Segment

The asset management segment achieved a profit before tax of CZK 2.3 billion in 2025, which is a year-on-year increase of CZK 1.3 billion. It was positively impacted largely by revenues from the sale of development projects Prague Žižkov, Nákladové nádraží train station – South and North. The sales arising from development projects are recognised in other operating income that is not part of the above table. To a lesser extent, there was a year-on-year increase in the costs of services, material and energy consumption. Other year-on-year changes are immaterial.

Certification and Testing Segment

The certification segment generated a profit of CZK 447 million and slightly decreased year-on-year while generating identical sales as in 2024. Principal reasons included higher variable costs relating to a year-on-year change in the revenue structure and higher costs of infrastructure repairs and maintenance.

Other and Eliminations

The year-on-year improvement in the profit before tax in the Other segment was due to a combination of several impacts. The principal impact was other operating income higher by CZK 0.3 billion in IT and telematics, primarily related to the sale of a business part. At the same time, the Company made an increased use of human resources from its internal capacities and services provided within the Group with a positive impact on staff costs. The profit before tax increased year-on-year by CZK 0.5 billion. The sectors with the highest number of intra-group transactions, as presented in the "Elimination" column, primarily include repair services, ICT, and bus transportation services. Net of these impacts, the profit in the Others item mostly includes IT and telematics services provided outside of the ČD Group.

THE PASSENGER TRANSPORT
SEGMENT ACHIEVED A PROFIT
BEFORE TAX OF

CZK **2.4** billion
in 2025.

PASSENGER TRANSPORT

In 2025, the Company recorded similar numbers of transported passengers as in the prior year. Further growth in transport services was dampened by significant competition from passenger cars as the prices of fuels dropped to their historical lows. At the same time, customers increasingly perceived the punctuality of our trains, which was more impacted by track closures and extraordinary events, primarily in long-distance and international travels. The satisfaction of passengers with the quality of travel is a key issue for us; therefore, we continued a massive renewal of the rolling stock.

Together with clients, we completed the negotiations leading to the provision of transport services for another period. The clients no longer have, with a few exceptions, another possibility to award a contract than in a standard tender. Our objective has so far been, and will be, to keep all the current services and potentially gain new ones, but always only those with a positive economic impact on the profit.

Long-distance Transport

In 2025, we expanded the offer of direct connections to Carinthia in international transport by an extension of train routes Prague – Vienna – Graz through Klagenfurt to Villach.

In intrastate transport, we started transport on routes Ex7 Prague – České Budějovice – (Linz) / Český Krumlov, R17 Prague – Veselí nad Lužnicí – České Budějovice / České Velenice and R31 Pilsen – České Budějovice in 2025 under a new contract of the SOUTH set concluded with the long-distance transport client, the Czech Ministry of Transport, following the result of a tender. With the use of the Pendolino train set to České Budějovice, we expanded the offer to include a direct connection Ostrava – Prague – České Budějovice and sped up the morning connection from České Budějovice to Prague.

In 2025, we operated a total of 22 long-distance routes under 9 public service contracts entered into with the Czech Ministry of Transport.

In long-distance transport, we continued to adapt the portfolio of offered services to the needs of customers and increase the quality of our rolling stock and traffic safety, consisting primarily in continued use of entirely new ComfortJet express trains, new electrical Vectron locomotives and installation of ETCS in traction vehicles. We pay constant attention to the quality of additional services for passengers, both on board our trains and in stations. They continue to be the priority to achieve our goals in this segment in the following periods.

Regional Transport

In 2025, we took part in tenders for the following operational set: EMU400 (Central Bohemian region and the Capital City of Prague), Centre (South-Moravian region), Haná2 (Olomouc region), Electric traction and Diesel traction (Vysočina region). None of these tenders has been concluded yet; therefore, they move to 2026. We took part in market consultations in the Pardubice region (operational set of the 024 route), Zlín region (operational set Diesel and Electricity). The Pilsen region-initiated market consultations in the BEMU operational set.

Thanks to a major investment in the second half of the contract term, we managed to extend the contract for railway transport operation in the Karlovy Vary region until December 2034.

Due to what we believe to be a discriminatory approach by the Pilsen region (the complaint has not yet been assessed by the Office for the Protection of Competition), we ultimately did not participate in the tender for operating the P3 route in the Pilsen region.

In 2025, we received further units of the 847 class (RegioFox), started to use other modernised units of the 841.X class (RegioSpider) and put into operation the last newly ordered electric RegioPanter units, including four units adapted to allow operation on traction batteries (690 series).

Maintenance of Railway Vehicles in Passenger Transport

In the first half of 2025, a recertification audit of the meeting of ECM conditions for the maintenance of railway vehicles was successfully completed, and subsequently, legislative requirements were further incorporated into activities across the entire maintenance section as part of ECM.

In 2025, the basic planned maintenance of railway vehicles and corrective repairs were provided by Regional Maintenance Centres operating throughout the Czech Republic. Periodical renewals, modernisations and renovations of railway vehicles were carried out by the subsidiary DPOV, a.s. the Regional Maintenance Centres and in external certified repairers. In total, more than 400 vehicles were under periodical renewal in 2025. The share of in-house periodical renewals performed by selected Regional Maintenance Centres in cooperation with DPOV, a.s. was 59% out of the total volume of renewals.

Every year, the safety of railway vehicles plays a significant role. In modernisations of Bdmpz227, WLABmz826, Bbdgmee236 and Bdtee276 class vehicles, the priority in 2025 was to secure the boarding door while the train is running. In addition to safety considerations of railway vehicle operation, approved technical adjustments were made on selected types of vehicles that improve reliability, quality and utility aspects.

Subsidies were used, for example, to equip vehicles with ETCS (European Train Control System). At the end of 2025, České dráhy, a.s. owned 690 vehicles fitted with the ETCS. The maintenance division actively took part in the cooperation with Siemens, Alstom and ČD – Telematika in addressing the problems relating to the ETCS operation in winter conditions. Thanks to mutual cooperation, they managed to get the vehicles of the 193 and 362 class ready for reliable operation in winter. In addition, the subsidies were used to support the project to increase the throughput of 5G mobile signals in vehicles. More than 200 passenger vehicles and electric units underwent laser window technology adjustments.

During the year, deliveries of 847 class motor units from Pesa Bydgoszcz continued. In December 2025, 20 electrical locomotives of the 384 class were accepted for proper operations. In the latter half of 2025, the first trainsets of new passenger cars with a maximum speed of 230 km per hour were used in international transport.

In 2025, the maintenance strategy was updated following changes in the rolling stock and market share outlook for contracted public service transport. The maintenance strategy aims to develop key localities, maximize their use, and provide internationalized, competitively priced maintenance. The key activities in 2025 included the implementation of IT technologies to support effectiveness in labour organisation, capacity planning and increased performance of maintenance activities.

In line with the strategy for the development of key localities, the Company continued investing in the equipment of maintenance centres with modern equipment. These included equipping further centres with foot lifters and inspection benches. Calibration and measuring devices were purchased for the maintenance of the railway vehicles and work on the extension of the hall in Šumperk was completed. Construction work continued in the construction of new repair halls in Cheb and Havlíčkův Brod. The renovation of the maintenance and vehicle inspection hall in Olomouc and Česká Třebová was initiated. Additionally, design work was underway for the construction of a new hall in České Budějovice and conversion of a hall in Prague Vršovice, extension of a unit maintenance hall in Prague – South, modernisation of a washer and stabling tracks in Pilsen, construction of a double track for the departure and building of stabling tracks in Praha – South.

In the supply centre, the railway vehicle spare part replacement system was expanded as required by maintenance in 2025. Following an approved Logistics Concept of Warehouses in Česká Třebová, the implementation of its outputs continued (project documentation for a new hall at PJ ČT, a statistical assessment of floors for a future change in warehouse technology, a permit for the construction of two new tarpaulin halls). An inspection of construction units was initiated following ČSN EN 15380-2 Rolling stock marking system. As part of the inspection of vehicle classes in the code list of materials, more than 18 thousand new records were added, further to the actual need (release for specific vehicles). To improve the identification of materials, the photo documentation in SAP was further expanded.

FREIGHT TRANSPORT

The Company's Mission, Vision and Objectives

ČD Cargo a.s. (ČD Cargo) is a modern dynamic business, which builds its future on four pillars. It is the largest Czech railway carrier, and, due to the growing number of services provided abroad, it has become a more significant player on the European railway market. ČD Cargo ensures the transport of both bulk cargo and products with high added value (automotive), including intermodal transport. ČD Cargo reliably transports special loads, consignments of dangerous and humanitarian goods, or military hardware, which are unfortunately very significant issues in today's restless world.

As one of the few carriers operating in the Czech Republic, ČD Cargo offers goods transport in the form of complete train loads as well as consignments loaded in individual wagons and sets of wagons. One of the key objectives for 2026 will be an improvement in the effectiveness of partial activities to reduce excess capacities and optimise the system of individual wagon load transport.

The vision of ČD Cargo is not only to maintain but also to further develop its position on the local and European market. Be a first-choice railway freight carrier and consequently take part in the state transport policy through low-emission freight transport, almost fully electrified railway freight transport. From a business perspective, it will be important to extend transport sections abroad. In addition, ČD Cargo wishes to be an attractive employer that provides its employees with security and fair remuneration, and offers them opportunities for education and development. An area we will develop further is sustainability, not only in view of the requirements of CSRD reporting. ESG became an integral part of our corporate culture and strategy in which we wish to further improve and gradually meet separate objectives in sustainability.

Freight Transport

In 2025, ČD Cargo trains transported 53.4 million tonnes of goods¹. It is approximately 786 thousand tonnes more than in 2024; however, 2.6 million tonnes less than in 2023. Both our branches – in Austria and Germany – did well, and the volume of their own transactions increased year-on-year by approximately 167 thousand tonnes. Sales from freight transport in 2025 amounted to almost CZK 13 billion, which is CZK 470 million more than in 2024.

As for commodities, the figures for 2024 were exceeded most in combined transport, where we transported almost 800 thousand tonnes more goods. On the contrary, on the other side of the 'ranking' was the commodity category of food and agricultural products, where we transported 630 thousand tonnes less year-on-year in 2025.

The share of intrastate transport declines by another per cent. In addition, the share of individual wagon loads and sets of wagons decreased. We transported 1.1 million tonnes less of them in 2025. This decrease is due to both a diminished interest of customers and a managed price increase in certain highly loss-making business cases where it was not possible to subsidise the loss in the long-term from the segment of complete train loads.

In 2025, almost all railway freight transporters experienced a significant decline in services in the local transport market, resulting from structural changes in the economy. These primarily include declines in energy and in the heating of coal, iron ore, finished products, and grains. Despite gradual growth in the transport of circular-economy products (municipal waste, biomass, scrap iron, etc.) and, with respect to ČD Cargo, also the development of transport services abroad, these absolute volume losses are being offset only in part.

Rolling Stock, Vehicle Management

To ensure the operation of freight trains, as at 31 December 2025, ČD Cargo, a.s. had 772 traction vehicles in its inventory, of which 93 were locomotives acquired under finance leases. 701 owned locomotives were used for transport services. The rolling stock as at 31 December 2025 consisted of a total of 17,827 owned (including leases) freight wagons of various type classes. Of the total rolling stock, 13,746 wagons were in average running condition. The rolling stock was reinforced as needed by a group of leased wagons in the average number of 3,111 wagons and up to 41 interoperable locomotives (including both long-term and short-term leases).

In 2025, more than 1,300 wagons were scrapped due to their wear and tear, moral obsolescence and poor technical condition. In addition, 115 wagons were sold. During 2025, 51 locomotives were scrapped and 12 were sold. Suitable parts from the scrapped wagons were salvaged to be used in repairs of other wagons.

Maintenance and repairs of rolling stock were carried out mainly in the Company's own railway vehicle repair shops and also in external contracted resources. In 2025, periodic repairs were carried out on a total of 2,760 wagons (353 inspection repairs and 2,407 technical inspections) and 39 locomotives (of which 28 inspection repairs were in the scope of R1 to R3 and 11 inspection repairs in the scope of D1 to D3).

In 2025, ČD Cargo's rolling stock of traction vehicles was expanded by 10 interoperable 383 class locomotives. One modernised locomotive of 742.71 class was delivered, which started the third tranche of an order relating to a comprehensive modernisation of up to 50 motor locomotives of the 742 class, which involves fitting the locomotives with the ETCS. Part of the project relating to the fitting of the 742.1 class locomotives with a mobile part of the ETCS is co-financed by the Connecting Europe Facility. The locomotive fleet was expanded by 9 locomotives of the 163 class acquired from the parent company, České dráhy, a.s.

In 2025, projects relating to the additional implementation of the ETCS (retrofitting) in the 240, 242, 363.5, 742.7, 753.6 and 753.7 class locomotives continued. The project of the 240, 242 (partially), 363.5 and 742.7 class locomotives is co-financed by the Connecting Europe Facility. As part of the ETCS implementation in the 242 (partially), 753.6 and 753.7 class locomotives, ČD Cargo used financial support from the Transport Operational Programme, i.e. the projects are co-financed by the European Union (Cohesion Fund).

As to long-term leases of interoperable locomotives, at the end of 2025, the total of 23 locomotives of the 186, 187, 189, 193 and 248 classes were leased. To meet operational needs, long-term leases are supplemented by short-term (ad hoc) leases of traction vehicles in this category.

To adhere to the European legislation in the use of "silent" wagons, ČD Cargo had 15,504 wagons complying with the "silent" operation requirements (fitted with composite brake shoes) at the end of 2025. It covers the business need for vehicles fitted with "silent brake blocks".

In the wagon management, great attention was paid in 2025 and will be paid in the following years to planning and use of the wagon capacity in order to minimise inefficiency in transport and wagon management. These primarily include wagon classes intended for commodities that have seen a decline in transport volumes recently.

The company's reporting involves a regular assessment of the wagon capacity use, including an identification of key problems by individual business groups of wagons. Excess capacity, if any, is used in other business activities to meet lease needs, so that available rolling stock management is effective to the maximum extent and provides additional sources to ensure its operability.

Lease of Railway Vehicles

One of the significant business activities in other business operations is the lease of railway vehicles under long-term and short-term leases. Traction vehicles adapted to operate in a specific territory outside the Czech Republic are leased to our partners under long-term leases. In short-term leases of traction vehicles, they are used for specific partial services outside the Czech infrastructure, depending on a business case, and these are predominantly interoperable locomotives. Traction vehicles are primarily leased within the ČD Cargo Group, predominantly the 130, 163, 181, 230, 240, 363, 363.5, 742 and 753.7 class vehicles.

In the lease of wagons, we offer both long-term and short-term leases and repeated leases of wagons to our customers to provide for spot and one-off transactions. For these needs, we use wagons released from the total uncommitted capacity. We offer leases for most vehicle classes, including cistern wagons, and we seek to cooperate on projects involving non-operational vehicles. These involve various forms of providing for making stabled wagons operational and their subsequent operation. In 2025, 1,623 wagons were leased (under both short-term and long-term leases) on average.

The Company increasingly often uses its available capacities of railway vehicles for business transactions in cooperation with our subsidiaries in the joint expansion to markets abroad.

Anticipated Development, Objectives and Plans

Railway freight transport is affected by numerous factors that, unfortunately, cannot be reliably predicted. Regarding global impacts on the transport market, we can mention the war in Ukraine and the war in the Middle East, with their negative implications for global trade. The railway freight transport has been primarily affected by changes in international business and logistics caused by these conflicts. The year 2026 will continue to be significantly impacted by the US foreign policy.

At the European level, the increasing backwardness of European industry, namely the automotive industry, relative to Chinese competitors is manifesting in full force. These problems of the automotive industry then have a negative impact on the entire extensive supplier chain, including the metallurgical industry. The effects of the ambitious environmental EU policy known as the "Green Deal" are being felt to the full extent. These primarily involve high electricity prices, resulting, from a decreasing number of emission allowances and therefore their increasing price and other factors. This policy also triggers further costs relating to the meeting of environmental objectives in line with the adopted ESG strategy, across the industry and trade, which will be very difficult for customers and consumers to absorb. As a result of the above adverse development, there is an excess of capacities not only in the railway, but also in road transport competitors. This mostly translates to pressure on the decrease in strike prices.

Among the Company's economic objectives, the key priorities include maintaining a stable level of cash flow, based on, on the one hand, securing the planned level of revenue from own transport services, and on the other hand, the efficient use of cost items and ensuring sufficient liquidity for the Company in the medium and long term. An important objective is to stabilise the profitability of principal activities and other business activities.

ASSET MANAGEMENT

In 2025, the Company together with SŽ and involvement of the Office for the Protection of Competition and the Czech Ministry of Transport continued the communication with the representatives of the European Commission (EC) through an initiated new pre-notification proceedings based on an updated Methodology to Value the Assets to be Transferred as part of the Transaction of the 2nd stage of the ÚMVŽST project (transfer of plots of land under railway route to SŽ) with incorporated recommendations by the EC. In localities of train stations, affected by investment projects of municipalities, we re-specified the assets of ČD under the railway route, intended to be transferred to SŽ and in all localities of train stations, we initiated a review and consolidation of data necessary for an assignment to update the expert opinion regarding the valuation of the subject of the transfer.

In real estate projects in 2025, we sold plots of land under the operational building at the Main Train Station in Prague, we finalised the exit from real estate projects in the area of Nákladové nádraží Žižkov train station in Prague, both in the south – Sekyra Group developer, and in the north – a developer from the Penta group. As such, the locality of Nákladové nádraží Žižkov train station has been almost fully put to market; the remaining sales amount to tens of millions of Czech crowns.

In the locality of the Prague Main Station, the Company successfully completed the move of employees and technologies from the operational building to temporary replacement premises in order to make part of the area available for sale to a development company. The sale was completed in collaboration with SŽ and the developer.

As part of the Brno Main Station passenger building revitalisation, project documentation for the completion of the last part of the 4th stage of the right wing of the passenger building was prepared in 2025. According to this documentation, 2026 is supposed to see the completion of construction work on the passenger building façade on the side of the covered part of the 1st platform.

During 2025, significant localities of the "Malá Amerika and suburban part 07" and "Křídlovická" projects were sold. In 2026, the Company will continue preparing sales of suburban parts of "Benešov", "Parkoviště Pošta" and "Platan 2A".

In the power sector, a significant project is the start of the public contract for the installation of three photovoltaic power plants on suitable buildings with an anticipated capacity of 171 kWp in compliance with an obligation to decarbonise real estate with the discontinuation of coal heating by 2030. Another significant project is the announcement of a public contract for the renovation of the backbone area heat distribution system and renovation of area heat exchange stations at the Maintenance Centre in Pilsen. The anticipated minimum saving is 1,727 MWh per year.

CERTIFICATION AND TESTING

In 2025, we implemented the following projects as part of the activities of the subsidiary Výzkumný Ústav Železniční, a.s. (VUZ):

The project entitled **AKURAIL Means for the implementation of low-emission technologies in railway transport**. The objective of the project is to prepare the means for analyses, planning, and strategic decision-making in the allocation of vehicles for low-emission and sustainable railway transport, primarily vehicles with a combined power supply from a trolley and an accumulator (<https://tacr.gov.cz/soutez/doprava-2030/prvni-verejna-soutez-7/>).

IN 2025, ČD CARGO
TRAINS TRANSPORTED
53.4 MILLION TONNES
OF GOODS.



INDEPENDENT AUDITOR'S REPORT

To the Shareholder of
České dráhy, a.s.

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AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion on the financial statements and the consolidated financial statements

We have audited the accompanying financial statements of České dráhy, a.s. (the “Company”) prepared on the basis of IFRS Accounting Standards as adopted by the European Union, which comprise the separate statement of financial position as at 31 December 2025, and the separate statement of profit or loss, separate statement of other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

We have audited the accompanying consolidated financial statements of České dráhy, a.s. and its subsidiaries (the “Group”) prepared on the basis of IFRS Accounting Standards as adopted by the European Union, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion:

- The accompanying financial statements give a true and fair view of the financial position of České dráhy, a.s. as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.
- The accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements and the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, as applicable to audits of financial statements of public interest entities. We have also 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.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How it was addressed
<p>PROVISION FOR LEGAL DISPUTES</p> <p>The Company's management made an assessment of the provision for legal disputes, including an assessment of the likely outcome, which is based on a number of estimates and assumptions as of the date of the financial statements and is therefore subject to significant uncertainty.</p> <p>As at 31 December 2023, the Company accounted for a provision for the estimated amount of a fine relating to an alleged cartel agreement concerning the sale of railway vehicles. In the financial statements as at 31 December 2023, the provision was recognised in the amount of CZK 1,000 million. In 2024, the provision was used for the closed dispute on the alleged cartel agreement. As at 31 December 2024, the provision amounts to CZK 0.</p> <p>As at 31 December 2025, the Company is involved in other legal disputes. Given the number of estimates and assumptions relating to other legal disputes and the resulting uncertainty, the determination of the appropriate amount of the provision for court disputes is considered a key audit matter.</p> <p>Further information on this key audit matter is provided in Note 27.1. to the separate financial statements and Note 28.1 to the consolidated financial statements.</p>	<p>We verified the provisions for legal disputes and carried out the following audit procedures:</p> <ul style="list-style-type: none"> • We obtained a summary of significant legal disputes. • We obtained confirmation letters from law firms. • We held discussions with the Company's legal department regarding the development of legal disputes and the potential impact on the amount of the provision. • We assessed the assumptions used to estimate the amount of the provision for legal disputes. • We assessed whether the disclosures in the financial statements relating to provisions for legal disputes meet the disclosure requirements of the relevant standards.
<p>RISK OF IMPAIRMENT OF NON-CURRENT ASSETS</p> <p>The Group's management identified that there are indications of impairment of non-financial assets for the cash-generating unit:</p> <p>A, <u>Passenger transport</u> - includes vehicles, other individual movable assets used to operate passenger rail transport, and the allocated part of corporate assets. The Group determined the recoverable amount of the cash-generating unit as the value in use. Certain assumptions in determining the recoverable amount are dependent on the judgement of the Group's management, in particular:</p> <ul style="list-style-type: none"> • The assumption of the amount of future cash flows in the Group's budgets and plans ("business plans"); 	<p>We performed the following audit procedures in connection with the assessment of the recoverable amount of the passenger transport cash-generating unit:</p> <ul style="list-style-type: none"> • We obtained the discounted cash flow mathematical model used by the Company's management to determine the impairment of assets. • We compared the model input information with the Company's medium-term plan approved by the Company's Board of Directors. • We verified the mathematical accuracy of the model. • We compared the actual results for 2025 with the Company's plan for the purpose of evaluating the accuracy of the forecasts prepared by the Company's management. • We utilised our valuation experts who: <ul style="list-style-type: none"> - tested the determination of the discount rate;

Key Audit Matter	How it was addressed
<ul style="list-style-type: none"> The growth rate used; The discount rate used to determine the present value of future cash flows. <p>Based on periodic inventory taking and internal analyses, the Group's management identified assets where there is significant doubt as to their future usability.</p> <ul style="list-style-type: none"> In 2022, the Group's management decided to decommission the 380 class locomotives from its fleet after 2025. The recoverable amount of these assets was determined as the fair value of the locomotives (based on an expert's opinion) less the cost to sell. The impairment of these locomotives amounts to CZK 1,441 million as at 31 December 2025. The Group identified impairment of the 680 class units. The recoverable amount of these assets was determined as the fair value of the units (based on an expert's opinion) less the cost to sell. The impairment of these units amounts to CZK 383 million as at 31 December 2025. <p>Given the significant level of judgements used by management and the materiality of the impairment amount recognised, we consider the valuation of the above assets to be a key audit matter.</p>	<ul style="list-style-type: none"> considered the appropriateness of the long-term growth rate used; and evaluated the adequacy of the model used. <ul style="list-style-type: none"> We assessed whether the disclosures in the financial statements relating to potential impairment of assets meet the disclosure requirements of the relevant standards (IAS 36 and IAS 1). <p>We performed the following audit procedures in connection with the assessment of the recoverable amount of the 380 class locomotives and 680 class units:</p> <ul style="list-style-type: none"> We reviewed the expert's opinion as at 31 December 2023 and its reflection for the year ended 31 December 2025 for the 680 class locomotives. We reviewed the expert's opinion as at 31 December 2025 for the 380 class locomotives. We interviewed the Company's management. We assessed whether the disclosures in the financial statements relating to potential impairment of assets meet the disclosure requirements of the relevant standards (IAS 36 and IAS 1).
<p>B, <u>Freight transport</u> - in 2024, the economic situation of the Company and the Group changed. Performance in the domestic rail transport market decreased year-on-year, with key industrial sectors for rail transport, such as metallurgy and brown coal mining, facing declines. The cash-generating unit is also negatively impacted by rising prices of energy, goods, and services.</p> <p>Given the existence of these asset impairment indicators, the Group proceeded with impairment calculations under IAS 36. The Group determined the recoverable amount of railway vehicles at their realisable value. Certain assumptions in determining the recoverable amount are dependent on the judgement of the Group's management, particularly:</p> <ul style="list-style-type: none"> Assumption of utilisation of individual classes of railway vehicles according to the Company's plans; Method of realising their value; Volume of usable scrap metal during their disposal and associated costs and revenues; and Judgement of an external expert in the field of railway vehicle valuation. 	<p>In connection with the asset impairment of the freight transport cash-generating unit, we carried out the following audit procedures:</p> <ul style="list-style-type: none"> We assessed the relevance of impairment indicators and the appropriateness of the model for calculating the recoverable value of fixed assets (railway vehicles). We assessed the assumptions of railway vehicle usability in connection with the Company's financial plan and conducted inquiries with the Company's management. We checked the accuracy and completeness of input data and the model calculation on a sample of assets. We tested the mathematical accuracy of the Group's and the Company's asset impairment calculations. <p>In the financial statements, we assessed the disclosures related to asset impairment to ensure they meet the disclosure requirements under IAS 36 and IAS 1.</p>

Key Audit Matter	How it was addressed
<p>As at 31 December 2025, the Group reported an asset impairment of CZK 4,266 million for the freight transport segment.</p> <p>The impact on the Group's profit or loss for 2025 is thus CZK 2,855 million.</p> <p>The usability of railway vehicles, its impact on asset value, and the recognised asset impairment have a significant impact on the financial statements, which we consider to be a key audit matter.</p> <p>Further information on this key audit matter is provided in Note 15.1 to the separate financial statements and Note 16.1 to the consolidated financial statements.</p>	

Other Information in the Consolidated Annual Report

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

Our opinion on the financial statements and the consolidated financial statements does not cover the other information. In connection with our audit of the financial statements and the consolidated 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 and the consolidated financial statements or our knowledge on the reporting entity and the Group obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information with the exception of the sustainability report has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information, with the exception of the sustainability report, complies with law or regulation in terms of formal requirements and procedure for preparing the other information, except for the sustainability report, in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgements 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 and the consolidated financial statements is, in all material respects, consistent with the financial statements and the consolidated financial statements.
- The other information, with the exception of the sustainability report, is prepared in compliance with applicable law or regulation.

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

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

The Board of Directors is responsible for the preparation and fair presentation of the financial statements and the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation of the financial statements and the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Supervisory Board is responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements and the consolidated 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 and consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements and the consolidated 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 internal control of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group'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 statement and the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements and the consolidated financial statements, including the disclosures, and whether the financial statements and the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, the Supervisory Board and the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements and the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Information required by Regulation (EU) No. 537/2014 of the European Parliament and of the Council

In compliance with Article 10 (2) of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

Appointment of the Auditor and the Period of Engagement

We were appointed as the auditors of the Group by the General Meeting of the Company on 29 March 2023. This is our third year serving as the Group's auditor.

Consistence with the Additional Report to the Audit Committee

We confirm that our audit opinion on the financial statements and the consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 21 April 2026 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council were provided. In addition, there are no other non-audit services which were provided by us to the Company and its controlled undertakings and which have not been disclosed in the financial statements and the consolidated financial statements.

In Prague on 21 April 2026

Audit firm:

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



Statutory auditor:

Ladislav Šauer
registration no. 2261



CONSOLIDATED FINANCIAL STATEMENTS FOR 2025

- 30 Consolidated Statement of Profit or Loss
- 31 Consolidated Statement of Comprehensive Income
- 32 Consolidated Statement of Financial Position
- 34 Consolidated Statement of Changes in Equity
- 35 Consolidated Cash Flow Statement
- 37 Notes to the Consolidated Financial Statements



Consolidated Financial Statements for the Year 2025

Prepared in Accordance with IFRS Accounting Standards as Adopted by the EU

Name of the company: České dráhy, a.s.
Registered office: Nábřeží L. Svobody 1222, 110 15 Prague 1
Legal status: Joint-Stock Company
Corporate ID: 709 94 226

Components of the Consolidated Financial Statements for the year 2025 prepared in accordance with IFRS Accounting Standards as adopted by the EU:

Consolidated Statement of Profit or Loss
Consolidated Statement of Comprehensive Income
Consolidated Statement of Financial Position
Consolidated Statement of Changes in Equity
Consolidated Cash Flow Statement
Notes to the Consolidated Financial Statements

CONSOLIDATED FINANCIAL STATEMENTS WERE AUTHORISED FOR ISSUE ON 21 APRIL 2026.

Statutory body of the entity

Signature

Michal Krapinec
Chairman of the Board of Directors



Lukáš Svoboda
Member of the Board of Directors



CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2025

(CZK million)

		Year ended 31 Dec 2025	Year ended 31 Dec 2024
CONTINUING OPERATIONS			
Revenues	6	54,307	51,644
Other operating income	7	4,594	3,054
Cost of services, raw materials and energy	8	(20,791)	(20,340)
Staff costs	9	(18,371)	(17,717)
Depreciation, amortisation and impairment	10	(14,010)	(11,551)
Other operating expenses	11	(1,187)	(1,041)
Impairment losses and gains on financial assets (net of reversals)	22, 23	8	54
Profit from operating activities		4,550	4,103
Finance costs	12	(3,962)	(3,436)
Finance income	13	1,249	579
Share in the profit of associates and joint ventures	20	-	16
Profit before tax		1,837	1,262
Income tax	14	(204)	103
Profit for the period from continuing operations		1,633	1,365
Profit for the period		1,633	1,365
Attributable to the owners of the Company		1,632	1,364
Attributable to non-controlling interests		1	1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

(CZK million)

		Year ended 31 Dec 2025	Year ended 31 Dec 2024
Profit for the period		1,633	1,365
Actuarial remeasurements of employee defined benefit obligations		23	42
Revaluation of investments in equity instruments at fair value through other comprehensive income		5	31
Related deferred income tax		(1)	(6)
Reclassification of deferred tax		-	(21)
Other comprehensive income for the period (items that are not subsequently reclassified to profit / loss)		27	46
Foreign exchange gains or losses from translation of foreign operations		(38)	21
Change in cash flow hedging reserve	26.2.3	604	(101)
Change in cost of hedging reserve	26.2.4	(123)	(10)
Related deferred income tax		(101)	23
Reclassification of deferred tax		-	(74)
Other comprehensive income for the period (items that may be reclassified to profit or loss in subsequent periods)		342	(141)
Other comprehensive income for the period after tax		369	(95)
Total comprehensive income for the period		2,002	1,270
Attributable to the owners of the Company		2,001	1,269
Attributable to the non-controlling interests		1	1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

(CZK million)

		31 Dec 2025	31 Dec 2024
Property, plant and equipment	16	114,794	113,090
Investment property	17	691	889
Goodwill	18	141	141
Intangible assets	18	771	1,062
Right-of-use assets	19	5,018	5,987
Investments in joint ventures and associates	20	164	199
Deferred tax asset	14	6	10
Trade receivables	22	2,468	1,100
Other financial assets	23	563	682
Other assets	24	648	13
Total non-current assets		125,264	123,173
Inventories	21	3,385	3,217
Trade receivables	22	4,729	4,432
Prepaid income tax		7	9
Other financial assets	23	1,006	471
Other assets	24	1,919	1,309
Assets classified as held for sale	15	3,402	-
Cash and cash equivalents	25	15,231	9,338
Total current assets		29,679	18,776
TOTAL ASSETS		154,943	141,949

		(CZK million)	
		31 Dec 2025	31 Dec 2024
Share capital	26	20,000	20,000
Other capital reserves	25	17,396	17,254
Retained earnings		3,548	1,689
Equity attributable to the owners of the Company		40,944	38,943
Non-controlling interests	1.3.1	57	56
Total equity		41,001	38,999
Loans, borrowings and lease liabilities	27	76,142	79,527
Deferred tax liability	14	1,410	1,435
Provisions	28	327	317
Other financial liabilities	29	826	736
Other liabilities	30	89	37
Total non-current liabilities		78,794	82,052
Trade payables		8,038	7,393
Loans, borrowings and lease liabilities	27	20,507	7,899
Current income tax payable		71	126
Provisions	28	1,174	616
Other financial liabilities	29	1,795	646
Other liabilities and contract liabilities	30	3,563	4,218
Total current liabilities		35,148	20,898
TOTAL LIABILITIES		154,943	141,949

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

(CZK million)

	Share capital		Other capital reserve			Retained earnings / Accumulated losses	Equity attributable to the owners of the Company	Non-controlling interests	Total equity
	Share capital	Share premium	Cash flow hedging reserve	Other reserves *					
Balance as at 1 January 2024	20,000	16,440	209	591	339	37,579	55	37,634	
Comprehensive income									
Profit for the period	-	-	-	-	1,364	1,364	1	1,365	
Other comprehensive income for the period	-	-	(190)	95	-	(95)	-	(95)	
Total comprehensive income for the period	-	-	(190)	95	1,364	1,269	1	1,270	
Transactions with the owners									
Allocation to the reserve fund	-	-	-	155	(155)	-	-	-	
Transfers from the reserve fund	-	-	-	(46)	46	-	-	-	
Total transactions with the owners for the period	-	-	-	109	(109)	-	-	-	
Other	-	-	-	-	95	95	-	95	
Balance as at 31 December 2024	20,000	16,440	19	795	1,689	38,943	56	38,999	
Comprehensive income									
Profit for the period	-	-	-	-	1,632	1,632	1	1,633	
Other comprehensive income for the period	-	-	477	(108)	-	369	-	369	
Total comprehensive income for the period	-	-	477	(108)	1,632	2,001	1	2,002	
Transactions with the owners									
Allocation to the reserve fund	-	-	-	4	(4)	-	-	-	
Transfers from the reserve fund	-	-	-	(231)	231	-	-	-	
Total transactions with the owners for the period	-	-	-	(227)	227	-	-	-	
Balance as at 31 December 2025	20,000	16,440	496	460	3,548	40,944	57	41,001	

* Other reserves are discussed in Note 26.2.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

(CZK million)

		Year ended 31 Dec 2025	Year ended 31 Dec 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		1,633	1,365
Income tax	14	204	(103)
Dividend income	7	(4)	(3)
Finance costs – interest	12	3,611	2,897
Gain on the sale and disposal of non-current assets	7	(2,844)	(1,406)
Gain on the sale of an associate		-	(7)
Depreciation and amortisation	10	11,176	10,371
Impairment losses on assets	7, 10, 11	2,832	1,113
Change in provisions	28	568	(1,014)
Foreign exchange losses / (gains)		(581)	306
Share of the profit of joint ventures and associates	20	-	(16)
Other		(245)	(106)
Cash flows from operating activities before changes in working capital		16,350	13,397
(Increase) / decrease in trade receivables	22	(68)	253
Increase in inventories	21	(249)	(176)
(Increase) / decrease in other assets	23, 24	(1,491)	667
Increase in trade payables		21	15
Increase / (decrease) in other payables and contract liabilities	29, 30	(498)	(148)
Total changes in working capital		(2,285)	611
Cash flows from operating activities before interest, dividends and tax		14,065	14,008
Interest paid	12	(3,043)	(2,553)
Income tax paid	14	(375)	(332)
Dividends received	7	8	26
Net cash flows from operating activities		10,655	11,149

(CZK million)

		Year ended 31 Dec 2025	Year ended 31 Dec 2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	16	(16,440)	(22,365)
Proceeds from disposal of property, plant and equipment	7	1,438	861
Payments for investment property	17	(3)	(16)
Payments for intangible assets	18	(225)	(327)
Net cash flows from the sale of an associate		-	7
Interest received	13	413	365
Loans and borrowings provided to related parties		(7)	-
Net cash flows used in investing activities		(14,824)	(21,475)
CASH FLOWS FROM FINANCING ACTIVITIES			
Use of loans and borrowings	31	17,079	17,938
Repayments of loans and borrowings	31	(5,106)	(3,497)
Repayment of principal of lease liabilities	31	(1,878)	(2,905)
Net cash flows from financing activities		10,095	11,536
Net increase / (decrease) in cash and cash equivalents		5,926	1,210
Cash and cash equivalents at the beginning of the period		9,338	8,119
Effects of changes in foreign exchange rates		(33)	9
Cash and cash equivalents at the end of the period	25	15,231	9,338

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. General Information	38	27. Loans, Borrowings and Lease Liabilities	85
2. Material Accounting Policy Information	42	28. Provisions	89
3. Application of New and Revised International Financial Reporting Standards	52	29. Other Financial Liabilities	90
4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty	53	30. Other Liabilities and Contract Liabilities	91
5. Segment Information	54	31. Changes in liabilities from financing activities	92
6. Revenues	57	32. Related Party Transactions	93
7. Other Operating Income	60	33. Operating Lease	96
8. Cost of Services, Raw Materials and Energy	60	34. Capital Commitments	96
9. Staff Costs	61	35. Contingent Liabilities and Contingent Assets	96
10. Depreciation, Amortisation and Impairment	61	36. Financial Instruments	97
11. Other Operating Expenses	61	37. Post Balance Sheet Events	119
12. Finance Costs	62	38. Approval of the Consolidated Financial Statements	119
13. Finance Income	62		
14. Income Tax	62		
15. Assets Classified as Held for Sale	66		
16. Property, Plant and Equipment	67		
17. Investment Property	73		
18. Intangible Assets and Goodwill	74		
19. Right-of-use Assets	76		
20. Investments in Joint Ventures and Associates	78		
21. Inventories	79		
22. Trade Receivables	79		
23. Other Financial Assets	80		
24. Other Assets	82		
25. Cash and Cash Equivalents	82		
26. Equity	82		

1. GENERAL INFORMATION

1.1. General information

České dráhy, a.s. (the "Company" or "ČD") was established as at 1 January 2003 under Act No. 77/2002 Coll., as amended. The Company was incorporated as one of two legal successors of České dráhy, státní organizace (Czech Railways, the state organisation); the second legal successor as at 1 January 2003 was the present Správa železnic, státní organizace (Railway Administration, the state organisation, "SŽ").

The Company is the parent company of the České dráhy Group. The České dráhy Group (the "Group" or the "ČD Group") consists of České dráhy a.s. (the "Parent Company") and subsidiaries listed in Note 1.3. The consolidated financial statements have been prepared as at and for the year ended 31 December 2025. The reporting period is the calendar year, i.e., from 1 January 2025 to 31 December 2025.

The sole shareholder of the Company is the Czech Republic. The Company's share capital is CZK 20,000 million. The Company's registered office is at Nábřeží L. Svobody 1222, Prague 1.

1.2. Principal activity

The Group's main business activity is operating the railway transport. Other activities of the Group include mainly property 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 SŽ. SŽ secures the operability and servicing of the railway infrastructure.

1.3. Definition of the consolidation group

1.3.1. Entities included in the consolidation

Company name	Registered office	Corporate ID	Ownership percentage *		Degree of influence
			31 Dec 2025	31 Dec 2024	
České dráhy, a.s.	Prague 1, Nábřeží L. Svobody 12/1222	70994226			
ČD – Telematika a.s.	Prague 3, Pernerova 2819/2a	61459445	100	100	Control
Výzkumný Ústav Železniční, a.s.	Prague 4, Novodvorská 1698	27257258	100	100	Control
DPOV, a.s.	Přerov, Husova 635/1b	27786331	100	100	Control
ČD Cargo, a.s.	Prague 7, Jankovcova 1569/2c	28196678	100	100	Control
ČD – Informační Systémy, a.s.	Prague 3, Pernerova 2819/2a	24829871	-	100	Control
Dopravní vzdělávací institut, a.s.	Prague 8, Prvního pluku 621/8a	27378225	100	100	Control
ČD travel, s.r.o.	Prague 1, 28. října 372/5	27364976	51.72	51.72	Control
CD Cargo Germany GmbH	Germany – Frankfurt am Main, Niddastrasse 98-102	HRB 73576	100	100	Control
CD Cargo Austria GmbH	Austria – Vienna, Rotenturmstraße 22/24	FN 291407s	100	100	Control
CD Cargo Poland Sp. z o.o.	Poland – Warsaw, Ul. Grzybowska nr. 4, lok. 3	140769114	100	100	Control
CD Cargo Slovakia, s.r.o.	Slovakia – Bratislava, Seberíniho 1	44349793	100	100	Control
CD Cargo Hungary Korlátolt Felelősségű Társaság	Hungary – 4150 Püspökladány, Keleti sor utca 26-4	09-09-031990	100	100	Control
ČD Cargo Adria d.o.o.	Croatia – Zagreb, Savska cesta 32	81371623	100	100	Control
ČD Cargo Logistics, a.s.	Prague 1, Opletalova 1284/37	27906931	100	100	Control
Terminal Brno, a.s.	Brno, K terminálu 614/11	28295374	66.93	66.93	Control
ČD-DUSS Terminál, a.s.	Lovosice, Lukavecká 1189	27316106	51	51	Control
RailReal a.s.	Prague 1, Na Florenci 2116/15	26416581	66	66	Control
ČD Restaurant, a.s.	Prague 3, Prvního pluku 81/2a	27881415	100	100	Control
ODP-software, spol.s r.o.	Prague 3, Pernerova 2819/2a	61683809	100	100	Control
ČD relax s.r.o.	Prague 1, 28. října 372/5	5783623	51.72	51.72	Control
CHAPS spol. s r.o.	Brno, Bráfova 1617/21	47547022	100	100	Control

Company name	Registered office	Corporate ID	Ownership percentage *		Degree of influence
			31 Dec 2025	31 Dec 2024	
ČSAD SVT Praha, s.r.o.	Prague 8, Křižíkova 4-6	45805202	100	100	Control
SVT Slovakia s.r.o.	Banská Bystrica, Partizánska cesta 97	36620602	80	80	Control
INPROP, s.r.o.	Žilina, Rosinská cesta 12	31609066	100	100	Control
Tramex Rail s.r.o.	Blansko, Masarykova 1355/12	26246422	100	100	Control
VUZ Slovakia, s.r.o.	Slovakia – Bratislava, Seberíniho 1	53156587	100	100	Control
ČD Bus a.s.	Olomouc, Jeremenkova 231/9	17377404	100	100	Control

* Ownership percentage is the same as the voting rights percentage.

The following entities are not controlled by the Group; therefore, they are not consolidated:

Company name	Registered office	Corporate ID	Ownership percentage *		Degree of influence
			31 Dec 2025	31 Dec 2024	
Žižkov Station Development, a.s.	Prague 8, Rohanské nábřeží 721/39	28209915	51 **	51 **	Joint control
Masaryk Station Development, a.s.	Prague 1, Na Florenci 2116/15	27185842	34	34	Significant influence
JLV, a.s.	Prague 4, Chodovská 228/3	45272298	38.79	38.79	Significant influence
RAILLEX, a.s.	Prague 2, Belgická 196/38	27560589	50	50	Joint control
BOHEMIAKOMBI, spol. s r.o.	Prague 1, Opletalova 921/6	45270589	30	30	Significant influence
Ostravská dopravní společnost, a.s. in liquidation	Ostrava, U Tiskárny 616/9	60793171	50	50	Joint control
Ostravská dopravní společnost - Cargo, a.s.	Ostrava, U Tiskárny 616/9	05663041	20	20	Significant influence
CR-City a.s.	Prague 1, Na Florenci 2116/15	26705427	34	34	Significant influence

* Ownership percentage is the same as the voting rights percentage.

** In accordance with the Articles of Association of these entities, the unanimous consent of the parties sharing control is required for important decisions to be taken.

The following table shows the main activities of the companies included in the consolidation.

Company name	Principal activity
ČD – Telematika a.s.	Provision of telecommunication services, software and advisory services
Výzkumný Ústav Železniční, a.s.	Research, development and testing of rail vehicles and infrastructure facilities
DPOV, a.s.	Inspections, repairs, modernisation and renovation of railway vehicles
ČD Cargo, a.s.	Brokerage of services in freight transportation and shipping
Dopravní vzdělávací institut, a.s.	Organisation of professional courses, training and other educational events, language courses
ČD travel, s.r.o.	Travel agency and provision of travel services
CD Cargo Germany GmbH	Brokerage of services in freight transportation on behalf of and for ČD Cargo, a.s. and shipping
CD Cargo Austria GmbH	Brokerage of services in freight transportation on behalf of and for ČD Cargo, a.s. and shipping
CD Cargo Poland Sp. z o.o.	Brokerage of services in freight transportation on behalf of and for ČD Cargo, a.s. and shipping
CD Cargo Slovakia, s.r.o.	Brokerage of services in freight transportation on behalf of and for ČD Cargo, a.s. and shipping
CD Cargo Hungary Korlátolt Felelősségű Társaság	Rail freight transport, wholesale brokerage of raw materials and fuel, storage and other
ČD Cargo Adria d.o.o.	Rail freight transport, wholesale brokerage of raw materials and fuel, storage and other
ČD Cargo Logistics, a.s.	Shipping
Terminal Brno, a.s.	Operations of the combined transport terminal in Brno
ČD-DUSS Terminál, a.s.	Operations of the container terminal in Lovosice
RailReal a.s.	Engineering in investment construction
ČD Restaurant, a.s.	Hospitality and real estate activities
Žižkov Station Development, a.s.	Design, renovations, modernisation and development of the Žižkov railway station
Masaryk Station Development, a.s.	Development of the Masaryk railway station
JLV, a.s.	Provision of accommodation and catering services
RAILLEX, a.s.	Handling of cargo and technical services in transportation, shipping
BOHEMIAKOMBI, spol. s r.o.	Brokerage of services in transportation except for transportation by own vehicles
Ostravská dopravní společnost, a.s. in liquidation	Operation of railway transportation and lease of railway vehicles and railway wagons
Ostravská dopravní společnost - Cargo, a.s.	Operation of railway transportation and lease of railway vehicles and railway wagons

Company name	Principal activity
CR-City a.s.	Real estate activities
ODP-software, spol.s r.o.	Development and support of mobile POS systems for train passenger service and systems with contactless cards
ČD relax s.r.o.	Travel agency activity with a specific focus only on fitness and recovery stays for employees of ČD Group
CHAPS spol. s r.o.	Development, maintenance and operation of IT applications and systems
ČSAD SVT Praha, s.r.o.	Development and operation of information systems for transport
SVT Slovakia s.r.o.	Development and operation of information systems for transport
INPROP, s.r.o.	Design and solutions of information system for inventory management
Tramex Rail s.r.o.	Development, production, installation and servicing of electronic equipment and components for railway applications for rolling stock
VUZ Slovakia, s.r.o.	Research and development in the field of transport, brokerage
ČD Bus a.s.	Operation of bus transport

Entities included in the consolidation are referred to as the "Group".

The Group includes the ČD Cargo Group, which consists of ČD Cargo, a.s. and its subsidiaries.

1.3.2. Changes in the Composition of the Group

On 1 June 2025, ČD – Informační Systémy, a.s. was dissolved in the merger with the successor ČD – Telematika a.s. The effective merger date was 1 January 2025.

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 has not been the shareholder of Smíchov Station Development, a.s., since that date.

On 22 April 2024, shares of ČD Cargo Logistics a.s. were transferred to remaining shareholders in Terminál Mošnov, a.s., and therefore the equity investment of ČD Cargo Logistics a.s. in this entity was terminated.

On 1 November 2024, Ostravská dopravní společnost, a.s. entered liquidation.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1. Statement of compliance

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union.

2.2. Basis of preparation of the consolidated statements

The consolidated financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments.

The accounting policies used in the preparation of these consolidated financial statements are presented below. In the reporting period, these accounting policies are consistent with the accounting policies used in previous periods, if not stated otherwise.

The preparation of consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the EU requires the use of certain critical accounting estimates. It also requires the Group's management to exercise its judgment in the process of applying accounting policies. Areas with a high degree of judgment or complexity, or areas with assumptions or estimates significant for these financial statements, are described in Note 4.

The going concern basis of the Group

At the time of approval of the consolidated 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 consolidated 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.

2.3. Basis of consolidation

The consolidated financial statements incorporate financial information of the Company and entities controlled by the Company (subsidiaries). Control is achieved when the Group has power over an investee, is exposed, or has rights to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls the investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control stated above.

When the Group has less than a majority of the voting rights of the investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in the investee are sufficient to give it power.

The consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ends when the Group loses control of the subsidiary. Specifically, the income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and consolidated statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

The profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. The total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

2.4. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of fair values at the date of acquisition of assets transferred by the Group, the Group's liabilities arising against the former owners of the acquiree, and the shares issued by the Group in exchange for control in the acquiree. Acquisition-related costs are recognised in profit or loss when incurred.

Identifiable assets acquired and liabilities assumed are recognised at their fair value, with the following exceptions: deferred tax assets or liabilities, and assets and liabilities related to arrangements of the employee benefits are recognised and measured in accordance with IAS 12 Income Taxes, or IAS 19 Employee Benefits, respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of all non-controlling interests in an acquiree and the fair value of any Group's previously held equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed, measured at the date of acquisition. If, after reassessment, the share of the fair value of the identifiable net assets of the acquiree exceeds the aggregate of the consideration transferred, the amount of all non-controlling interests in the acquiree and the fair value of any Group's previously held equity interest in the acquiree, the amount of surplus is immediately recognised in profit or loss as a bargain purchase gain.

Non-controlling interests, which represent current ownership interests of third parties and entitle the holders to the proportionate share of the acquiree's net assets in case of liquidation, may be initially measured at fair value or at the proportionate share of non-controlling interest on the recognised identifiable net assets acquired. The measurement basis can be selected individually for each specific acquisition. Other types of non-controlling interests are measured at fair value.

2.5. Revenue recognition

2.5.1. Revenue from contracts with customers

In the first phase, all contracts with customers are analysed in order to identify obligations towards the customer. Subsequently, the transaction price is determined and, in case of several identified performance obligations, is allocated according to their relative standalone selling prices. Consequently, revenue is recognised at the appropriate amount for each performance obligation at a certain point in time or over the term of the contract (it may be recognised over several reporting periods). Revenues are reported net of value added tax and are further reduced by expected returns from customers, rebates and other similar discounts.

The Group recognises revenue when the performance obligation is satisfied by transferring a promised service or good (asset) to a customer, once the customer obtains control of that asset. Revenue is recognised in the amount of the transaction price allocated to the performance obligation. The received payment is initially recognised as a contract liability that is subsequently released to revenue as the performance obligation is satisfied.

Revenue from passenger transport is recognised in the period in which transport services are provided, taking into account the stage of completion of a service (e.g., validity period of long-term travel documents). Revenue from domestic and international freight transport is recognised when a service is provided with respect to a stage of completion of individual transactions determined by the actual day/kilometres of transport performed in the referred period to the total number of day/kilometres of transport.

In contrast to domestic transport, international transport also includes the settlement process of proceeds and revenues from foreign carriers and sellers of international tickets. In some cases, such settlements may be delayed by a few months. For this reason, revenue as at the date a service has been provided is estimated based on the information available to the Group.

In addition to selling tickets and similar documents, a significant part of revenue from transport includes revenue from the usage of passenger train units in the RIC mode ("Regolamento Internazionale delle Carrozze"), based on the International Coach Regulation, with the settlement on a quarterly basis. Therefore, in this case, revenue is also estimated.

Revenues from customers such as the Ministry of Transport ("MT") and the regions are key revenues and are included in the Passenger transport segment. Payments from customers are discussed in more detail in Notes 4.2.1 and 32.5.

For passenger transport revenues, the Group applies practical expedient in accordance with IFRS 15.B16 and recognises revenues in the amount it has a right to invoice.

2.6. Lease

2.6.1. The Group as a lessee

At the inception date of a contract, the Group assesses whether it is a lease contract or contains an embedded lease. The Group recognises a right-of-use asset and a corresponding lease liability in respect of all lease contracts in which the Group is a lessee, except for short-term leases (with a lease term of 12 months or less and containing no purchase options) and low-value asset leases (such as laptops and personal computers). For these leases, the Group recognises lease payments as operating expenses on a straight-line basis over the term of a lease.

At the commencement date of the lease, the lease liability is initially measured at the present value of lease payments to be made over the lease term that are not yet paid at that date, discounted using the incremental borrowing rate.

The incremental borrowing rate is an interest rate that the reporting entity would have to pay if it borrowed the funds necessary to obtain an asset of a similar value as a right-of-use asset in a similar economic environment for a similar period and with similar collateral. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rate), if these are available.

Lease payments included in the measurement of a lease liability include the following:

- fixed lease payments less any receivables from lease incentives;
- variable lease payments that are based on an index or a rate, initially measured using an index or rate as at the commencement date;
- amounts expected to be payable by the Group as guaranteed residual value;
- exercise price of a purchase option if the lessee is reasonably certain that the option will be exercised; and
- payments of penalties for terminating the lease if the lease term reflects the lessee exercising this option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured (and the related right-of-use asset must be adjusted accordingly) if:

- there is a change in a lease term or there is a material event or change in circumstances that led to a change in the assessment of an option to purchase the underlying asset. In such a case, the lease liability is remeasured by discounting the revised lease payments using the revised discount rate;
- there is a change in lease payments resulting from a change in an index or a rate or change in the amounts expected to be payable under guaranteed residual value. In this case, the lease liability is remeasured by discounting the revised lease payments using the unchanged discount rate; and
- a lease contract is modified, and the modification is not considered to be a separate lease. In this case, the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using the revised discount rate as at the effective date of the modification.

Lease liabilities are presented in Loans, borrowings and lease liabilities in the consolidated statement of financial position.

The right-of-use asset includes the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date after deduction of any lease incentives received and also includes initial direct costs. Subsequently, the right-of-use assets are measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

The right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease, or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation begins at the commencement of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

At the end of each reporting period, the Group assesses whether there is any indication that right-of-use assets are impaired and recognises any identified impairment losses in accordance with the rules described in Note 2.10 Property, plant and equipment.

As a practical expedient, IFRS 16 allows the lessee not to separate non-lease components from lease components and instead to account for each lease component and any associated non-lease components as a single arrangement. The Group did not use this practical expedient. For the contract that contains a lease component and one or more other lease or non-lease components, the Group allocates the contract consideration to each lease and non-lease component based on the relative stand-alone price of the given component.

2.6.2. The Group as a lessor

Leases in which the Group is a lessor are classified as finance or operating leases. Leases that transfer substantially all significant risks and rewards of ownership of an asset to lessees are classified as finance leases. All other leases are classified as operating leases.

If the Group is the intermediate lessor, it accounts for the main lease and the sublease as two separate contracts. Subleases are classified as finance leases or operating leases by reference to the right-of-use asset arising from the principal lease.

In an operating lease, income is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and concluding an operating lease are included in the carrying amount of the leased asset and are expensed on a straight-line basis over the term of the lease.

Amounts due from lessees under finance leases are recognised as receivables in the amount of the Group's net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the Group's net investment.

After the initial measurement, the Group regularly assesses the estimated unguaranteed residual value and recognises an allowance for expected credit losses from lease receivables in accordance with the accounting policies for financial assets carried at amortised cost.

Income from finance lease is calculated based on the gross carrying value of lease receivables, except for credit-impaired financial assets, for which interest income is calculated on the basis of their net carrying value, i.e., after deducting the allowance for expected credit losses.

2.7. Foreign currencies

The functional currency of each of the Group's consolidated entities is the currency of the primary economic environment in which the entity operates. Given the economic substance of transactions and the environment in which the Group operates, the presentation currency used in the consolidated financial statements is the Czech crown (CZK). The Czech crown is also the functional currency of the Company.

Transactions denominated in foreign currencies are translated and recorded at the fixed exchange rate announced by the Czech National Bank on the date of the transaction. If the current exchange rate does not change significantly over time, the Group uses the average exchange rate of this period for a longer period of time - usually one month. At the date of the consolidated financial statements, monetary items denominated in foreign currencies are translated to Czech crowns at the Czech National Bank exchange rate as at that date. Non-monetary items that are measured at historical cost in a foreign currency are not remeasured for changes in foreign exchange rates after initial recognition.

Exchange differences are recognised in profit or loss, except for exchange differences on transactions entered into in order to hedge certain foreign currency risks. Such foreign exchange rate differences are recognised directly in other comprehensive income and reclassified to profit or loss when the hedged underlying items affect profit or loss.

For the purposes of presentation of the consolidated financial statements, the assets and liabilities of the Group's foreign subsidiaries and associates are translated to CZK using exchange rates prevailing at the date of the consolidated financial statements. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in the consolidated statement of comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

2.8. Grants

Government grants and grants from the European Union are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Grants whose primary condition is that the Group should purchase, construct or otherwise acquire fixed assets are recognised as a reduction of the cost of those fixed assets in the consolidated statement of financial position.

Other government grants are recognised in profit or loss as Other operating income over the periods necessary to match them with the costs which they are intended to compensate, on a systematic basis. Government grants receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support without future related costs are recognised in profit or loss in the period in which they become receivable.

2.9. Taxation

The income tax includes current tax and deferred tax.

2.9.1. Current tax

The current tax calculation is based on the taxable profit for the year. The taxable profit differs from the profit recorded in the separate statement of profit or loss as it does not include items of income or expense that are taxable or deductible in other years, and items that are not taxable or deductible. The Group's current tax is calculated using tax rates enacted or announced by the end of the reporting period.

2.9.2. Deferred tax

Deferred tax is recognised based on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used to calculate taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. These deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets or liabilities in a transaction which does not have an impact on taxable or accounting profit.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or promulgated by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority, and the Group intends to settle the balances on a net basis. Deferred tax assets and liabilities are netted only within the individual companies of the Group.

2.9.3. Current tax and deferred tax for the period

Current and deferred tax are recognised as expenses or income in profit or loss, except when they relate to items that are recognised outside of profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside of profit or loss.

2.10. Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated impairment losses and, in case of buildings and equipment, less accumulated depreciation. Freehold land is not depreciated.

Assets under construction are carried at cost less any recognised impairment loss. The cost includes professional fees and, for qualifying assets, borrowing costs. Depreciation of these assets, on the same basis as depreciation of other assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, applying the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimates accounted for on a prospective basis.

The following useful lives were used in the depreciation calculation:

	Number of years
Buildings	20–50
Vehicles	
<i>Locomotives</i>	20–35
<i>Passenger train units</i>	20–30
<i>Freight wagons (without components)</i>	25–33
Optical fibres	50
Machinery, equipment and other	8–20

Property, plant and equipment items are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of these assets. Gain or loss arising on the disposal or retirement of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The Group capitalises major (periodical) repairs of passenger railway vehicles. The costs of repairs are recorded as a separate asset (component) and are depreciated over the useful life of repairs. The depreciation period of the components is determined for the class of railway vehicles and component types. Freight railway vehicles are depreciated using the output component method based on mileage.

Average depreciation period of capitalised repairs:

	Number of years
Firs substantial repair of units	4
First substantial repair of vehicle	6
Major repair of vehicle	11

Strategic spare parts (exchangeable units) are reported within Vehicles and are depreciated when consumed (fitted to the vehicle) over the useful life.

Other spare parts that meet the conditions for classification in accordance with IAS 16 are reported in the Components. Other spare parts are depreciated when consumed (fitted to the vehicle). The depreciation period is set at half the estimated useful life of the vehicle for which it is used.

2.11. Investment property

Investment property, namely property held to earn rental income and/or for capital appreciation, is initially measured at cost, including transaction costs associated with its acquisition. Subsequent to initial recognition, the Group measures its investment property using the cost model; the carrying amounts are decreased by accumulated depreciation and impairment.

Investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its sale. Gains and losses on derecognition of the property (determined as the difference between the net disposal proceeds and the carrying amount of the asset) are included in profit or loss in the period in which the property is derecognised.

The depreciation method and useful life are determined by the Group for investment property in accordance with the property included in the Buildings category (see Note 2.10).

2.12. Intangible assets

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives of assets. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimates being accounted for on a prospective basis.

The following useful lives were used in the amortisation calculation:

	Number of years
Software	3–10
Software licences	6–10
Contractual relations	5
Customer relations	5
Know – how	10
Trademarks	10

An intangible asset is derecognised upon disposal, or when no future economic benefits are expected from its use or sale. Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in profit or loss in the period when the asset is derecognised.

2.13. Goodwill

Goodwill is initially measured at the amount corresponding to the difference between the consideration increased by the value of any non-controlling interest and by the fair value of any previously held interest and the net amount of acquired identifiable assets and assumed liabilities and contingent liabilities. After initial recognition, goodwill is recognised at cost less accumulated impairment losses. Recognised goodwill is tested for impairment. This test is performed at least once a year or more often if there are indicators of possible impairment of goodwill. At the acquisition date, goodwill is allocated to those cash-generating units that are expected to benefit from the synergies resulting from the acquisition. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are substantially independent of cash inflows from other assets. The impairment of goodwill is set by determining the recoverable amount of those cash-generating units to which goodwill has been allocated. If the recoverable amount of such a cash-generating unit is lower than its carrying amount, an impairment loss is recognised.

2.14. Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of tangible and intangible assets to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such assets is estimated in order to determine the amount of possible impairment. When it is impossible to determine the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are also allocated to individual cash-generating units if a reasonable and consistent basis of allocation can be determined. Otherwise, corporate assets are allocated to the smallest group of cash-generating units for which it is possible to determine a reasonable and consistent basis for allocation.

The recoverable amount is equal to the higher of fair value less cost to sell and value in use. When assessing value in use, the future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, which have not been adjusted with estimates of future cash flows.

If the recoverable amount of an asset (or a cash-generating unit) is lower than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

If the impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimated of its recoverable amount while ensuring that the increased carrying amount does not exceed the carrying amount that would have been determined in previous years if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. A reversal of impairment loss is recognised immediately in profit or loss.

2.15. Investments in joint ventures and associates

The joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control over the arrangement, which exists when decisions about the relevant activities require the unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the decisions relating to relevant activities of the entity into which the investment was made, but it is not control or joint control over such entity. In this case, the Group ordinarily controls 20-50% of voting rights.

The economic results, assets and liabilities of joint ventures and associates are incorporated in these consolidated financial statements by using the equity method. Under the equity method, investments in joint ventures and associates on initial recognition are carried at cost in the consolidated statement of financial position and are subsequently adjusted for the Group's share of profit or loss and other comprehensive income of the associate or joint venture. If the Group's share of losses of the associate or joint venture exceeds the Group's investment in the associate or joint venture, the Group will stop showing its share of further losses. Additional losses are recognised only when the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

If the Group's entities trade with a joint venture or an associate of the Group, profits or losses arising from those transactions with a joint venture or associate are recognised in the consolidated financial statements of the Group to the extent of interest in a joint venture or an associate that does not belong to the Group.

2.16. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs of inventories are determined using the weighted average method. The net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Spare parts that meet the conditions of classification in accordance with IAS 16 are recognised as Property, plant and equipment (Note 2.10).

2.17. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

In cases when some or all of the expenditures required to settle a provision are expected to be reimbursed by another party, an asset is recognised when it is certain that the reimbursement will be received by the Group and the amount of the receivable can be measured reliably.

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised valid expectations in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures triggered by the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

A provision can be used only for expenditures for which the provision was originally recognised. Change in a provision is recognised in profit or loss for a specific expense category; the unused portion of the provision is recognised in Other operating income.

Current liabilities arising from onerous contracts are recognised and measured as provisions. An onerous contract is understood as a Group's contract under which the unavoidable costs of meeting obligations under the contract exceed the envisaged economic benefits expected to be received under such a contract. The costs of fulfilling the contract include both the incremental costs of fulfilling the contract and the allocation of other costs that are directly related to fulfilling the contract.

A provision for long-term employee benefits is determined using the Projected Unit Credit Method, with actuarial valuation always at the year-end. Gains or losses from adjustments and changes in actuarial estimates for defined post-employment benefits are included in other comprehensive income; changes in the provision for other long-term benefits are included in profit or loss.

2.18. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of a financial instrument.

Financial assets and liabilities are initially measured at fair value, except for trade receivables that have no significant financing component – these are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets or liabilities (other than those measured at fair value through profit or loss) are added upon initial recognition to the fair value of financial assets or deducted from the fair value of financial liabilities, respectively. Transaction costs that are directly attributable to the acquisition of financial assets or liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets are classified into the following three categories: financial assets at amortised cost, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income. The classification depends on the Group's business model and the nature of the contractual cash flows of the particular financial asset.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or as financial liabilities measured at amortised cost.

2.18.1. Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts expected future cash inflow/outflow (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) with the exception of expected credit losses through the expected life of the debt instrument, to their gross amortised cost at initial recognition.

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable. If a financial asset is considered to be credit-impaired, interest income is calculated using the asset's residual value (i.e. gross book value less allowances).

Income and expenses are recognised based on the effective interest rate of debt instruments, except for financial assets and liabilities at fair value through profit and loss, and except for short-term receivables for which the recognition of interest would be immaterial.

2.18.2. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments that were designated as investments in equity instruments at fair value through other comprehensive income at initial recognition.

These investments in equity instruments are initially measured at fair value increased by transaction costs. Subsequently, they are measured at fair value while gains and losses from changes in fair value are recognised in other comprehensive income and accumulated in the investment revaluation reserve. Cumulative profits or losses will not be reclassified to profit or loss upon derecognition of equity investments; they will be transferred to retained earnings instead.

Dividends from these equity investments are recognised in profit or loss when the Company has the right to receive the dividends.

2.18.3. Financial assets at amortised cost

Financial assets at amortised cost are financial assets held within the business model, whose objective is to collect contractual cash flows that are solely payments of the principal and interest on the outstanding principal. Hence, the Group measures these assets at amortised cost by applying the effective interest method less any allowance for expected credit losses. These assets are recognised when the cash, goods or services are provided directly to a debtor by the Group with no intention of trading the receivable.

2.18.4. Financial assets at fair value through profit or loss

Financial assets which are not measured at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reports in this category financial derivatives presented under Other financial assets.

Financial assets measured at fair value through profit or loss are measured at fair value at the end of each reporting period, and all gains or losses of fair value are recognised in profit or loss to the extent that they are not part of the hedging relationship (see the hedge accounting policy). The method of determining fair value is described in Note 36.3.

2.18.5. Expected credit losses on financial assets

Financial assets, other than those at fair value through profit or loss, are reduced by an allowance for expected credit losses as at the asset recognition and at subsequent measurement, the amount of expected credit losses is always updated at the financial statements date.

For the purpose of determining expected credit losses, the Group applies the simplified approach in accordance with IFRS 9, which allows the assessment of the lifetime expected loss for all short-term trade receivables and receivables from finance leases.

The simplified approach is applied to short-term trade receivables not containing a significant financing component and finance lease receivables. The Company calculates allowances for portfolio-assessed receivables based on the impairment matrix including historical and forward-looking inputs.

For receivables assessed on an individual basis, the Group considers the following factors that affect the debtor's ability to meet its obligations:

- 30 and more days past due date;
- forward-looking information;
- knowledge of a customer; and
- payment discipline.

In respect of all other financial instruments, the Group reports the lifetime expected financial losses if there was a significant increase in credit risk since the initial recognition. However, if there was no significant increase in credit risk since the initial recognition, the Group calculates a loss allowance for this financial instrument in the amount corresponding to a 12-month expected credit loss.

(i) Significant increase in credit risk

When assessing whether the credit risk of a financial asset has increased significantly since the initial recognition, and when assessing the expected credit loss, the Company sees the information which is relevant and available without unreasonable costs or efforts as adequate and well-founded information. This involves both quantitative and qualitative information and analyses, based on the historical experience of the Company and informed assessment of the credit risk, including forward-looking information.

The Group assumes that the credit risk in a financial asset has significantly increased if it is by more than 30 days past due, if the Group has no adequate and provable information that would document otherwise.

In spite of the above, the Group assumes that there has been no significant increase in the credit risk relating to a financial instrument since the initial recognition date if it is determined that the credit risk of the financial instrument is low as at the financial statements date. A financial instrument bears low credit risk if:

- 1) financial instruments have a low default risk;
- 2) the debtor has a strong ability to meet its contractual obligations in cash flows in the near future; and
- 3) negative changes in economic and business conditions may but do not have to limit the ability of the debtor to meet its contractual obligations in cash flows in the long term.

The Group believes that there is a low credit risk in a financial asset if an external credit rating of this asset corresponds to the "investment grade" under the internationally recognised definition or if the international rating is not available, the asset has a "no default" internal rating. No default means that the counterparty has a strong financial position, and there are no due amounts from prior periods.

(ii) Definition of default

Based on historical experience, the Group uses the following criteria for default determination:

- if information gathered from internal or external sources indicates that the debtor will not be able to pay its creditors in full (announcement of bankruptcy, initiation of insolvency proceedings); and
- if the financial asset is more than 90 days past due and the Group has no reasonable and supportable information to demonstrate that the delay in payments is not a sufficient criterion for default determination.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired if one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the debtor;
- breach of contract, such as a delay or more than 90 days past due;
- restructuring of a financial liability (for economic or contractual reasons relating to the debtor's financial difficulties) under the conditions that the Group would not otherwise consider; and
- it is likely that a debtor will enter bankruptcy or another financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures. Any recoveries made are recognised in profit or loss.

2.18.6. Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Group substantially retains all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Upon derecognition of an asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received, and receivable is recognised in profit or loss. Upon derecognition of an investment in an equity instrument that the Group recognises at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

2.18.7. Financial liabilities at fair value through profit or loss

Financial liabilities are classified as financial liabilities at fair value through profit or loss when they are either held for trading or designated as measured at fair value through profit or loss.

This category includes financial derivative instruments recognised under Other financial liabilities.

Financial liabilities at fair value through profit or loss are measured at fair value, with any resulting gain or loss on changes in fair value being recognised in profit or loss (unless they are part of a designated hedging relationship - see hedge accounting policies). The fair value is determined as described in Note 36.3.

2.18.8. Financial liabilities measured at amortised cost

Financial liabilities that are not held for trading or designated as financial liabilities at fair value through profit or loss are subsequently measured at amortised cost, applying the effective interest method.

Loans are initially recognised at fair value less transaction costs. In subsequent periods, loans are carried at amortised cost using the effective interest method.

2.18.9. Derecognition of financial liabilities

The Group derecognises financial liabilities only when its obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. Modifications to liabilities only occur when the debtor changes and are recorded as derecognition.

2.18.10. Derivative financial instruments

The Group enters into a variety of financial derivative contracts to manage its exposure to interest rate, currency and commodity risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured at their fair value at the end of each reporting period. The resulting gain or loss is recognised directly in profit or loss unless the derivative is designated as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedging relationship.

Derivatives that do not meet the criteria for hedging derivatives are recorded by the Group at fair value through profit or loss.

The derivative with a positive fair value is recorded as a financial asset, while the derivative with a negative fair value is recorded as a financial liability. Derivatives are not offset in the consolidated financial statements unless the Group has an enforceable right to set-off and intends to exercise it.

2.18.11. Hedge accounting

The Group designates certain hedging instruments as cash flow hedges. Hedge accounting is kept in compliance with the requirements of IFRS 9.

At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Since the inception, the Group documents and monitors on an ongoing basis whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk. The Group monitors the existence of an economic relationship, the hedge ratio, sources of ineffectiveness and credit risk impact. Hedge accounting corresponds to the Group's risk management strategy. Under IFRS 9, the Group recognises the basis spreads separately from cross-currency interest rate swaps through other comprehensive income and are accumulated in the costs of hedging reserve. If the hedged item is time-related, the amount accumulated in the costs of hedging reserve is reclassified to profit or loss through amortisation on a systematic and rational basis..

If the hedging relationship ceases to meet the hedge effectiveness requirement associated with the hedging ratio, but the risk management objectives for that hedging relationship remain the same, the Group adjusts the hedging ratio for that hedging relationship (i.e. rebalances the hedging) to meet the required criteria.

2.18.12. Cash flow hedges

The effective part of changes in the fair value of financial derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. The Group recognises the cost of hedging reserve separately if the criteria of cost recognition through other comprehensive income have been met. The gain or loss relating to the ineffective part is recognised directly in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss in the same line of the consolidated statement of profit or loss as the recognised hedged item.

Hedge accounting is discontinued only when the hedging relationship no longer qualifies for hedge accounting (fully or partially), after considering any rebalancing of the hedging relationship. This involves, for example, expiry, sale, termination or settlement of the hedging instrument. Termination of hedge accounting is accounted for prospectively. All gains or losses recognised in other comprehensive income and accumulated in the cash flow hedging reserve remain in equity until a forecast transaction occurs. When a forecast transaction is no longer expected to occur, gain or loss accumulated in the cash flow hedging reserve is reclassified immediately to profit or loss.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

3.1. Standards and interpretations effective for the annual period ended 31 December 2025

In the year ended 31 December 2025, no standard, amendment or interpretation relevant to the Group's activities became effective.

3.2. Standards and interpretations applied before the effective date

The Group has not applied any standard or interpretation before the effective date.

3.3. Standards and interpretations issued but not yet applied

As at the date of the Consolidated Financial Statements, the following standards and interpretations (relevant to the Company's activities) were published, but were not yet effective or applied by the Group before their effective dates.

Amendments, new and revised standards and interpretations	Effective for annual periods beginning on or after
IFRS 10, IAS 28 – Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date will be determined *
IFRS 9, IFRS 7 – Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026

* Standards, amendments and interpretations that have not yet been approved for use in the EU

The application of IFRS 18 will change the method of presentation of results in the financial statements and the method of disclosing information in the consolidated financial statements. The Group's management expects that the adoption of the other above-stated amendments to existing standards in future periods will not have a significant impact on the Group's Consolidated Financial Statements.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not clearly evident from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgements, basic assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are presented below.

4.1. Key sources of estimation uncertainty

4.1.1. Impairment of assets

The Group assesses the recoverable amount of all assets when there are indicators of their impairment. This assessment is based on expected assumptions and may change in the future depending on the development of the current situation and the availability of information. Impairment of property, plant and equipment is disclosed in Note 16.1.

4.1.2. Provisions for legal disputes

The Group is involved in several court and out-of-court commercial disputes. Where the criteria for the recognition of provisions have been met, the Group creates provisions for these disputes on the basis of the best available information and estimates. However, the actual outcome of the disputes may differ from these estimates. Information regarding legal disputes is disclosed in Notes 28 and 35.1.

4.1.3. Lease – rental period

The Group uses an estimate to determine the lease term of contracts concluded for an indefinite period. This estimate is made with respect to the period and termination conditions of individual contracts. For the contracts with indefinite duration assessed on the basis of a portfolio approach, the Group has determined the estimated lease term as a period of 5 years for buildings and 3 years for freight railway vehicles, as considering past experience, it is reasonably certain that these leases will not be terminated by the Group during this estimated lease term.

In addition, each significant contract is also assessed separately based on individual contract provisions, the economic situation on the market of a given asset, as well as the past experience with the lessor, and thus the lease terms are adjusted accordingly.

Contracts with SŽ for the lease of premises at railway stations are concluded for individual areas (six large framework contracts). When measuring individual leased premises under the same contract, the Group used aggregation into portfolios under the framework contracts because of the insignificance of these individual rental premises. Due to the fact that these contracts were concluded with SŽ for 50 years, they are evaluated in the same way as contracts with indefinite duration and the estimated lease term is therefore set at 5 years for the purposes of lease term determination. Lease contracts contain an early termination clause with a 3-month notice period (without a sanction for an early rental termination), however, the Group uses it primarily in the event of termination of transport at a given location.

4.2. Judgements used in the application of accounting policies

4.2.1. Payments from the public service customers

The Group receives payments from the regional budgets and the budget of the Ministry of Transport for railway transport as the provision of public services. The Group also receives payments from the budget of the Ministry of Transport for the provision of transport services at discounted prices for selected population groups (students, pensioners, individuals with reduced mobility). The Group recognises these payments as revenue from contracts with customers.

In case of payments from the customers, the essence of the contractual relation with the regions or the Ministry of Transport is the order of transport service availability in a given location or on a specified line. This service is provided by the Group regardless of the number of passengers using a transportation service. This is not a grant since the contract for the transport service availability has been competed among a number of parties interested in providing that service and the subject of the service is not transport of specific individuals, but public transportation availability. Payment for the provision of the service is received by the company which wins a tender and ensures the service by its own means, in compliance with the competed conditions.

The preferential prices for different categories of customers (students, pensioners, individuals with reduced mobility) are measures where a customer uses the service (passenger transport) and pays only part of its price, and the remaining part is paid by a third party (in this case the state). It is not a grant to the carrier since in fact it is a direct subsidy of a market price to the population groups and not an economic incentive to influence the behaviour of a carrier in a particular way.

5. SEGMENT INFORMATION

5.1. Activities that generate revenue for reportable segments

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, which is the Board of Directors of the Company, in order to allocate resources to appropriate segments and to assess their performance. The Group's reportable segments under IFRS 8 are therefore as follows:

- Passenger transport – other information on rail passenger transport is disclosed in Note 6.
- Freight transport – other information on rail freight transport is disclosed in Note 6.
- Asset management – the segment provides the management and operations of real estate owned by the Group, including internal and external leases.
- Certification and testing – the segment provides research, development and testing in the field of rolling stock and infrastructure equipment.

5.2. Segment revenues and expenses

The Ministry of Transport is a significant customer whose transactions represent more than 10% of revenues. These revenues belong to the Passenger transport segment. For more information, refer to Note 32.5.

Below is the analysis of the Group's results by reportable segments in the format in which the report is presented to the chief operating decision maker.

(CZK million)

2025	Passenger transport	Freight transport	Asset management	Certification and testing	Total of reportable segments	Other [°]	Elimination ^{**}	Total
Revenue								
of which revenues from external customers outside the Group	35,610	15,204	109	994	51,917	1,717	-	53,634
Revenue from passenger transport	11,960	-	-	-	11,960	-	-	11,960
Revenue from freight transport	-	14,402	-	-	14,402	-	-	14,402
Revenue from public service customers	23,317	-	-	-	23,317	-	-	23,317
Revenue from other services	333	802	109	994	2,238	1,717	-	3,955
of which revenue in the Group	260	114	-	19	393	5,293	(5,686)	-
Revenue from passenger transport	8	-	-	-	8	-	(8)	-
Revenue from other services	252	114	-	19	385	5,293	(5,678)	-
Total revenue from contracts with customers	35,870	15,318	109	1,013	52,310	7,010	(5,686)	53,634
Rental income outside the Group	46	278	347	2	673	-	-	673
Rental income in the Group	5	22	53	-	80	3	(83)	-
Total rental income	51	300	400	2	753	3	(83)	673
Total revenue	35,921	15,618	509	1,015	53,063	7,013	(5,769)	54,307
Traction costs	(3,924)	(1,724)	-	-	(5,648)	-	6	(5,642)
Costs related to the railway infrastructure	(2,185)	(1,224)	-	-	(3,409)	-	2	(3,407)
Other services, consumption of materials and energy	(7,050)	(3,917)	(629)	(278)	(11,874)	(4,698)	4,830	(11,742)
Total purchased consumables and services	(13,159)	(6,865)	(629)	(278)	(20,931)	(4,698)	4,838	(20,791)
Staff costs	(10,904)	(6,018)	(263)	(224)	(17,409)	(1,731)	769	(18,371)
Depreciation and amortisation	(8,118)	(2,748)	(229)	(72)	(11,167)	(312)	279	(11,200)
Impairment ^{***}	26	(2,855)	15	-	(2,814)	4	-	(2,810)
Other operating income	1,082	462	2,823	11	4,378	990	(774)	4,594
Other operating expenses	(431)	(590)	(101)	(20)	(1,142)	(59)	14	(1,187)
Impairment losses and gains (net of reversals) on financial assets	8	(67)	64	-	5	3	-	8
Profit / (loss) on operating activities	4,425	(3,063)	2,189	432	3,983	1,210	(643)	4,550
Finance costs	(3,082)	(854)	(10)	(1)	(3,947)	(62)	47	(3,962)
Finance income ^{****}	1,034	97	119	16	1,266	29	(46)	1,249
Profit / (loss) before tax	2,377	(3,820)	2,298	447	1,302	1,177	(642)	1,837
Income tax expense	(226)	684	(14)	(95)	349	(121)	(432)	(204)
Profit / (loss) for the period from continuing operations	2,151	(3,136)	2,284	352	1,651	1,056	(1,074)	1,633
Profit / (loss) for the period	2,151	(3,136)	2,284	352	1,651	1,056	(1,074)	1,633

[°] The Others column includes income and expenses of all subsidiaries apart from ČD Cargo Group and Výzkumný Ústav Železniční, as well as income and expenses that do not belong to the Passenger transport and Asset management segments.

^{**} The Elimination column includes eliminations of intragroup relations.

^{***} Impairment includes impairment losses on Property, plant and equipment and investment property.

^{****} It also includes a share of profits of associates and joint ventures.

(CZK million)

2024	Passenger transport	Freight transport	Asset management	Certification and testing	Total of reportable segments	Other ^o	Elimination ^{oo}	Total
Revenue								
of which revenues from external customers outside the Group	32,847	15,089	83	991	49,010	1,847	-	50,857
Revenue from passenger transport	11,693	-	-	-	11,693	-	-	11,693
Revenue from freight transport	-	13,954	-	-	13,954	-	-	13,954
Revenue from public service customers	20,795	-	-	-	20,795	-	-	20,795
Revenue from other services	359	1,135	83	991	2,568	1,847	-	4,415
of which revenue in the Group	280	102	-	22	404	5,612	(6,016)	-
Revenue from passenger transport	9	-	-	-	9	-	(9)	-
Revenue from other services	271	102	-	22	395	5,612	(6,007)	-
Total revenue from contracts with customers	33,127	15,191	83	1,013	49,414	7,459	(6,016)	50,857
Rental income outside the Group	46	360	379	2	787	-	-	787
Rental income in the Group	109	20	54	-	183	3	(186)	-
Total rental income	155	380	433	2	970	3	(186)	787
Total revenue	33,282	15,571	516	1,015	50,384	7,462	(6,202)	51,644
Traction costs	(4,363)	(1,917)	-	-	(6,280)	-	8	(6,272)
Costs related to the railway infrastructure	(1,886)	(1,063)	-	-	(2,949)	-	3	(2,946)
Other services, consumption of materials and energy	(6,698)	(3,900)	(538)	(246)	(11,382)	(5,211)	5,471	(11,122)
Total purchased consumables and services	(12,947)	(6,880)	(538)	(246)	(20,611)	(5,211)	5,482	(20,340)
Staff costs	(10,498)	(5,530)	(250)	(192)	(16,470)	(1,671)	424	(17,717)
Depreciation and amortisation	(7,419)	(2,530)	(235)	(64)	(10,248)	(323)	186	(10,385)
Impairment ^{ooo}	(113)	(1,055)	-	-	(1,168)	2	-	(1,166)
Other operating income	1,173	555	1,400	17	3,145	679	(770)	3,054
Other operating expenses	(481)	(537)	14	(21)	(1,025)	(51)	35	(1,041)
Impairment losses and gains (net of reversals) on financial assets	(15)	4	8	-	(3)	57	-	54
Profit / (loss) on operating activities	2,982	(402)	915	509	4,004	944	(845)	4,103
Finance costs	(2,725)	(697)	(15)	(1)	(3,438)	(76)	78	(3,436)
Finance income ^{oooo}	378	153	77	20	628	49	(82)	595
Profit / (loss) before tax	635	(946)	977	528	1,194	917	(849)	1,262
Income tax expense	24	226	2	(113)	139	(71)	35	103
Profit / (loss) for the period from continuing operations	659	(720)	979	415	1,333	846	(814)	1,365
Profit / (loss) for the period	659	(720)	979	415	1,333	846	(814)	1,365

^o The Others column includes income and expenses of all subsidiaries apart from ČD Cargo Group and Výzkumný Ústav Železniční, as well as income and expenses that do not belong to the Passenger transport and Asset management segments.

^{oo} The Elimination column includes eliminations of intragroup relations.

^{ooo} Impairment includes impairment losses on Property, plant and equipment and investment property.

^{oooo} It also includes a share of profits of associates and joint ventures.

6. REVENUES

6.1. Breakdown of revenue

	(CZK million)	
	2025	2024
REVENUE FROM CONTRACTS WITH CUSTOMERS		
Passenger transport segment	35,610	32,847
Revenue from passenger transport – fare	11,960	11,693
<i>Domestic passenger transport</i>	7,970	7,888
<i>International passenger transport *</i>	3,990	3,805
Revenue from passenger transport – payments from public service customers	23,317	20,795
<i>Payment from the state budget</i>	6,222	5,388
<i>Payment from the regional budgets</i>	17,095	15,407
Revenue from other services	333	359
Freight transport segment	15,204	15,089
Revenue from freight transport	14,402	13,954
<i>Revenue from domestic freight transport</i>	3,464	3,653
<i>Revenue from foreign freight transport</i>	10,938	10,301
<i>Revenue from freight transport – Germany</i>	4,082	3,710
<i>Revenue from freight transport – Austria</i>	1,174	1,152
<i>Revenue from freight transport – Slovakia</i>	985	1,068
<i>Revenue from freight transport – Poland</i>	1,481	1,333
<i>Revenue from freight transport – other countries</i>	3,216	3,038
Other revenue from freight transport **	626	908
<i>Other revenue from domestic freight transport</i>	468	461
<i>Other revenue from foreign freight transport</i>	158	447
Other transport-related services	176	227

	2025	2024
Asset management segment	109	83
Revenue from other services	109	83
Certification and testing segment	994	991
Revenue from other services	994	991
Not assigned to segments	1,717	1,847
Sales of other services	1,717	1,847
<i>Sale of other services recognised over time</i>	1,717	1,847
<i>Sales of telematics services</i>	1,224	1,229
<i>Sales of other own services</i>	493	618
Total revenue from contracts with customers	53,634	50,857
RENTAL INCOME		
Asset management segment	347	379
Freight transport segment	278	360
Passenger transport segment	46	46
Certification and testing segment	2	2
Total rental income	673	787
Total revenue	54,307	51,644

^o Includes sales for the use of passenger train units in the RIC (Regolamento Internazionale delle Carrozze) regime and performance of train units and personnel in cross-border transport in the amount of CZK 1,601 million for 2025 (2024: CZK 1,359 million).

^{oo} Other revenue from freight transport includes mainly revenues from services in railway stations, additional and siding services.

Payments from public service customers relate to regional and long-distance domestic passenger transportation.

The Group provides transport services in public railway transport for a stated (rectified) price and assures 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), with the exception of trains operated at commercial risk, are specified in contracts with the state and the regional authorities.

In 2025, the Group operated a total of 22 long-distance transport lines on the basis of 9 public service contracts, which represents 81% of services in this segment ordered as a public service by the Ministry of Transport of the Czech Republic. In 2024, the Company operated a total of 22 long-distance transport lines on the basis of 8 public service contracts, which represented 81% of services ordered as a public service by the Ministry of Transport of the Czech Republic. The decisive volume of performance is provided under a contract concluded on 15 December 2019 for 15 years.

In 2025 and 2024, regional transport was operated on the basis of 33 concluded contracts, most of which have been valid since 2020. The vast majority of contracts were concluded in the regime of "market consultation" and subsequent direct assignment. However, there are contracts arising from tenders (Pilsen region and P1 Západ and P2 lines, Moravian-Silesian region and S6 line, South Moravian region and the "Moravia" operating set).

In 2025, the Group managed to extend the contract in the Karlovy Vary and Central Bohemian regions by 5 years (until 2034). The Company currently participates in numerous tenders, the largest is a tender announced by the Central Bohemian region and Prague for 30 years and for other sets in the Olomouc region, South-Bohemian region, Pardubice region and Vysočina region.

In long-distance transport, the Group managed to well establish direct connections from Prague to Vienna through České Velenice and introduce direct connections from Prague to Brno and Vienna to Klagenfurt and succeed in the tender organised by the Transport Ministry for operations of the Morava set.

Railway freight transport is largely affected by changes in international trade and logistics. In 2025, almost all railway freight transporters faced a significant decrease in services on the domestic transport market which results from structural economic changes. These primarily involve decreasing volumes of energy and heating coal, iron ore and finished products, and also for example grains. Despite a gradual development in transport of circular economy products (municipal waste, biomass, scrap iron, etc.), and in respect of ČD Cargo also development of transport services abroad, these absolute losses of volumes have been replaced only in part.

Significant transactions with the main customers with government participation are presented in Note 36.1.

6.2. Contract liabilities and refund liabilities

The Group recognises the following contract liabilities and refund liabilities (see also Note 30) related to the revenue from contracts with customers:

(CZK million)

Contract liabilities related to revenue from contracts with customers	31 Dec 2025	31 Dec 2024
Prepaid products – e.g. kilometric bank, annual ticket	216	199
Prepayments received	125	77
Revenues from domestic passenger transport over time	4	4
Contract liabilities from telecommunication services	119	118
Other contract liabilities	31	20
Total contract liabilities	495	418

(CZK million)

Refund liabilities	31 Dec 2025	31 Dec 2024
Liabilities from rebates and claims	250	209
Other refund liabilities	330	336
Total refund liabilities	580	545

6.2.1. Revenue from contract liabilities

(CZK million)

Revenue included in the operating balance of contract liabilities	2025	2024
Revenue from passenger transport	193	200
Sale of other services	215	277
Total	408	477

6.2.2. Remaining contract liabilities

Passenger transport services are usually provided within a few hours and paid by passengers for just before the service is provided. In case of prepaid tickets, a contract liability is recognised. As at 31 December 2025, the Group has concluded 41 contracts with public service customers (the Ministry of Transport and the regions). Validity of these contracts varies individually from 1 to 15 years. According to these contracts, the Group is obliged to provide transport services to the specified extent. Income is recognised in the amount that the Group has a right to invoice. The customers usually pay a fixed amount based on the payment schedule. If services provided by the Group exceed payments, a receivable is recognised due to the fact that a right to payment is unconditional, and only the passage of time is required before the payment is due. Receivables are usually due within 15-30 days. If payments exceed services provided, a liability is recognised. The Group does not disclose the allocated transaction price under practical expedient from IFRS 15.121. Transport revenue is disclosed in Note 6.1.

7. OTHER OPERATING INCOME

	(CZK million)	
	2025	2024
Gain from disposal of property, plant and equipment and investment property	2,844	1,406
Gain on disposal of redundant assets	203	207
Compensations for shortage and damage	259	294
Contractual penalties and default interest	173	124
Dividends received	4	3
Foreign exchange gains – operating	210	266
Release of provisions (Note 28)	26	189
Income from grants	13	11
Income from energy recovery	195	193
Income from the sale of a business part	266	-
Other	401	361
Total other operating income	4,594	3,054

The gain from the disposal of property, plant and equipment and investment property in 2025 includes the profit from the sale of real estate in the area of Nákladové nádraží Žižkov train station in the amount of CZK 2,206 million (in 2024, the gain from the sale of real estate in Nákladové nádraží Žižkov train station amounted to CZK 1,093 million).

The gain from the sale of a business part relates to the sale of a part of ČD – Telematika a.s. to SŽ as at 1 September 2025.

8. COST OF SERVICES, RAW MATERIALS AND ENERGY

	(CZK million)	
	2025	2024
Traction costs	(5,642)	(6,272)
Costs associated with railroads	(3,407)	(2,946)
Other services, raw materials and energy	(12,863)	(12,280)
<i>Consumed material</i>	(2,735)	(3,044)
<i>Consumed other energy</i>	(563)	(603)
<i>Services related to the operation of railway vehicles</i>	(2,064)	(1,975)
<i>Services related to the operation of main activities abroad</i>	(1,238)	(1,208)
<i>Services related to the provision of additional services to passengers</i>	(1,429)	(824)
<i>Services related to the use of buildings</i>	(493)	(466)
<i>Services provided to employees</i>	(608)	(561)
<i>Transport costs and external services</i>	(1,822)	(1,886)
<i>Low-value rent or short-term rent</i>	(563)	(408)
<i>Commission for the sale of fares paid to other carriers, resellers</i>	(206)	(226)
<i>Substitute bus transport</i>	4	(131)
<i>Other services</i>	(1,146)	(948)
Cost of services, consumption of material and energy	(21,912)	(21,498)
Capitalised services and consumption of material	1,121	1,158
Total cost of services, raw materials and energy	(20,791)	(20,340)

Other services include the cost of consulting and auditing services, advertising and promotion, staff care, environmental services and further consist of other individually insignificant items.

Consulting, expert and auditing services also include audit and non-audit services provided by Deloitte network companies. The total remuneration for these services is presented below:

	(CZK million)	
	2025	2024
Statutory audit	(7)	(7)
Other audit services *	(4)	(1)
Total	(11)	(8)

* Other audit services include the verification of the sustainability report and the provision of a comfort letter. The total value of the service is CZK 8 million. The amount is presented in the table on an accrual basis.

9. STAFF COSTS

	(CZK million)	
	2025	2024
Payroll costs and severance pays	(13,717)	(13,246)
Statutory social security and health insurance	(1,643)	(1,670)
Contributions to post-employment benefits	(3,087)	(2,886)
Other employee benefits costs	(393)	(367)
Staff costs	(18,840)	(18,169)
Capitalised staff costs	469	452
Total staff costs	(18,371)	(17,717)
Average recalculated headcount	20,812	21,550

Other employee benefits costs mainly include allowances for meals, allowances for convalescent stays, allowances for life insurance and remuneration of members of statutory bodies.

10. DEPRECIATION, AMORTISATION AND IMPAIRMENT

	(CZK million)	
	2025	2024
Depreciation of property, plant and equipment	(9,256)	(8,027)
Depreciation of investment property	(29)	(31)
Depreciation of right-of-use assets	(1,645)	(2,025)
Amortisation of intangible assets	(307)	(326)
Impairment losses on property, plant and equipment, intangible assets, and investment property (Note 16, 17, 18, 19)	(2,810)	(1,166)
Depreciation, amortisation, and impairment	(14,047)	(11,575)
Capitalised depreciation	37	24
Total depreciation, amortisation and impairment	(14,010)	(11,551)

In 2025, Depreciation of property, plant and equipment was increased by CZK 24 million (2024: increased by CZK 14 million) due to the allocation of costs of recognition and use of the provision for onerous contracts (Note 28.3).

11. OTHER OPERATING EXPENSES

	(CZK million)	
	2025	2024
Write-off of inventories to net realisable value	(30)	(1)
Costs of contractual fines and default interest	(12)	(16)
Taxes and fees	(55)	(56)
Insurance	(312)	(278)
Foreign exchange rate losses – operating	(264)	(269)
Shortages and damages compensation	(83)	(103)
Expenses for uniforms	(54)	(47)
Reimbursement of employee expenses	(22)	(15)
Other expenses	(355)	(256)
Total other operating expenses	(1,187)	(1,041)

12. FINANCE COSTS

	(CZK million)	
	2025	2024
Interest on bank overdrafts and loans	(1,375)	(1,266)
Interest on issued bonds	(1,928)	(1,486)
Interest on lease liabilities	(195)	(260)
Interest on secured loans	(107)	(89)
Other interest expense	(333)	(187)
Less: amounts included in the cost of qualifying assets	345	409
Unwinding of the discount of provisions	(18)	(18)
Foreign exchange losses on loans, borrowings and lease liabilities	(182)	(456)
Bank charges	(14)	(14)
Other finance costs	(155)	(69)
Total finance costs	(3,962)	(3,436)

Other interest expense represents cash flow hedge expenses reclassified from other comprehensive income during the period.

The capitalisation rate of borrowing costs in 2025 is 0.45% p. a. (2024: 0.35% p. a.).

13. FINANCE INCOME

	(CZK million)	
	2025	2024
Foreign exchange gains on loans, borrowings and lease liabilities	751	186
Gain on the sale of securities and equity investments	-	7
Interest received	498	386
Total finance income	1,249	579

An increase in interest received is due to the appreciation of available funds from term deposits.

14. INCOME TAX

14.1. Income tax recognised in profit or loss

	(CZK million)	
	2025	2024
Tax for the current year recognised in the statement of profit or loss	(252)	(310)
Deferred tax recognised in the statement of profit or loss	123	441
Current income tax related to previous periods	(75)	(28)
Total income tax (expense) / revenue related to continuing operations	(204)	103

Reconciliation of the total tax charge for the year to accounting profit multiplied by the applicable tax rate:

(CZK million)

	2025	2024
Profit for the period before tax	1,837	1,262
Statutory tax rate on corporate income in the Czech Republic	21%	21%
Expected income tax expense	(386)	(265)
Adjustments:		
Effect of the unrecognised deferred tax asset	469	542
Impact of different tax rates in other countries	(19)	(19)
Income exempt from tax – fines	-	210
Other non-taxable income	51	72
Tax non-deductible expenses – shortages and damages	(12)	(7)
Non-taxable expenses – fines	(1)	(173)
Non-taxable payroll costs	(24)	(26)
Other tax non-deductible expenses	(181)	(180)
Release / use of provisions and loss allowances	(5)	(13)
Tax paid abroad	(21)	(10)
Current income tax related to previous periods	(75)	(28)
Income tax recognised in profit or loss	(204)	103

14.2. Income tax recognised in other comprehensive income

(CZK million)

	2025	2024
Change in cash flow hedging reserve	(127)	21
Change in cost of hedging reserve	26	2
Change in the revaluation reserve of investments in equity instruments at fair value through other comprehensive income	(1)	(6)
Total income tax recognised in other comprehensive income	(102)	17

14.3. Deferred tax

Reported deferred tax assets and liabilities are calculated as follows:

(CZK million)

	31 Dec 2025	31 Dec 2024
Deferred tax assets		
Non-current assets	6	13
Provisions	1,192	730
Receivables	263	90
Compensation for unjust enrichment (Note 22)	3,455	3,848
Borrowing costs	1,365	223
Loans, borrowings and lease liabilities	8,298	9,094
Liabilities to employees	372	195
Refund obligations	16	15
Unutilised tax losses	56	-
Other	253	84
Basis for calculation of deferred tax	15,276	14,292
Corporate income tax rate	21%	21%
Total deferred tax assets – recognised	3,208	3,001
Offset of deferred tax liabilities pursuant to offset provisions	(3,202)	(2,991)
Net deferred tax assets – recognised	6	10
Deferred tax liabilities		
Non-current assets *	(21,188)	(20,799)
Provisions	(457)	-
Receivables – contractual fines	(37)	(10)
Derivatives	(75)	(136)
Financial assets at fair value through other comprehensive income	(94)	(90)
Other	(111)	(39)

	31 Dec 2025	31 Dec 2024
Basis for calculation of deferred tax	(21,962)	(21,074)
Corporate income tax rate	21%	21%
Total deferred tax liabilities – recognised	(4,612)	(4,426)
Offset of deferred tax liabilities pursuant to offset provisions	3,202	2,991
Net deferred tax liabilities – recognised	(1,410)	(1,435)

* Including right-of-use assets.

The unrecognised deferred tax asset as at 31 December 2024 was calculated as follows:

(CZK million)

	31 Dec 2024
Deferred tax asset	
Compensation for unjust enrichment (Note 22)	298
Provisions	215
Receivables	90
Borrowing costs	1,116
Contractual penalties	176
Inventories	95
Lease liabilities	87
Payables to employees	168
Basis for calculation of deferred tax	2,245
Corporate income tax rate	21%
Deferred tax assets – unrecognised	471

Borrowing costs include interest and other costs (in particular, exchange rate differences) associated with drawn funds that meet the requirements of the tax law. It is possible to apply them in the next years.

The tax effect of temporary difference movements is calculated as follows:

	1 Jan 2025	Deferred tax recognised in profit or loss	Deferred tax recognised in other comprehensive income	(CZK million) 31 Dec 2025
Deferred tax assets				
Non-current assets	3	(2)	-	1
Provisions	153	97	-	250
Receivables	19	37	-	56
Compensation for unjust enrichment (Note 22)	808	(82)	-	726
Borrowings costs	47	240	-	287
Loans, borrowings and lease liabilities	1,909	(53)	(114)	1,742
Payables to employees	41	37	-	78
Refund obligations	3	-	-	3
Unutilised tax losses	-	12	-	12
Other	18	35	-	53
Total deferred tax assets – recognised	3,001	321	(114)	3,208
Deferred tax liabilities				
Non-current assets	(4,368)	(81)	-	(4,449)
Provisions	-	(96)	-	(96)
Receivables – contractual fines	(2)	(6)	-	(8)
Derivatives	(29)	-	13	(16)
Financial assets at fair value through other comprehensive income	(19)	-	(1)	(20)
Other	(8)	(15)	-	(23)
Total deferred tax liabilities – recognised	(4,426)	(198)	12	(4,612)

(CZK million)

	1 Jan 2024	Deferred tax recognised in profit or loss	Deferred tax recognised in other comprehensive income	31 Dec 2024
Deferred tax assets				
Non-current assets	1	2	-	3
Provisions	137	16	-	153
Receivables	17	2	-	19
Compensation for unjust enrichment (Note 22)	150	658	-	808
Borrowings costs	32	15	-	47
Loans, borrowings and lease liabilities	1,988	(111)	32	1,909
Payables to employees	37	4	-	41
Refund obligations	3	-	-	3
Other	21	(3)	-	18
Total deferred tax assets – recognised	2,386	583	32	3,001
Deferred tax liabilities				
Non-current assets	(4,229)	(139)	-	(4,368)
Receivables – contractual fines	(8)	6	-	(2)
Derivatives	(19)	(1)	(9)	(29)
Financial assets at fair value through other comprehensive income	(13)	-	(6)	(19)
Other	-	(8)	-	(8)
Total deferred tax liabilities – recognised	(4,269)	(142)	(15)	(4,426)

14.4. Top-up tax

The Group falls under the scope of the Act on Top-up Taxes (global minimum tax). The Group meets the conditions of the safe haven test, its top-up tax is CZK 0 for 2025 and 2024.

The Group applies an exception for the recognition and disclosure of the information on the deferred tax relating to pillar two income taxes under IAS 12; for this reason, the calculation of the deferred tax did not take the impact of the top-up tax into account.

15. ASSETS CLASSIFIED AS HELD FOR SALE

(CZK million)

	31 Dec 2025	31 Dec 2024
Land	3,402	-
Total assets classified as held for sale	3,402	-

Assets classified as held for sale primarily include land under the railway infrastructure used by SŽ, with which the Company negotiates on the sale.

16. PROPERTY, PLANT AND EQUIPMENT

(CZK million)

	Land	Buildings	Machinery, equipment and other	Vehicles for own use *	Vehicles leased out	Components	Assets under construction	Prepayments	Total
Cost									
Balance at 1 Jan 2024	5,262	16,475	5,438	109,436	4,964	33,548	3,927	11,508	190,558
Additions	1	226	261	21,119	-	5,909	2,919	640	31,075
Disposals	(80)	(188)	(119)	(1,378)	-	(4,022)	(14)	(5,055)	(10,856)
Reclassification **	(34)	353	111	460	(1,448)	2,444	(2,228)	3	(339)
Balance at 31 Dec 2024	5,149	16,866	5,691	129,637	3,516	37,879	4,604	7,096	210,438
Additions	12	126	216	13,653	-	3,869	2,629	732	21,237
Disposals	(113)	(251)	(540)	(2,884)	-	(3,308)	(4)	(4,083)	(11,183)
Reclassification **	(3,250)	489	179	3,020	(984)	(955)	(1,847)	(10)	(3,358)
Balance at 31 Dec 2025	1,798	17,230	5,546	143,426	2,532	37,485	5,382	3,735	217,134
Accumulated depreciation and impairment									
Balance at 1 Jan 2024	69	9,276	4,103	64,129	2,346	12,877	32	-	92,832
Depreciation	-	332	285	3,637	60	3,672	3	-	7,989
Impairment losses	-	-	8	1,647	-	-	-	-	1,655
Reversal of impairment	-	(21)	(10)	(464)	-	-	(2)	-	(497)
Disposals	-	(123)	(118)	(1,239)	-	(2,773)	(3)	-	(4,256)
Reclassification *	-	(211)	5	362	(821)	290	-	-	(375)
Balance at 31 Dec 2024	69	9,253	4,273	68,072	1,585	14,066	30	-	97,348
Depreciation	-	347	212	4,358	73	4,203	2	-	9,195
Impairment losses	-	-	-	1,720	-	1,904	-	-	3,624
Reversal of impairment	-	(19)	(4)	(751)	-	(175)	(26)	-	(975)
Disposals	-	(182)	(439)	(2,804)	-	(3,298)	(2)	-	(6,725)
Reclassification *	-	32	12	(125)	(215)	169	-	-	(127)
Balance at 31 Dec 2025	69	9,431	4,054	70,470	1,443	16,869	4	-	102,340
Net book value									
Balance at 1 Jan 2024	5,193	7,199	1,335	45,307	2,618	20,671	3,895	11,508	97,726
Balance at 31 Dec 2024	5,080	7,613	1,418	61,565	1,931	23,813	4,574	7,096	113,090
Balance at 31 Dec 2025	1,729	7,799	1,492	72,956	1,089	20,616	5,378	3,735	114,794

* Means of transport purchased for secured loans are reported in the financial statements under the item "Vehicles". Their net book value is CZK 4,679 million as at 31 December 2025 and CZK 3,890 million as at 31 December 2024.

** Reclassifications mainly represent transfers of asset items between individual groups (IAS 16 and IAS 40) and the transfer (capitalisation) of items from assets under construction to individual items of tangible assets (Land, Constructions, Machinery, equipment and others, Vehicles).

Strategic spare parts (exchangeable units) with the acquisition cost of CZK 172 million and the net book value of CZK 0 million as at 31 December 2025 are reported in Vehicles (31 December 2024: the acquisition cost of CZK 172 million and the net book value of CZK 6 million). Other spare parts with the net book value of CZK 1,533 million as at 31 December 2025 are reported in Components (31 December 2024: CZK 1,027 million).

The most significant additions include the acquisition and modernisation of railway vehicles as part of the renewal of the Parent Company's rolling stock in the amount of CZK 13,427 million in 2025 (2024: CZK 13,878 million). Due to the long-term nature of the acquisition of this type of assets, significant balances are recognised in Assets under construction.

Additions in freight transport are analysed in the following table:

	(CZK million)	
	2025	2024
Purchase of traction vehicles of class TRAXX 388	658	1,203
Conversion of traction vehicles of class 163 to class 363	246	34
Components for traction vehicles	168	539
Purchase of traction vehicles of class 744	-	66
Technical improvements on traction vehicles	46	13
Purchase of traction vehicle of class 181	27	-
Components to wagons	19	407
Technical improvements on wagons	9	11
Modernisation of traction vehicles of class 742	5	880
Class Zacns wagons	-	80
Purchase of traction vehicles of class 753.6	-	64
Other	56	55
Total	1,234	3,352

Significant additions in telematics include a renovation of a building in the amount of CZK 23 million and significant disposals include a liquidation of technological premises equipment, SDH radio links, WDM technology circuits of CZK 193 million. Significant additions in telematics as at 31 December 2024 include the purchase and renovation of buildings in the amount of CZK 52 million and construction of a new data centre of CZK 52 million.

In 2025, the Group provided advances of CZK 307 million for the delivery of BEMU 140. (in 2024: CZK 307 million).

As at 31 December 2025, the Group recognises grant promises in the amount of CZK 254 million (31 December 2024: CZK 103 million), which are reported in Other assets (Note 24). As at 31 December 2025, the Group records liabilities from investment grants in the amount of CZK 171 million (31 December 2024: CZK 84 million), which are reported in Other liabilities and contract liabilities (Note 30).

During 2025, the Group partially used part of the grant advance received for the implementation of the European Train Control System (ETCS) for locomotives. Locomotives of the 742.7 class and the prototype and series in the 363.5, 240 and 242 classes have been equipped with the ETCS system and the grant advance was used in the purchase of new locomotives of the 383 class. Further, the Group received a grant for the ETCS upgrade in the 388 class. In total, these were assets of CZK 462 million (31 December 2024: CZK 282 million).

Operating lease agreements in which the Group acts as a lessor and which relate to movable assets (it primarily concerns the rental of vehicles) are described in Note 33.

16.1. Impairment losses recognised in the reporting period

16.1.1. Assets impairment analysis

Passenger transport

As at the consolidated balance sheet date, the Group's management assessed if there were any indications of impairment of non-financial assets. The Group's management concluded that impairment indicators exist for the Passenger transport cash-generating unit where the Group's management includes rolling stock (locomotives, passenger train units, other rolling stock including leased and recognised as Right-of-use assets), other standalone movables used to operate passenger rail transport and the allocated part of corporate assets. This group of assets is tested for potential impairment as one cash-generating unit as it is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amount of the cash-generating unit was determined as the value in use. Value in use was determined based on the present value of future cash flows per cash-generating unit for the next five years. The five-year period reflects the assumptions for short- to medium-term market development and is used by the management as it allows for a better reflection of the planned investment programme than the shorter period. The Group's management is confident that due to the character of the railway transport, it is able to forecast future cash flows over the whole five-year period with sufficient reliability. Cash flows beyond the five-year period have been extrapolated using a steady growth rate. This growth rate is in line with the long-term average growth rate for the sector in which the Group operates (passenger transport).

The calculation of future expected cash flows is based on an estimate of revenues, direct and indirect operating expenses and expenditures for the replacement of tangible non-current assets for the period of 2026-2030. Revenues from the sale of services are projected on the basis of the expected collection of fares and the contracted payments from public service customers (the state and the regions) and compensation for the energy increase. Operating expenses are estimated based on the current structure of the Passenger transport segment and are adjusted for the expected development and impact of cost-saving measures in the area of operating and staff costs. Capital expenditures are based on the historical experience of the Group's management, planned development of passenger transport and commitments arising from contracts with public service customers. In general, the projections of the above-mentioned components of expected future cash flows take into account the expected economic development, competition and other market factors, regulation, as well as the Group's strategy.

The discount rate reflects the level of risk specific to the cash-generating unit as assessed by the Group's management. The basis for calculating the discount rate is the weighted average cost of capital (WACC) calculated based on the Capital Asset Pricing Model (CAPM). To calculate the recoverable amount, the cash flows expressed in nominal values were estimated and discounted using a discount rate of 7.56% (2024: 7.14%).

The expected growth rate is derived from the expected future development of the market, gross domestic product, the level of wages and interest rates and the expected economic growth of the country. A growth rate of 3% (2024: 3%) was used to calculate the recoverable amount.

The analysis performed as at 31 December 2025 confirmed that the recoverable amount of the cash-generating unit exceeds its carrying amount by CZK 14,985 million (2024: CZK 24,633 million).

Sensitivity analysis of impairment tests

When testing the recoverable amount of non-current assets of the cash-generating unit, a sensitivity analysis of the test results to changes in the following significant parameters used in the model was performed: the estimated future operating cash flows, the estimated capital expenditures for replacement of assets, the discount rate used for calculating the present value of future cash flows and the growth rate.

31 Dec 2025	Operating cash flows for perpetuity		Estimated capital expenditures for perpetuity		Discount rate		Growth rate	
	CZK 6,872 million		CZK 10,020 million		7.56%		3.00%	
Parameter value	Increase by 10%	Decrease by 10%	Decrease by 10%	Increase by 10%	Decrease by 50 basis points	Increase by 50 basis points	Increase by 100 basis points	Decrease by 100 basis points
Increase / (decrease) in recoverable amount	10,857	(10,857)	16,336	(15,324)	7,437	(12,350)	30,794	(20,086)
Impairment Yes/No	No	No	No	Yes	No	No	No	Yes
Value of impairment	-	-	-	(339)	-	-	-	(5,100)

31 Dec 2024	Operating cash flows for perpetuity		Estimated capital expenditures for perpetuity		Discount rate		Growth rate	
	CZK 6,332 million		CZK 9,035 million		7.14%		3.00%	
Parameter value	Increase by 10%	Decrease by 10%	Decrease by 10%	Increase by 10%	Decrease by 50 basis points	Increase by 50 basis points	Increase by 100 basis points	Decrease by 100 basis points
Increase / (decrease) in recoverable amount	12,599	(9,829)	16,062	(16,545)	16,576	(13,108)	33,331	(21,117)
Impairment Yes/No	No	No	No	No	No	No	No	No
Value of impairment	-	-	-	-	-	-	-	-

The recoverable amount of the cash-generating unit would equal its carrying value, had the key assumptions been/changed as follows:

As at 31 Dec 2025	Operating cash flows for perpetuity	Estimated capital expenditures for perpetuity	Discount rate	Growth rate
Parameter value	CZK 6,872 million	CZK 10,020 million	7.56%	3.00%
Parameter value where recoverable amount would equal carrying value	CZK 5,924 million	CZK 10,969 million	8.17%	2.48%

As at 31 Dec 2024	Operating cash flows for perpetuity	Estimated capital expenditures for perpetuity	Discount rate	Growth rate
Parameter value	CZK 6,332 million	CZK 9,035 million	7.14%	3.00%
Parameter value where recoverable amount would equal carrying value	CZK 4,941 million	CZK 10,426 million	8.14%	1.83%

Freight transport

As of the consolidated financial statements date, the management of ČD Cargo, a.s. assessed whether there are signs of non-financial assets impairment. The management determined the Freight transport segment as a cash-generating unit, which includes vehicles, predominantly railway vehicles (wagons and traction vehicles, other railway vehicles including leased and recognised as right-of-use assets), other individual movable assets used for operations of railway freight transport and an allocated part of corporate assets. This group of assets is tested for potential impairment as one cash-generating unit as it is the smallest identifiable group of assets generating cash income significantly independent from cash income from other assets or groups of assets. The recoverable amount of the cash-generating unit was determined on the level of the value in use. The value in use was determined using the present value of future cash flows attributable to the cash-generating unit for the period of the following five years. The five-year period reflects the assumptions for the short-term to medium-term development on the market and is used by the management as it best enables reflecting the planned investment programme than a shorter period. Given the nature of railway freight transport, the management believes it can, with sufficient reliability, predict future cash flows for the entire five-year period. Cash flows for the period exceeding five years were extrapolated using a steady growth rate. This growth rate is in line with a long-term average growth rate for the industry segment in which ČD Cargo, a.s. operates (freight transport). The calculation of future expected cash flows is based on an estimate of revenues, direct and indirect operating income and costs for replacement of tangible fixed assets for the period between 2026 and 2030. Planned sales are projected based on an anticipated volume of transport in individual commodities and products. In Additional services, a decline is calculated in relation to performance to which certain activities are linked and in relation to reductions in overcapacity (leases of redundant capacities, external services of Regional Operational Directorates and Railway Vehicle Repair Centres). Operating costs are estimated with the use of the current structure of the freight transport segment and adjusted by anticipated positive effects of overcapacity reductions and the impact of austerity measures on operating and staff costs. Capital expenditures are based on a significant reduction, which, following the meeting of already concluded contracts, will be directed primarily to maintenance of components of promising classes of wagons and locomotives and internal

repair services. In general, the projection of the above-mentioned parts of expected future cash flows takes into account the anticipated economic development, competition, and other market factors, regulations, as well as ČD Cargo, a.s. strategy. The discount rate reflects the risk associated with the cash-generating unit as assessed by management. The basis for the calculation of the discount rate is weighted average costs of capital (WACC) calculated using the Capital Assets Pricing Model (CAPM). To calculate the recoverable amount, cash flows expressed in nominal values were estimated and discounted using the discount rate of 7.75%. The anticipated growth rate is derived from the anticipated future market development, gross domestic product, level of salaries, interest rates and anticipated economic growth of the country. To calculate the recoverable amount, a 3% growth rate was used. During the year, an impairment of CZK 3,351 million (2024: CZK 992 million) was created. In 2025, an impairment of CZK 650 million (2024: CZK 323 million) was reduced. The analysis performed as of 31 December 2025 confirmed that the recoverable amount of the cash-generating unit is equal to its carrying amount.

In the consolidated statement of profit or loss, this impairment of tangible assets in the amount of CZK 2,686 million is disclosed in Note 10 Depreciation, amortisation and impairment on the line Losses from impairment of property, plant and equipment, investment property and intangible assets. The methodology used for asset impairment is disclosed in Note 2.14.

Sensitivity analysis of impairment tests

When testing the recoverable amount of non-current assets of the cash-generating unit, a sensitivity analysis of the test results to changes in the following significant parameters used in the model was performed: the estimated future operating cash flows, the estimated capital expenditures for replacement of assets, the discount rate used for calculating the present value of future cash flows and the growth rate.

31 Dec 2025	Operating cash flows for perpetuity		Estimated capital expenditures for perpetuity		Discount rate		Growth rate	
	CZK 1,622 million		CZK 2,206 million		7.75%		3.00%	
Parameter value	Increase by 10%	Decrease by 10%	Decrease by 10%	Increase by 10%	Decrease by 50 basis points	Increase by 50 basis points	Increase by 100 basis points	Decrease by 100 basis points
Increase / (decrease) in recoverable amount	2,825	(2,055)	3,185	(3,185)	3,295	(2,682)	7,014	(4,632)
Impairment Yes/No	No	Yes	No	Yes	No	Yes	No	Yes
Value of impairment	-	(2,055)	-	(3,185)	-	(2,682)	-	(4,632)

The recoverable amount of the cash-generating unit would equal its carrying value, had the key assumptions been/changed as follows:

As at 31 Dec 2025	Operating cash flows for perpetuity	Estimated capital expenditures for perpetuity	Discount rate	Growth rate
Parameter value	CZK 1,622 million	CZK 2,206 million	7.75%	3.00%
Parameter value where recoverable amount would equal carrying value	CZK 1,780 million	CZK 2,048 million	7.38%	3.43%

16.1.2. Other impairment losses

Furthermore, based on an inventory count and internal analyses, the Group's management identified fixed assets for which significant doubt about their future usability exists. Impairment losses were recognised for these items in the amount of the difference between the carrying value and the estimated recoverable amount. The recoverable amount of the 680 class tilting trains (Pendolino) and the 380 class locomotives was estimated as their fair value less cost to sell. Therefore, the recoverable amount of these railway vehicles was determined regardless of the cash-generating unit to which they belong. The assets belong to the Passenger transport cash-generating unit.

The market value of the 680 class EMUs was determined on the basis of an expert opinion. The impairment of these EMUs as at 31 December 2025 amounted to CZK 383 million (31 December 2024: CZK 410 million). Movement in impairment in 2024 involves a reversal of impairment of CZK 27 million.

The market value of the 380 class locomotives was determined on the basis of an expert opinion. The impairment of these locomotives as at 31 December 2025 amounted to CZK 1,441 million (31 December 2024:

CZK 1,478 million). Movement in impairment in 2025 includes a reversal of impairment loss of CZK 72 million and concurrently an increase in the impairment loss by CZK 35 million due to an accident and liquidation of the 380.017 locomotive. In 2024, an allowance of CZK 117 million for the accident involving the 380.004 locomotive was released.

Impairment losses and their reversal are presented in Depreciation, amortisation and impairment in the consolidated statement of profit or loss.

16.2. Pledged assets

The Group records loans collateralised by assets with a net book value of CZK 4,679 million as at 31 December 2025 and CZK 3,890 million as at 31 December 2024

As at 31 December 2025, the Group records assets pledged to EUROFIMA with the net book value of CZK 17,059 million (31 December 2024: CZK 14,211 million).

17. INVESTMENT PROPERTY

The value of investment property:

	(CZK million)	
	2025	2024
Balance at the beginning of the year	889	941
Additions from subsequent capitalised expenses	2	16
Depreciation	(29)	(31)
Disposals	(7)	(38)
Transfers from property, plant and equipment (from IAS 16 to IAS 40)	26	174
Transfers to property, plant and equipment (from IAS 40 to IAS 16)	(100)	(165)
Transfers to property, plant and equipment (from IAS 40 to IFRS 5)	(99)	-
Impairment (losses) / reversal of impairment losses	9	(8)
Balance at the end of the year	691	889

	(CZK million)		
	Balance at 31 Dec 2025	Balance at 31 Dec 2024	Balance at 1 Jan 2024
Cost	1,685	1,916	1,825
Accumulated depreciation and impairment	(994)	(1,027)	(884)
Net book value	691	889	941

The Group includes the percentage value of the residual price of the leased part of the property, where at least 2% of its useful area is leased to an external lessee as an investment in real estate.

The real estate is located around the railroads, in train stations and depots of railway vehicles. The Group applies a market approach to determine the fair value of its land and an income approach to determine the fair value of its buildings.

When calculating the fair value of a building, firstly, the annual rental income from the building is calculated as a multiple of the size of a property, occupancy as per a particular type of premises and external annual rent as per individual type of premises. Secondly, the fair value of the building is calculated as the annual rental income less the costs incurred on the building during the year and divided by the capitalisation rate for the given location (yield). Yield is updated annually based on an expert opinion and is calculated as the sum of net earned revenues (net rent) divided by the sum of achieved market prices of comparable real estate. To determine the fair value of real estate as at 31 December 2025 and 31 December 2024, depending on the type of real estate and its location, a yield in the range of 6-10% was used.

In respect of land, the fair value is calculated by multiplying the market price for m² for the specific locality and the size of the land. The market price for m² is determined each year by an expert based on the latest land price maps.

The estimated Investment property fair value amounted to CZK 4,409 million as at 31 December 2025 (31 December 2024: CZK 5,266 million). Investment property is classified as Level 3 in terms of the method of determining fair value.

Operating lease agreements in which the Group acts as a lessor and which relate to investment property are described in Note 33. The carrying amount of leased investment property as at 31 December 2025 is CZK 625 million (31 December 2024: CZK 812 million).

18. INTANGIBLE ASSETS AND GOODWILL

(CZK million)

	Internally generated software	Software licences	Assets under construction	Contractual relations and customer relations	Know-how and trademarks	Total
Cost						
Balance as at 1 Jan 2024	3,821	911	219	189	11	5,151
Additions	168	9	83	-	-	260
Disposals	(3)	-	-	-	-	(3)
Reclassification	141	2	(143)	-	-	-
Balance as at 31 Dec 2024	4,127	922	159	189	11	5,408
Additions	177	1	62	-	-	240
Disposals	(427)	(30)	(31)	-	-	(488)
Reclassification	88	-	(88)	-	-	-
Balance as at 31 Dec 2025	3,965	893	102	189	11	5,160
Accumulated amortisation						
Balance as at 1 Jan 2024	2,989	837	-	189	8	4,023
Amortisation	306	19	-	-	1	326
Disposals	(3)	-	-	-	-	(3)
Reclassification	-	-	-	-	-	-
Balance as at 31 Dec 2024	3,292	856	-	189	9	4,346
Amortisation	290	16	-	-	1	307
Disposals	(404)	(30)	-	-	-	(434)
Impairment	170	-	-	-	-	170
Reclassification	-	-	-	-	-	-
Balance as at 31 Dec 2025	3,348	842	-	189	10	4,389
Net book value						
Balance as at 1 Jan 2024	832	74	219	-	3	1,128
Balance as at 31 Dec 2024	835	66	159	-	2	1,062
Balance as at 31 Dec 2025	617	51	102	-	1	771

The amortisation costs were reported in Depreciation, amortisation and impairment in the consolidated statement of profit or loss.

Additions to intangible non-current assets predominantly include adjustments and upgrades to the existing system.

The value of goodwill:

	(CZK million)	
	Goodwill	Čelkem
Balance as at 1 Jan 2024	141	141
Balance as at 31 Dec 2024	141	141
Balance as at 31 Dec 2025	141	141

Goodwill impairment analysis

The Group recognises goodwill from the acquisition of an interest in the CHAPS group.

The impairment analysis was performed on the basis of the discounted cash flow method, which determined the value of the assets of CHAPS and its subsidiaries.

The calculation of future expected cash flows is based on estimated revenues and direct and indirect operating expenses for the period of 2026-2030. The projection of expected future cash flows takes into account expected economic development, competition and other market factors, as well as CHAPS strategy.

The discount rate expresses the level of risk in a given sector as assessed by the Group's management. The basis for the discount rate calculation is the WACC value calculated based on the capital asset pricing model (CAPM). To calculate the recoverable amount, estimated cash flows expressed in nominal values were discounted using a discount rate of 9.08% (2024: 9.18%).

The expected growth rate is derived from the expected future development of the market, gross domestic product, wage and interest rate levels and the expected economic growth of the country. A growth rate of 3% (2024: 3%) was used to calculate the recoverable amount.

The analysis performed as at 31 December 2025 confirmed that the recoverable amount of CHAPS and its subsidiaries exceeds its carrying value (net assets and goodwill value) by CZK 693 million (2024: CZK 680 million).

Sensitivity analysis of impairment test

When testing the goodwill value determined by the discounted cash flow method, the sensitivity of the test results to changes in the following significant parameters used in the model has been performed: expected future cash flows, a discount rate for calculating the present value of future cash flows and a growth rate.

A change in expected future cash flows according to the model by 20%, with other parameters remaining unchanged, would lead to a change in the recoverable amount of CZK 126 million (2024: CZK 122 million). A change in the discount rate by 1% with other parameters remaining unchanged would lead to a change in the recoverable amount of CZK 18 million (2024: CZK 19 million). A change in the growth rate by 1% with other parameters remaining unchanged would lead to a change in the recoverable amount of CZK 273 million (2024: CZK 257 million).

19. RIGHT-OF-USE ASSETS

The Group leases land, administrative premises, railway station buildings, locomotives, wagons, cars and equipment. Lease contracts are usually concluded for a defined period (3 to 15 years). Part of the contracts is concluded for an indefinite period (see Note 4.1.3).

(CZK million)

	Land	Premises at railway stations	Administrative buildings	Machinery and equipment	Locomotives	Freight wagons and other vehicles	Total
Cost							
Balance as at 1 Jan 2024	2	396	1,035	1,037	5,275	3,374	11,119
Additions	1	-	61	1	1,814	71	1,948
Disposals	-	(20)	(102)	(188)	159	(2,568)	(2,719)
Change in estimate [*]	1	56	130	117	53	193	550
Reclassification	-	-	1	-	17	-	18
Balance as at 31 Dec 2024	4	432	1,125	967	7,318	1,070	10,916
Additions	-	-	139	13	335	164	651
Disposals	-	(21)	(183)	(72)	(302)	(786)	(1,364)
Change in estimate [*]	-	31	85	59	122	167	464
Reclassification	-	-	(1)	-	(12)	(5)	(18)
Balance as at 31 Dec 2025	4	442	1,165	967	7,461	610	10,649
Accumulated depreciation and impairment							
Balance as at 1 Jan 2024	1	243	417	543	1,672	1,391	4,267
Depreciation	1	32	126	159	1,300	414	2,032
Disposals	-	-	(35)	(126)	(72)	(1,141)	(1,374)
Reclassification	-	-	-	-	4	-	4
Balance as at 31 Dec 2024	2	275	508	576	2,904	664	4,929
Depreciation	1	29	130	138	974	373	1,645
Disposals	-	-	(111)	(23)	(262)	(532)	(928)
Reclassification	-	-	-	-	(12)	(3)	(15)
Balance as at 31 Dec 2025	3	304	527	691	3,604	502	5,631
Net book value							
Balance as at 1 Jan 2024	1	153	618	494	3,603	1,983	6,852
Balance as at 31 Dec 2024	2	157	617	391	4,414	406	5,987
Balance as at 31 Dec 2025	1	138	638	276	3,857	108	5,018

^{*} Change in the estimate is a change in the estimated lease term of the assets.

In 2025, additions to the Locomotives category primarily included new contracts for the lease of locomotives, wagons, non-residential premises and renewal of the rolling stock (2024: 22 newly leased Vectron locomotives).

Disposals predominantly involve terminated contracts for the lease of wagons, locomotives and non-residential premises (2024: predominantly terminated contracts for the lease of wagons).

Disposals of locomotives involve the use of an option for the purchase of the Vectron locomotive with the net book value of CZK 105 million in 2025 (2024: purchase of 9 locomotives of CZK 903 million).

The amounts recognised in the consolidated statement of profit or loss:

	(CZK million)	
	2025	2024
Depreciation of right-of-use assets	(1,645)	(2,025)
Impairment of right-of-use assets	1	(7)
Interest expense on lease liabilities	(195)	(260)
Expense related to short-term leases	(511)	(358)
Expense related to low-value assets leases	(52)	(50)
Expense related to variable lease payments not included in the measurement of the lease liability	(33)	(33)

Lease liabilities are disclosed in Note 27.2.

Sensitivity analysis of right-of-use assets and lease liabilities

When calculating the value of right-of-use assets and lease liabilities for lease contracts with indefinite lease term, a sensitivity analysis to changes in estimated lease term was performed.

For buildings, a change in the estimated lease term by one year with other parameters unchanged would lead to a change in the value of right-of-use assets and lease liabilities by CZK 116 million (2024: CZK 185 million).

For locomotives and freight wagons, a change in the estimated lease term by one year with other parameters unchanged would lead to a change in the value of right-of-use assets and lease liabilities by CZK 285 million (2024: CZK 244 million).

20. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(CZK million)

Entity		Carrying value of investment as at 31 Dec 2025	Ownership percentage as at 31 Dec 2025	Carrying value of investment as at 31 Dec 2024	Ownership percentage as at 31 Dec 2024
RAILLEX, a.s.	Associate	10	50%	14	50%
BOHEMIAKOMBI, spol. s r.o.	Associate	-	30%	-	30%
Ostravská dopravní společnost, a.s. in liquidation	Associate	12	50%	12	50%
Ostravská dopravní společnost – Cargo, a.s.	Associate	-	20%	34	20%
JLV, a.s.	Associate	139	38.79%	137	38.79%
Masaryk Station Development, a.s.	Associate	2	34%	2	34%
Total – associates		163		199	
Žižkov Station Development, a.s.	Joint venture	1	51%	-	51%
Total – joint ventures		1		-	
Total – investments in joint ventures and associates		164		199	

Summary of financial information on associates:

(CZK million)

	31 Dec 2025	31 Dec 2024
Total assets	829	866
of which: <i>non-current assets</i>	456	443
<i>current assets</i>	373	423
Total liabilities	291	275
of which: <i>non-current liabilities</i>	123	123
<i>current liabilities</i>	168	152
Net assets	538	591
Share of the Group in the associate's net assets	163	199

(CZK million)

	2025	2024
Total revenue	1,220	1,233
Profit for the period	(21)	60
Total comprehensive income for the period	(21)	60
Share of the Group in associates' profit for the period	(2)	16
Share of the Group in total comprehensive income for the period	(2)	16

Summary of financial information on joint ventures:

	(CZK million)	
	31 Dec 2025	31 Dec 2024
Total assets	2	12
of which: <i>non-current assets</i>	-	11
<i>current assets</i>	2	1
Total liabilities	1	14
of which: <i>non-current liabilities</i>	-	4
<i>current liabilities</i>	1	10
Net liabilities	1	(2)
Share of the Group of net liabilities	1	(1)

	(CZK million)	
	2025	2024
Total revenues	5	2
Profit for the period	4	-
Total comprehensive income for the period	4	-
Share of the Group in associates' profit for the period	2	-
Share of the Group in total comprehensive income for the period	2	-

21. INVENTORIES

	(CZK million)	
	31 Dec 2025	31 Dec 2024
Spare parts for machinery and equipment	228	216
Spare parts for rolling stock and locomotives	2,931	2,788
Fuels, lubricants and other oil products	56	57
Work clothes, work shoes, protective aids	77	91
Other	299	241
Total cost	3,591	3,393
Impairment of inventories to their realisable value *	(206)	(176)
Total net book value	3,385	3,217

* The amount of inventories for which an allowance was accounted is CZK 429 million as at 31 December 2025 and CZK 341 million as at 31 December 2024.

The amount of inventories recognised as an expense in 2025 was CZK 3,477 million (2024: CZK 3,803 million).

22. TRADE RECEIVABLES

	(CZK million)		
31 Dec 2025	Long-term	Short-term	Total
Trade receivables – gross	2,486	4,950	7,436
Expected credit loss allowance	(18)	(221)	(239)
Trade receivables – net	2,468	4,729	7,197

	(CZK million)		
31 Dec 2024	Long-term	Short-term	Total
Trade receivables – gross	1,100	4,738	5,838
Expected credit loss allowance	-	(306)	(306)
Trade receivables – net	1,100	4,432	5,532

Movements in the expected credit loss allowance:

	(CZK million)	
	2025	2024
Allowance as at 1 January	306	298
Charge for the year – trade receivables	47	64
Use of allowance – trade receivables	(36)	(43)
Release of allowance – trade receivables	(78)	(13)
Allowance as at 31 December	239	306

Since 2017, the Group has billed SŽ the compensation for unjust enrichment resulting from SŽ using the Group's property, mainly land plots under the railway infrastructure. The Group determined the compensation for 2017-2025 at the amount of CZK 4,276 million as at 31 December 2025 including VAT (as at 31 December 2024 for 2017-2024 in the amount of CZK 4,947 million including VAT) based on an expert's opinion. No agreement has been reached yet on the amount of the compensation. Due to this uncertainty, the Group did not recognise a receivable from this transaction. However, as at 31 December 2025, a receivable arises from the Group's claim to either collect or refund the related VAT amounting to CZK 821 million that was presented in the long-term receivables – gross (as at 31 December 2024: CZK 800 million).

The increase in long-term receivables is due to a long-term receivable arising from the sale of property, plant and equipment in the area on the Nákladové nádraží Žižkov train station.

Further information on trade receivables is provided in Note 36.8 Credit risk management.

23. OTHER FINANCIAL ASSETS

	(CZK million)	
	31 Dec 2025	31 Dec 2024
Equity investments at fair value through other comprehensive income	368	363
Finance lease receivables	79	117
Hedging derivatives *	14	122
Restricted cash	87	62
Other	15	18
Total non-current financial assets	563	682
Finance lease receivables	-	13
Hedging derivatives *	444	197
Receivables from shortages and damages	48	45
Restricted cash	236	139
Other	278	77
Total current financial assets	1,006	471
Total	1,569	1,153

* Hedging derivatives and equity investments at fair value through other comprehensive income are measured at fair value; other financial assets are measured at amortised cost.

The Group has designated the below securities as equity investments at fair value reported through other comprehensive income, as the investment is expected to be held for strategic purposes rather than for profit from subsequent sale, and there are no plans to sell this investment in the short or medium term.

(CZK million)

	Fair value at 31 Dec 2025	Fair value At 31 Dec 2024	Dividends reported in 2025	Dividends reported in 2024
EUROFIMA	358	353	4	3
Hit Rail B.V.	4	4	-	-
XT-Card	4	4	-	-
Echis	2	2	-	-
Total	368	363	4	3

During 2025, the Group sold no strategic investments and transferred no accumulated profits or losses within equity relating to these investments.

Restricted cash includes cash that the Group is obliged to have deposited in special bank accounts, and which can be disposed of only once the conditions with which they are connected have been met. These are funds that relate mainly to grants from the European Union or the ministries and that cash can be used only in line with the grant conditions and for the acquisition of specific grant-related assets or technical improvement of these assets and restricted funds under Czech tax regulations.

Movements in the expected credit loss allowance:

(CZK million)

	2025	2024
Loss allowance as at 1 January	12	22
Creation of allowance – other financial assets	61	3
Release of allowance – other financial assets	(4)	(13)
Loss allowance as at 31 December	69	12

Further information on Other financial assets is provided in Note 36.8 Credit risk management.

23.1. Finance lease receivables

The Group leased the station building at the Brno - main railway station.

Maturity analysis of future lease payments:

(CZK million)

	31 Dec 2025	31 Dec 2024
1 st year	23	38
2 nd year	23	38
3 rd year	23	36
4 th year	23	30
5 th year	23	29
Over 5 years	415	428
Undiscounted lease payments	530	599
Less: unrealised financial income	(450)	(468)
Present value of lease payments	80	131
Expected credit loss allowance	(1)	(2)
Net investment in lease	79	129
In the consolidated statement of financial position as:		
<i>Other current financial assets</i>	-	13
<i>Other non-current financial assets</i>	79	117
Total	79	130

The amounts recognised in the consolidated statement of profit or loss:

(CZK million)

	2025	2024
Finance income from the net investment in finance leases	23	26

The Group uses a simplified approach in accordance with IFRS 9 to measure expected credit losses, which allows recognition of expected loss allowance over the useful life of all finance lease receivables.

None of the finance lease receivables are past due at the end of the reporting period and taking into account past experience and future prospects of the industry in which the lessee operates, the Group's management believes that no finance lease receivables are impaired.

The Group is not exposed to currency risk as a result of lease arrangements as the leases are denominated in CZK.

Further information on finance lease receivables is provided in Note 36.8 Credit risk management.

24. OTHER ASSETS

	(CZK million)	
	31 Dec 2025	31 Dec 2024
Prepayments provided	5	12
Grants	520	-
Other	123	1
Total non-current	648	13
Prepayments provided	217	346
Tax receivables – VAT	1,025	488
Tax receivables – other (except for corporate income taxes)	2	8
Prepaid expenses	291	271
Grants	254	103
Oher	130	93
Total current	1,919	1,309
Total	2,567	1,322

The non-current grants line predominantly includes an undisputed claim for a part of the grant that the Group will receive within the grant project for the equipping of traction vehicles with the ETCS on-board part.

The current grants item represents the investment grants.

25. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are measured at amortised cost in the consolidated statement of financial position. The Group considers potential impairment of these items to be immaterial due to the high credit quality of cash deposits held with reputable financial institutions with a high investment credit rating with which the Group cooperates on the basis of long-term and stable relationships.

For the purposes of the consolidated cash flow statement, cash includes cash on hand, cash in bank accounts and depository bills. The cash at the end of the reporting periods recognised in the consolidated cash flow statement can be reconciled with the relevant items in the consolidated statement of financial position as follows:

	(CZK million)	
	31 Dec 2025	31 Dec 2024
Cash and cash in transit	53	49
Bank accounts *	15,178	9,289
Total	15,231	9,338

*Bank rating analyses are provided in Note 36.8.

26. EQUITY

26.1. Share capital

The Company's share capital is composed of the investment made by the Czech Republic as the sole shareholder, represented by the Ministry of Transport of the Czech Republic. As at 31 December 2025 and as at 31 December 2024, the share capital consists of 20 ordinary registered shares with a nominal value of CZK 1 billion. The shares are placed with the shareholder's representative, the Ministry of Transport, and are transferable only subject to the prior consent of the Government of the Czech Republic. All the shares are fully paid. There were no changes in the share capital during 2024.

Each shareholder is entitled to attend and vote at the General Meeting. Shareholders have the right to request and receive explanations on matters concerning the Company or its controlled entities. The voting right is associated with the share and is determined by its nominal value, such that one vote corresponds to each CZK 1 billion of the nominal value of the share. If the state is the shareholder, it exercises the rights of the Company's shareholder in accordance with the law through the Steering Committee.

26.2. Other capital funds

	(CZK million)	
	31 Dec 2025	31 Dec 2024
Share premium	16,440	16,440
Reserve fund	371	598
Cash flow hedging reserve	496	19
Costs of hedging reserve	(171)	(74)
Revaluation of investments in equity instruments at fair value through other comprehensive income	75	71
Actuarial remeasurements of defined benefit obligations	169	147
Foreign currency translation reserve	(31)	7
Other	47	46
Total	17,396	17,254

26.2.1. Share premium

The share premium represents the difference between the nominal value of the shares and the non-monetary contribution at the establishment of the Company, by which the issue price of the shares was paid.

The amount of share premium, which was thus determined during the transition to IFRS Accounting Standards, as adopted by the EU, is CZK 16,440 million as at 31 December 2025 and 31 December 2024.

26.2.2. Reserve fund

	(CZK million)	
	2025	2024
Balance at the beginning of the year	598	489
Allocation to the reserve fund	4	155
Transfer from the reserve fund	(231)	(46)
Balance at the year-end	371	598

Allocations to the reserve fund are made in accordance with the Articles of Association of individual Group companies.

26.2.3. Cash flow hedging reserve

	(CZK million)	
	2025	2024
Balance at the beginning of the year	19	209
Revaluation gain / (loss)	412	(279)
Reclassification to profit or loss	192	178
Total change in the cash flow hedging reserve	604	(101)
Related deferred income tax	(127)	21
Reclassification of deferred tax	-	(110)
Balance at the year-end	496	19

The cash flow hedging reserve includes accumulated gains and losses from the effective hedging of cash flows. The accumulated deferred gain or loss from hedging derivatives is reclassified to the profit or loss only when a hedging transaction affects the profit or loss or is included in the hedged non-financial item as an adjustment to the carrying value in accordance with the relevant accounting policies.

Gains and losses reclassified from equity during the year are presented in Revenues, Cost of services, raw materials and energy and Finance costs in the consolidated statement of profit or loss.

Reclassifications from cash flow hedging reserve to profit or loss for each of the risk exposures:

	(CZK million)	
	2025	2024
Cross-currency interest rate swaps – hedging of bond funding in EUR with fixed rate		
Balance at the beginning of the year	171	219
Change in the fair value of hedging derivatives	(131)	(89)
Reclassification to profit or loss	205	168
Related deferred income tax – change	(15)	(17)
Reclassification of deferred tax	-	(110)
Balance at the year-end	230	171

	(CZK million)	
	2025	2024
Currency forwards and swaps – hedging of future revenue in foreign currencies		
Balance at the beginning of the year	-	36
Change in fair value of hedging derivatives	1	(100)
Reclassification to profit or loss	(1)	53
Related deferred income tax – change	-	11
Balance at the year-end	-	-

	(CZK million)	
	2025	2024
Interest rate swaps – hedging of bonds and lease contracts with a variable rate		
Balance at the beginning of the year	8	(13)
Change in fair value of hedging derivatives	-	73
Reclassification to profit or loss	(6)	(47)
Related deferred income tax – change	1	(5)
Balance at the year-end	3	8

	(CZK million)	
	2025	2024
Commodity forwards – securing prices for the purchase of diesel and traction electricity		
Balance at the beginning of the year	4	4
Change in fair value of hedging derivatives	(2)	(3)
Reclassification to profit or loss	(6)	4
Related deferred income tax – change	1	(1)
Balance at the year-end	(3)	4

	(CZK million)	
	2025	2024
Lease – securing foreign currency liabilities from IFRS 16		
Balance at the beginning of the year	13	68
Change in fair value of lease liability	136	(69)
Related deferred income tax – change	(28)	14
Balance at the year-end	121	13

	(CZK million)	
	2025	2024
Loans and bonds – revaluation		
Balance at the beginning of the year	(177)	(105)
Change in fair value of revaluation of loans and bonds	408	(91)
Related deferred income tax – change	(86)	19
Balance at the year-end	145	(177)

26.2.4. Cost of hedging reserve

Costs of hedging represent accumulated gains and losses from changes in fair value excluded from hedging instruments related to the currency base margin of cross-currency interest rate swaps.

The Group has assessed that the separate currency base margin relates to a period of time, not to a specific transaction. Therefore, the Group systematically amortises costs of hedging through profit or loss over the duration of the hedging relationship to the extent they are associated with the hedged item.

	(CZK million)	
	2025	2024
Balance at the beginning of the year	(74)	(102)
Reclassification to profit or loss	(19)	(18)
Change in fair value in costs of hedging	(104)	8
Related deferred income tax	26	2
Reclassification of deferred tax	-	36
Balance at the year-end	(171)	(74)

Additional information regarding derivatives and hedging accounting is provided in Note 36.

26.2.5. Foreign currency translation reserve

	(CZK million)	
	2025	2024
Balance at the beginning of the year	7	(14)
Foreign exchange rate gains or losses arising from translation of foreign operations	(38)	21
Balance at the year-end	(31)	7

Foreign exchange rate gains or losses related to translation of the results and net assets of foreign operations of the Group from their functional currencies to the presentation currency of the Group (i.e., CZK) are reported directly in other comprehensive income and are accumulated in the foreign currency translation reserve.

26.2.6. Revaluation of investments to equity instruments at fair value through other comprehensive income

Revaluation of investments to equity instruments at fair value through other comprehensive income includes the accumulated net change in fair value of equity instruments revalued through other comprehensive income, after deducting accumulated gains/losses transferred to retained earnings on derecognition.

	(CZK million)	
	2025	2024
Balance at the beginning of the year	71	67
Revaluation	5	31
Related deferred income tax	(1)	(6)
Reclassification of deferred tax	-	(21)
Balance at the year-end	75	71

27. LOANS, BORROWINGS AND LEASE LIABILITIES

	(CZK million)	
	31 Dec 2025	31 Dec 2024
Bank loans	2,903	2,619
Loan from EUROFIMA	558	397
Lease liabilities	1,482	1,650
Collateralised loans	536	447
Overdraft accounts	284	1,167
Bonds issued	14,711	1,585
Other received short-term loans and borrowings	33	34
Total short-term	20,507	7,899
Bank loans	14,019	13,807
Loan from EUROFIMA	15,830	15,896
Lease liabilities	3,401	4,409
Collateralised loans	3,318	2,906
Bonds issued	39,556	42,506
Other received long-term loans and borrowings	18	3
Total long-term	76,142	79,527
Total	96,649	87,426

Collateralised loans include loans that have been secured with the assets for which the loans were provided.

Portions of long-term loans, bonds, borrowings and lease liabilities that are repayable in a period shorter than one year from the date of the consolidated financial statements are presented as short-term loans, borrowings and lease liabilities.

The detail of individual credit lines is described in Note 36.9.2.

Neither the parent company nor any of the subsidiaries breached any terms of the loan agreements during the reporting period. The maximum value of the financial covenant of the total debt ratio was permitted for ČD Cargo by Komerční banka in the form of a signed amendment, and for Československá obchodní banka in the form of a Notification of Temporary Non-Utilization of the Bank's Authorization (Waiver Letter). The maximum value of the total debt ratio and the minimum value of the interest coverage for the European Investment Bank (EIB) were permitted by the EIB in the form of a Waiver Letter. All of the aforementioned banks waived the right to repay the loans during 2026.

27.1. Bonds issued

Issue date	Nominal value	Due date	Publicly traded	Coupon	Carrying value as at 31 Dec 2025 (CZK million)	Carrying value as at 31 Dec 2024 (CZK million)
5 Nov 2014	EUR 150 million	5 Nov 2029	No	3.50%	3,651	3,783
3 June 2015	EUR 77.5 million	3 June 2035	No	3.00%	1,899	1,981
23 May 2019	EUR 500 million	23 May 2026	Yes	1.50%	12,218	12,665
12 Oct 2022	EUR 500 million	12 Oct 2027	Yes	5.63%	12,241	12,697
24 June 2024	CZK 8,001 million	24 June 2029	Yes	5.50%	8,180	8,166
28 May 2025	EUR 500 million	28 July 2030	Yes	3.75%	12,321	-
20 July 2018	CZK 1,000 million	20 July 2025	Yes	2.55%	-	1,010
17 July 2019	CZK 1,000 million	17 July 2026	No	2.17%	1,009	1,009
18 Nov 2019	CZK 770 million	18 Nov 2026	No	2.09%	772	772
31 July 2020	CZK 1,000 million	31 July 2027	No	1.65%	1,003	1,001
20 April 2022	EUR 40 million	31 Dec 2028	No	1.92%	973	1,007
Total					54,267	44,091
- of which short-term					14,711	1,585
- of which long-term					39,556	42,506

The Group did not breach any terms or conditions valid for the issued bonds in 2025 and 2024.

Bondholders could request early repayment of bonds within 90 days once the state's share in the issuer (ČD) falls below 75% or the issuer's share in the segments of passenger or freight transport falls under 50% and, at the same time, the issuer's rating falls below the investment grade.

27.2. Lease liabilities

The Group recognised lease liabilities as follows:

	(CZK million)	
	31 Dec 2025	31 Dec 2024
Short-term lease liabilities	1,482	1,650
Long-term lease liabilities	3,401	4,409
Total lease liabilities	4,883	6,059

Expenses relating to short-term leases and low-value assets leases, that are not included in the above short-term lease liabilities, are reported in Cost of services, raw materials and energy in the consolidated statement of profit or loss (see Note 8).

Total cash outflows related to leases amounted to CZK 2,669 million in 2025 and CZK 3,685 million in 2024.

The information on the right of use assets is disclosed in Note 19.

The Group is not exposed to significant liquidity risk with respect to lease liabilities. The analysis of the maturity of lease liabilities is disclosed in Note 36.9.1.

27.3. Bank loans

(CZK million)

Loan type / Currency	Interest	Due date	Carrying value as at 31 Dec 2025	Carrying value as at 31 Dec 2024
Investment loans in CZK	Variable	2028-2029	4,056	4,996
Investment loans in EUR	Variable	2027-2036	130	150
Investment loans in CZK	Fixed	2027-2031	3,442	4,124
Investment loans in EUR	Fixed	2028-2035	9,294	7,156
Total			16,922	16,426
- of which short-term			2,903	2,619
- of which long-term			14,019	13,807

Investment bank loans are repaid in regular semi-annual or quarterly principal instalments in line with repayment schedules. The due date in the table is the date of the last instalment. The part of the principal due within 12 months from the balance sheet date is classified as a short-term bank loan. A breakdown of the timing of future undiscounted cash flows (including future repayments of the principal and interest) is detailed in Note 36.9.1. Liquidity risk tables.

Bank loans have not been collateralised.

27.4. Loan from EUROFIMA

The Group used a loan from EUROFIMA in which it owns 1% (Note 35), in the following four tranches:

	Nominal value	Final maturity	Interest	(CZK million)	
				Carrying value at 31 Dec 2025	Carrying value at 31 Dec 2024
1 st tranche	CZK 6,903 million	30 March 2033	Fixed	7,145	7,147
2 nd tranche	EUR 70 million	30 March 2033	Fixed	1,740	1,808
3 rd tranche	CZK 2,687 million	30 March 2033	Fixed	2,776	2,777
4 th tranche	CZK 4,543 million	31 May 2035	Fixed	4,727	4,561
Total				16,388	16,293
- of which short-term				558	397
- of which long-term				15,830	15,896

Liabilities to EUROFIMA are collateralised by pledge contracts for the financed assets.

28. PROVISIONS

(CZK million)

	Balance as at 1 Jan 2024	Creation	Use	Release of unused part	Balance as at 31 Dec 2024	Creation	Use	Release of unused part	Balance as at 31 Dec 2025
Provisions for legal disputes	1,029	-	834	193	2	-	-	-	2
- of which: long-term part	-				-				-
Provision for post-employment benefits	193	9	25	-	177	45	19	14	189
- of which: long-term part	153				142				147
Provision for other long-term employee benefits	296	113	167	-	242	116	131	-	227
- of which: long-term part	126				102				104
Provisions for restructuring	23	126	23	-	126	717	292	-	551
- of which: long-term part	-				-				-
Provision for onerous contracts	118	77	118	-	77	57	10	26	98
- of which: long-term part	11				73				76
Other reserves	288	105	74	10	309	218	71	22	434
- of which: long-term part	-				-				-
Total provisions	1,947	430	1,241	203	933	1,153	523	62	1,501
- of which long-term	290				317				327
- of which short-term	1,657				616				1,174

28.1. Provision for legal disputes

The Group recognises a provision for legal disputes according to the anticipated results of all ongoing legal disputes and the related probable cash outflows from the Group.

28.1.1. Alleged cartel agreement between ČD, ZSSK and ÖBB for the sale of the disposed rolling stock

In 2024, the provision for legal disputes in the amount of CZK 809 million was used following a fine imposed by the European Commission regarding the cartel agreement between the Company and ÖBB (The Austrian Federal Railways) amounting to EUR 31.94 million. The remaining amount of the recognised provision was released.

The information on other legal disputes is disclosed in Note 35.1.

28.2. Provisions for employee benefits

The provision for post-employment benefits represents an employee's entitlement to a financial contribution upon retirement. The provision for other long-term employee benefits represents the employees' entitlement to a financial contribution upon reaching a jubilee and to the payment of medical expenses, including compensation of wages during curative and convalescent stays. In calculating these provisions, the Group used an actuarial model based on current employee data (number of employees, date of old-age pension, average salary, amount of financial contribution) and expected parameters determined with the Group's qualified estimate (expected fluctuation, salary increase) and publicly available statistical data (expected inflation rate of 2%, probability of death and disability according to data from the Czech Statistical Office). The change in the provision related to retirement benefits caused by the change in these parameters is reported as actuarial gains (losses) in the consolidated statement of comprehensive income. The change in the provision for other benefits is recognised in the consolidated statement of profit or loss. Cash flows are discounted to present value using a discount rate derived from the rate of return on 10-year government bonds.

28.3. Provision for onerous contracts

As at 31 December 2025, the Group created a provision for onerous contracts in the amount of CZK 98 million (31 December 2024: CZK 77 million). The provision was recognised for contracts concluded with the regions where the unavoidable costs of fulfilling the obligation stipulated in the contract exceed the economic benefits that are expected to be accepted on the basis of these contracts. As the assets used to perform these contracts are not exclusively attributable to the contracts, no impairment is recognised for these assets in accordance with IAS 36.

Other provisions primarily include provisions for damage events.

29. OTHER FINANCIAL LIABILITIES

(CZK million)

	31 Dec 2025	31 Dec 2024
Financial derivatives *	748	567
Liability arising from supplier loans – long-term	8	-
Other	70	169
Total long-term	826	736
Financial derivatives *	1,562	408
Liability from terminated lease agreement	121	121
Other	112	117
Total short-term	1,795	646
Total	2,621	1,382

* Financial derivatives are stated at fair value, other financial liabilities are stated at amortised cost.

30. OTHER LIABILITIES AND CONTRACT LIABILITIES

(CZK million)

	31 Dec 2025	31 Dec 2024
Grants received	4	5
Other	85	32
Total non-current	89	37
Advances received	4	4
Payables to employees	1,439	1,545
Liabilities from social security and health insurance	534	554
Tax liabilities – tax withheld from employees	145	135
Tax liabilities – VAT	128	47
Contract liabilities (Note 6.2)	495	418
Refund liabilities (Note 6.2)	580	545
Grants received	171	84
Other	67	886
Total current	3,563	4,218
Total	3,652	4,255

The current Grants received include the investment grant in the total amount of CZK 170 million as at 31 December 2025 (2024: CZK 76 million).

Other in Other current liabilities as at 31 December 2024 includes a fine under the resolution of the European Commission in the amount of EUR 31.94 million (CZK 809 million) relating to an alleged cartel agreement with ÖBB with a due date in January 2025.

The Group records no payables to taxation authorities, social security authorities or health insurers past their due dates.

31. CHANGES IN LIABILITIES FROM FINANCING ACTIVITIES

Changes in liabilities from financing activities including changes arising from cash flows and non-cash changes are disclosed in the following table.

(CZK million)

Note	Short-term bank loans	Long-term bank loans	Short-term loan from EUROFIMA	Long-term loan from EUROFIMA	Lease liabilities – short-term	Lease liabilities – long-term	Secured loans – short-term	Secured loans – long term	Issued bonds – short-term	Issued bonds – long-terms	Overdraft Accounts *	Other	Total
Note	27	27	27	27	27	27	27	27	27	27	27	27	27
Liabilities from financing as at 1 Jan 2024	2,185	13,015	290	11,321	2,503	4,418	355	2,149	1,094	34,931	415	84	72,760
Cash flows from financing	(2,302)	3,453	-	4,543	(2,905)	-	(409)	1,239	(760)	7,951	752	(26)	11,536
<i>Drawing of loans and borrowings</i>	-	3,453	-	4,543	-	-	-	1,239	-	7,951	752	-	17,938
<i>Repayments of loans and borrowings</i>	(2,302)	-	-	-	-	-	(409)	-	(760)	-	-	(26)	(3,497)
<i>Repayment of principal of lease liabilities</i>	-	-	-	-	(2,905)	-	-	-	-	-	-	-	(2,905)
Effect of exchange rate changes	11	60	-	36	49	42	25	-	28	583	-	-	834
Reclassification *	2,723	(2,723)	107	(107)	1,395	(1,395)	485	(485)	999	(999)	-	-	-
Lease additions and change in estimates	-	-	-	-	600	1,752	-	-	-	-	-	-	2,352
Accrued interest	352	359	-	502	129	134	89	-	419	1,067	54	-	3,105
Interest paid (cash flows from operating activities) **	(344)	(373)	-	(337)	(130)	(135)	(89)	-	(133)	(784)	(54)	-	(2,379)
Capitalised interest paid (cash flows from investing activities)	-	-	-	-	-	-	-	-	(62)	(293)	-	-	(355)
Other non-cash movements	(6)	16	-	(62)	9	(407)	(9)	3	-	50	-	(21)	(427)
Liabilities from financing as at 31 Dec 2024	2,619	13,807	397	15,896	1,650	4,409	447	2,906	1,585	42,506	1,167	37	87,426
Cash flows from financing	(2,639)	3,501	-	-	(1,878)	-	(471)	1,041	(1,000)	12,406	(882)	17	10,095
<i>Drawing of loans and borrowings</i>	-	3,501	-	-	-	-	-	1,041	-	12,406	80	51	17,079
<i>Repayments of loans and borrowings</i>	(2,639)	-	-	-	-	-	(471)	-	(1,000)	-	(962)	(34)	(5,106)
<i>Repayment of principal of lease liabilities</i>	-	-	-	-	(1,878)	-	-	-	-	-	-	-	(1,878)
Effect of exchange rate changes	(38)	(323)	-	(66)	(79)	(100)	(69)	-	(493)	(1,059)	-	-	(2,227)
Reclassification *	2,965	(2,965)	161	(161)	2,057	(2,057)	629	(629)	14,359	(14,359)	-	-	-
Lease additions and change in estimates	-	-	-	-	30	1,056	-	-	-	-	-	-	1,086
Accrued interest	419	225	-	676	104	91	107	-	749	1,180	29	2	3,582
Interest paid (cash flows from operating activities) **	(423)	(226)	-	(434)	(104)	(91)	(107)	-	(430)	(964)	(29)	(2)	(2,810)
Capitalised interest paid (cash flows from investing activities)	-	-	-	(86)	-	-	-	-	(59)	(141)	-	-	(286)
Other non-cash movements	-	-	-	5	(298)	93	-	-	-	(13)	(1)	(3)	(217)
Liabilities from financing as at 31 Dec 2025	2,903	14,019	558	15,830	1,482	3,401	536	3,318	14,711	39,556	284	51	96,649

* Loans and borrowings classified in the previous period as long-term, which became short-term in the reporting period.

** Interest paid line in the consolidated statement of cash flows for the year 2025 also includes cash flows from securing interest payments in the amount of CZK 233 million (2024: CZK 175 million).

32. RELATED PARTY TRANSACTIONS

Relations between the Group and entities stated in Notes 32.1 – 32.4 are described in Note 1.3.

32.1. Revenue from related parties

		(CZK million)	
		Revenue from the sale of services and other revenue	
		2025	2024
JLV, a.s.	Associate	3	2
BOHEMIAKOMBI, spol. s r.o.	Associate	73	42
Ostravská dopravní společnost – Cargo, a.s.	Associate	38	21
Terminál Mošnov, a.s.	Associate	-	3
Total associates		114	68
RAILLEX, a.s.	Joint venture	18	21
Ostravská dopravní společnost, a.s. in liquidation	Joint venture	-	5
Total joint ventures		18	26
Total related parties		132	94

32.2. Purchases from related parties

		(CZK million)	
		Services	
		2025	2024
JLV, a.s.	Associate	297	262
Ostravská dopravní společnost – Cargo, a.s.	Associate	19	26
Total associates		316	288
RAILLEX, a.s.	Joint venture	19	11
Total joint ventures		19	11
Total related parties		335	299

32.3. Outstanding balances with related parties at the end of the reporting period

(CZK million)

31 Dec 2025		Receivables	Payables
JLV, a.s.	Associate	-	33
BOHEMIAKOMBI, spol. s r.o.	Associate	14	-
Ostravská dopravní společnost – Cargo, a.s.	Associate	3	3
Total associates		17	36
RAILLEX, a.s.	Joint venture	3	3
Total joint ventures		3	3
Total related parties		20	39

(CZK million)

31 Dec 2024		Receivables	Payables
JLV, a.s.	Associate	-	52
BOHEMIAKOMBI, spol. s r.o.	Associate	13	-
Ostravská dopravní společnost – Cargo, a.s.	Associate	2	5
Total associates		15	57
RAILLEX, a.s.	Joint venture	6	2
Total joint ventures		6	2
Total related parties		21	59

Outstanding balances have not been secured and will be settled by bank transfer or by offset. No warranties have been granted or accepted. Receivables are usually due within 30 days, payables within 45 days. In terms of IFRS 9, impairment losses on related parties' receivables were assessed as immaterial.

32.4. Key management members compensation

Key management of the Group includes management of the Company and its significant subsidiaries (ČD Cargo, a.s., ČD – Telematika a.s., DPOV, a.s. and Výzkumný Ústav Železniční, a.s.).

The following employee benefits were paid to key management members during the year:

	(CZK million)	
2025	2025	2024
Remuneration to members of statutory bodies	74	85
Other short-term employee benefits	18	21
Total	92	106

32.5. Relationships with the companies controlled by the state

České dráhy Group is wholly owned and controlled by the state of the Czech Republic. In accordance with the exception in IAS 24 Related Party Disclosures, the Group does not disclose quantitative information about individually immaterial transactions with the government and companies controlled or jointly controlled by the government or in which the government has significant influence. Individually material transactions with related parties that the Group has managed to identify are payments of public service obligations (the regions and the Ministry of Transport of the Czech Republic) and transactions with the state organisation SŽ and the ČEZ Group.

Public service obligations payments

The cost risk is associated with the costs that the carrier must incur in order to ensure the operation of public transport requested by the customer. The cost risk is primarily about a risk of operating costs, which from the carrier's point of view could be understood as a risk that the costs calculated by the carrier in the offer of public transport submitted to the customer would differ from the costs actually incurred by the carrier during contract performance. Operating cost risks can be both external, which the carrier is unable to influence (such as rising fuel prices, changes in spare parts prices, additional costs due to traffic closures and emergencies, changes in legislation and tax regulations, etc.) and internal, which the carrier could influence (e.g., proper maintenance of a fleet, effective setting of internal processes, wage levels, etc.).

The revenue risk corresponds to a risk of sales to passengers and can be understood as a risk that sales expected before entering a contract would differ from sales actually achieved by the carrier for the duration of a contract. A key component of the revenue risk is the risk of passenger demand for transport services provided by the carrier.

With regard to the risk allocation method, the Group enters into contracts with the customers of public transport in the "gross" and "net" regimes. Gross regime contracts have cost risks and opportunities shared between the carrier and the customer, revenue risks and opportunities remain solely on the customer's side. Net regime contracts have cost and revenue risks and opportunities shared between the carrier and the customer. The customer bears the risks and opportunities for the amount of IDS (integrated transport system) sales, which the carrier cannot influence, and the carrier bears the risks and opportunities for other sales. Unless a contract refers to the application of the integrated transport system (IDS) tariff, all risks and sales opportunities are borne by the carrier. All contracts with the Ministry of Transport (MT) are in the net regime.

		(CZK million)	
Revenue and compensation	Counterparty	2025	2024
Rental income	SŽ	64	63
Payment for substitute bus service *	SŽ	716	1,061
Payments from public service customers – the state budget	state – MT	6,222	5,388
Compensation of 50% discount fares	state – MT	1,646	1,644
Payments from public service customers – the regional budgets – "gross" contracts	regions	7,118	7,068
Payments from public service customers – the regional budgets – "net" contracts	regions	9,977	8,339
Revenues from the provision of ICT services	SŽ	884	759
Revenues from the provision of ICT services	ČEZ	2	2
Revenues from freight transport	ČEZ	13	24
Revenues from freight transport	ČEPRO	562	546
Revenues from freight transport	OKD	62	83
Revenues from the sale of employee holiday packages	SŽ	23	23
Revenues from the traction energy recovery	SŽ	195	193
Revenues from the sale of a business part	SŽ	271	-
Other revenues	SŽ	166	225

* This payment offsets the costs of substitute bus services. Substitute bus services in Note 8 are presented net after this offset.

(CZK million)

Expenses	Counterparty	2025	2024
Use of railroads and allocated railway capacity – passenger transport	SŽ	716	1,869
Use of railroads and allocated railway capacity – freight transport	SŽ	583	595
Consumption of electric traction energy – passenger transport	SŽ	2,627	3,054
Consumption of electric traction energy – freight transport	SŽ	666	837
Expenses arising from the provision of ICT services	SŽ	49	88
Diesel and light heating oils	ČEPRO	1,376	1,392
Other energy	SŽ	180	191
Other expenses	SŽ	170	189
Other expenses	ČEZ	78	76

(CZK million)

Receivables	Counterparty	31 Dec 2025	31 Dec 2024
Payment for substitute bus transport	SŽ	165	181
Compensation for unjust enrichment (Note 22)	SŽ	821	800
Compensation of 50% discount fares	state – MT	98	101
Public service obligation	regions	723	535
Provision of ICT services	SŽ	61	81
Advances provided	SŽ	42	52
Freight transport	ČEZ	1	6
Freight transport	SŽ	5	17
Freight transport	ČEPRO	61	26
Freight transport	OKD	19	21
Sale of a part of business	SŽ	41	-
Other receivables	SŽ	13	15

(CZK million)

Payables	Counterparty	31 Dec 2025	31 Dec 2024
Use of railroads and allocated railway capacity – passenger transport	SŽ	483	425
Use of railroads and allocated railway capacity – freight transport	SŽ	123	117
Consumption of electric traction energy – passenger transport	SŽ	103	142
Lease liabilities	SŽ	187	203
Lease liabilities	state – MT	66	105
Public service obligation	state – MT	67	43
Public service obligation	regions	294	324
Use of traction electricity – freight transport	SŽ	81	114
Diesel and light heating oils	ČEPRO	202	213
Other energy	SŽ	8	13
Other liabilities	SŽ	44	53
Other liabilities	ČEZ	17	16

State institutions, enterprises and other parties controlled by the government use the services provided by the Group under the same conditions applicable to other customers. On the expense side, the Group purchases some services and other supplies (water, energy, etc.) from companies controlled by the government under the conditions applicable to other customers.

In 2025, the Group reported the grant from the MT in the amount of CZK 412 million (2024: CZK 646 million) in the consolidated statement of financial position as a decrease in the acquisition value of fixed assets. Receivables and payables from investment grants are reported in Other assets (Note 24) and Other liabilities and contract liabilities (Note 30).

33. OPERATING LEASE

Operating lease contracts in which the Group acts as a lessor relate to investment property and movable assets held by the Group with various lease terms.

Maturity analysis of undiscounted payments from non-cancellable operating lease contracts:

	(CZK million)	
	31 Dec 2025	31 Dec 2024
1 st year	70	63
2 nd year	75	68
3 rd year	-	73
Total	145	204

In 2025, income from operating leases recognised in profit or loss amounted to CZK 673 million (in 2024: CZK 787 million), out of which the income from investment property was CZK 356 million in 2025 (in 2024: CZK 390 million).

Direct operating expenses related to investment property were CZK 135 million in 2024 (in 2024: CZK 176 million).

34. CAPITAL COMMITMENTS

As at the date of the consolidated financial statements, the Group concluded contracts for the purchase of property, plant and equipment in the amount of CZK 42,899 million (2024: CZK 51,325 million), of which CZK 27,040 million had already been paid as at 31 December 2025 (as at 31 December 2024: CZK 27,506 million).

	(CZK million)	
	31 Dec 2025	31 Dec 2024
Unpaid supplies agreed for the next year	7,539	3,998
Unpaid supplies agreed for subsequent years	7,472	19,274
Total	15,011	23,272

ČD Cargo will not be able to draw down part of the commitments amounting to CZK 848 million in 2026 (31 December 2024: CZK 547 million).

Investments in rolling stock of CZK 16,520 million for 31 December 2025 (2024: CZK 26,428 million) represent a substantial part of the capital commitments.

35. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Parent Company holds a 1% equity investment in EUROFIMA. The shareholders of the entity are European national railway carriers, and the purpose of this entity is to acquire funds for rolling stock purchases. According to Article 5 of the Articles of Association, only 20% of the equity investment value has been paid, and the remaining 80% can be requested by EUROFIMA from its shareholders on an ad-hoc basis according to the resolution of the Management Board. The nominal value of unpaid shares as at 31 December 2025 and 31 December 2024 was CHF 20.8 million (CZK 542 million as at 31 December 2025, CZK 557 million as at 31 December 2024). The management of the Group considers the probability that the Parent Company will be called upon to pay the nominal value of the unpaid shares to be low as at 31 December 2025.

The Group's aggregate clean-up costs were CZK 15 million in 2025 (2024: CZK 16 million). The Group is not aware of any environmental burdens that would exceed legislative limits and represent harm to human health or the property of third parties. The Group's management, acting with due managerial care, is not aware of any liability resulting from legislation requirements in respect of environmental burdens.

35.1. Legal Disputes

35.1.1. Legal action by RegioJet a.s. and STUDENT AGENCY k.s. for the repayment of alleged unlawful state aid (defendants ČD, a.s., SŽ, s.o., ČR presented by the Ministry of Transport of the Czech Republic)

The legal action filed by RegioJet in April 2025 for the repayment of approximately CZK 7 billion plus late payment interest for alleged unlawful state aid. STUDENT AGENCY k.s. subsequently joined the legal action. By this amount, the "dead railroad" assets that ČD transferred to SŽ for CZK 12 billion in 2008 were allegedly overestimated. Both the Municipal Court in Prague (by judgment of 6 February 2019) and the High Court in Prague (by judgment of 23 September 2020) ruled in favour of ČD. The Supreme Court reversed the previous decision by judgment of 29 February 2024 and ordered the matter to be reheard. The reversal of the judgments was due to the application of incorrect legislation by the courts of both instances. The Municipal Court in Prague therefore re-heard the matter.

On 21 January 2025, the legal action was dismissed in its entirety. Claimants appealed the judgement. On April 13, 2026, the appellate court upheld the judgment of the court of first instance. It is expected that the claimants will appeal to the Supreme Court.

According to the analysis of external legal counsel, no other final decision on the matter is expected. For this reason, no provision is recognised for the case.

35.1.2. Legal action by PESA Bydgoszcz SA for purchase price increase of DMUs 120

By a legal action filed on 12 December 2024, PESA Bydgoszcz SA seeks to increase the purchase price of 33 DMUs 120 by CZK 629 million. The grounds for bringing the action is the alleged existence of a substantial change in circumstances giving rise to a particularly gross disproportion in the performance of both parties, which was caused by the alleged increase in the cost of production of the motor units after the signing of the framework agreement on 26 February 2021 as a result of the COVID-19 pandemic and the war in Ukraine. Of the total of 33 units, 25 units have already been delivered, with the remaining 8 units to be received in 2026. The case is pending, no final and definitive ruling has been made yet.

In the Company's opinion, supported by external legal expertise, the chances of success in this action are minimal; therefore, no provision is recognised for the case.

35.1.3. Twins case

The case relates to an alleged cartel agreement allegedly entered into between ČD and OBB regarding the sale of discarded railway vehicles between 2012 and 2015. Since 2016, the case was investigated by the European Commission (EC), and the investigation was concluded on 23 October 2024 by a ruling issued in the administrative proceedings by which the EC imposed a fine on ČD amounting to EUR 31.94 million (CZK 809 million). The fine was covered by a provision of CZK 1 billion and was paid in January 2025.

ČD filed a legal action with the Court of Justice of the EU, as they see the fine as unjustified. The legal action has no suspensive effect; therefore, ČD paid the fine. The intention of ČD in this case is to defend itself and seek a cancellation or reduction in the fine. Views are being exchanged, and the order for proceedings at the CJEU is awaited.

So far, ČD has not expected to be required to pay damages to third parties in respect to this case.

The Company's management will seek to prove that ČD has not breached Article 101 of the TFEU. The intention of ČD in this case is to strongly defend itself, including the use of all available manners of dissent with the EC ruling binding ČD to a payment.

In May 2025, ČD received a call to enter into a settlement agreement with Regiojet by which Regiojet would settle out of court its claim for damages supposedly caused by ČD together with ÖBB by entering in a cartel against Regiojet. For the settlement, Regiojet required EUR 25 million from ČD and ÖBB each. The claim was judged to be completely vague and unsubstantiated and was rejected. As such, this claim has so far existed on a purely hypothetical level, and the Company has not recognised a provision.

36. FINANCIAL INSTRUMENTS

36.1. Capital risk management

The Group's main objective in managing its capital structure is to maintain a long-term sustainable debt ratio and investment grade rating. Based on its methodology, the credit rating agency assesses the debt ratio using the debt/EBITDA indicator. For the current investment grade, an indicated ratio level determined using the consolidated data is 7.0. The rating agency annually comments on the indicator level and its potential impact on the Parent Company's rating in its report that is publicly available on the Parent Company's website. As a source of long-term financing, the Group mainly uses bond issues and long-term investment loans.

The capital structure of the Group consists of net debt (borrowings, including lease liabilities, less cash and cash equivalents) and the Group's equity (includes share capital, reserves and other funds and retained earnings).

(CZK million)

	31 Dec 2025	31 Dec 2024
Net debt		
Loans, borrowings and lease liabilities	27 96,649	87,426
Cash and cash equivalents	25 (15,231)	(9,338)
Total net debt	81,418	78,088
Equity		
Share capital	26 20,000	20,000
Capital contributions	26 17,396	17,254
Retained earnings	26 3,548	1,689
Total equity	40,944	38,943
Total managed capital	122,362	117,031

The Group is not subject to any other externally imposed capital requirements.

The Board of Directors and the Supervisory Board of the Company are regularly informed about the development of debt of individual companies within the Group. Any additional debt is subject to their approval.

36.2. Classes of financial instruments

(CZK million)

Classification of financial assets	Class of financial assets		31 Dec 2025	31 Dec 2024
Financial assets measured at amortised cost	Trade receivables	22	7,197	5,532
	Cash and cash equivalents	25	15,231	9,338
	Finance lease receivables	23	79	130
	Other	23	664	341
Financial assets measured at fair value through profit or loss	Financial derivatives used in hedge accounting *	23	458	319
Financial assets measured at fair value through other comprehensive income	Equity investments measured at fair value through other comprehensive income	23	368	363
	Total		23,997	16,023

(CZK million)

Classification of financial liabilities	Class of financial liabilities		31 Dec 2025	31 Dec 2024
Financial liabilities measured at fair value through profit or loss	Financial derivatives used in hedge accounting	29	2,310	975
Financial liabilities measured at amortised cost	Loans, borrowings and lease liabilities	27	96,649	87,426
	Trade payables		8,038	7,393
	Payable from supplier loans	29	8	-
	Other	29	303	407
	Total		107,308	96,201

* Provided that the hedge is effective, changes in the fair value of the hedging instrument are initially recognised in other comprehensive income (Note 26.2.3).

Income from individual classes of financial assets is as follows:

(CZK million)

Class of financial assets	2025	2024	Reported in the statement of profit or loss line
Interest on cash and cash equivalents	474	363	Financial income
Interest on finance lease receivables	23	24	Financial income
Dividends from equity investments	5	3	Other operating income
Total	502	390	

Credit losses on financial assets are disclosed in Note 22 Trade receivables, Note 23 Other financial assets and Note 36.8 Credit risk management.

36.3. Fair value of financial instruments

(CZK million)

Financial assets	Level	Fair value as at 31 Dec 2025	Carrying value as at 31 Dec 2025	Fair value as at 31 Dec 2024	Carrying value as at 31 Dec 2024
Measured at fair value		826	826	682	682
Derivative instruments used in hedge accounting	Level 2	458	458	319	319
Financial assets at fair value through other comprehensive income	Level 3	368	368	363	363
Measured at amortised cost		177	182	206	211
Finance lease receivables	Level 2	79	79	130	130
Other financial assets – non-current	Level 2	98	103	76	81
Total		1,003	1,008	888	893

(CZK million)

Financial liabilities	Level	Fair values as at 31 Dec 2025	Carrying value as at 31 Dec 2025	Fair value as at 31 Dec 2024	Carrying value as at 31 Dec 2024
Measured at fair value		2,310	2,310	975	975
Derivative instruments used in hedge accounting	Level 2	2,310	2,310	975	975
Measured at amortised cost		88,125	87,668	77,364	76,984
Issued bonds	Level 2	8,825	9,305	9,005	9,552
Issued bonds (publicly traded)	Level 1	45,100	44,962	34,637	34,539
Loans *	Level 2	17,212	16,923	16,466	16,427
Loan from EUROFIMA	Level 2	16,907	16,388	17,103	16,293
Other financial liabilities and loans – non-current	Level 2	81	90	153	173
Total		90,435	89,978	78,339	77,959

* The fair value of variable rate loans is approximately the same as the book value of these loans.

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

In 2025 and 2024, there were no transfers of financial instruments between levels.

36.3.1. Valuation procedures used to determine fair value

Fair values of financial assets and financial liabilities are determined as follows:

- Fair value of investments in equity instruments at fair value through other comprehensive income was estimated using the asset-based approach. As at 31 December 2025 and 2024, the Group's management analysed the investee's audited financial statements and concluded that its fair value is approximately equal to the carrying value of its net assets.
- Fair value of interest rate swaps is calculated using a valuation model on the basis of discounted future cash flows.
- 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.
- Fair value of commodity swaps is calculated using a valuation model based on discounted future cash flows based on expected commodity prices.

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

- Fair value of the bonds is determined on the basis of quoted market prices, if they exist. If quoted market prices do not exist, the fair value is determined using a valuation model on the basis of quoted market prices of comparable bonds.
- Fair value of other long-term financial assets and liabilities is calculated using the discounted cash flow method.

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

36.3.2. 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, which are determined based on unadjusted quoted prices of the same assets or liabilities in active markets.
- Fair value measurement at level 2 are valuations, which 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 measurement 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 at 31 December 2024 and 31 December 2023 are included in level 3. All other financial instruments measured at fair value as at 31 December 2025 and 31 December 2024 are included in level 2.

36.3.3. Reconciliation of measurement of financial instruments at fair value at level 3

The following table shows the financial assets measured at fair value at level 3:

(CZK million)

Investments in equity instruments	
Balance as at 1 January 2024	333
Total gains or losses:	30
<i>In other comprehensive income</i>	30
Balance as at 31 December 2024	363
Total gains or losses:	5
<i>In other comprehensive income</i>	5
Balance as at 31 December 2025	368

36.4. Financial risk management objectives

The Group manages and monitors financial risks through internal risk reports which include risk analysis based on their significance. Financial risks include market risk (currency risk, interest rate risk and commodity risk), credit risk and liquidity risk.

36.4.1. Hedge accounting

The Group uses financial derivatives to hedge risks and mitigate their impacts. The use of financial derivatives observes the Group's principles approved by the Board of Directors.

The accounting principles of hedge accounting are disclosed in Notes 2.18.11 to 2.18.12.

The following tables show the concluded derivatives:

(CZK million)

As at 31 Dec 2025:								
Type of risk	Hedging instrument	Other financial assets – current (Note 23)	Other financial assets – non-current (Note 23)	Other financial liabilities – current (Note 29)	Other financial liabilities – non-current (Note 29)	Loans, borrowings and lease liabilities – current (Note 27)	Loans, borrowings and lease liabilities – non-current (Note 27)	Note
Currency	Cross-currency interest rate swaps	435	-	1,547	740	-	-	36.5.2
	Lease liabilities and collateralised loans denominated in EUR	-	-	-	-	828	3,213	36.5.3
	Financing in EUR	-	-	-	-	1,252	2,226	36.5.4
Interest rate	Interest rate swaps	9	14	11	8	-	-	36.6.2
Commodity	Commodity derivatives	-	-	4	-	-	-	36.7.2
Total		444	14	1,562	748	2,080	5,439	

(CZK million)

As at 31 Dec 2024:								
Type of risk	Hedging instrument	Other financial assets – current (Note 23)	Other financial assets – non-current (Note 23)	Other financial liabilities – current (Note 29)	Other financial liabilities – non-current (Note 29)	Loans, borrowings and lease liabilities – current (Note 27)	Loans, borrowings and lease liabilities – non-current (Note 27)	Note
Currency	Cross-currency interest rate swaps	175	101	398	549	-	-	36.5.2
	Lease liabilities and collateralised loans denominated in EUR	-	-	-	-	757	2,829	36.5.3
	Financing in EUR	-	-	-	-	954	7,208	36.5.4
Interest rate	Interest rate swaps	18	21	10	17	-	-	36.6.2
Commodity	Commodity derivatives	4	-	-	1	-	-	36.7.2
Total		197	122	408	567	1,711	10,037	

The information on the effect of the hedge accounting on the cash flow hedge reserve and the cost of hedging reserve is disclosed in Notes 26.2.3 and 26.2.4.

36.5. Currency risk management

The Group undertakes certain transactions denominated in foreign currencies resulting in exposures to exchange rate fluctuations. These transactions predominantly include proceeds from international transport, issued bonds, long-term investment loans, term deposits, depository bills of exchange, and purchases of railway vehicles in foreign currency. In line with the approved risk management strategy, the Group hedges anticipated payments in a foreign currency such that the size of the open risk position does not exceed the limit defined for the period by the Risk Management Committee and approved by the Company's Board of Directors.

In the freight transport segment, the Group has a long-term excess of sales denominated in EUR over expenses as the inputs are primarily purchased in CZK. This creates a disproportion between currency inputs and outputs. The Group decreases this currency position using the combination of several instruments: currency derivatives, purchases in EUR and financing in EUR. In line with the Group's risk management strategy, it hedges the currency risk to which its expected future income from freight transport in foreign currency is exposed.

The carrying amount of the Group's financial assets and financial liabilities denominated in foreign currency, for which exchange differences are charged to profit or loss at the end of the reporting period, is presented in the following table:

(CZK million)

31 Dec 2025	EUR	USD	Other	Total
Financial assets	4,674	5	31	4,710
Financial liabilities	(59,878)	(5)	(4)	(59,887)
Total	(55,204)	-	27	(55,177)

(CZK million)

31 Dec 2024	EUR	USD	Other	Total
Financial assets	4,708	5	25	4,738
Financial liabilities	(45,271)	(7)	(3)	(45,281)
Total	(40,563)	(2)	22	(40,543)

The Group also has financial assets and financial liabilities that represent hedging instruments for cash flow hedging, for which exchange differences are reported in accordance with Note 2.18.12 (Cash flow hedging):

- currency derivatives and cross-currency interest rate swaps;
- lease liabilities and secured loans denominated in EUR;
- issued bond denominated in EUR; and
- received investment loans denominated in EUR.

Information on the nominal and book value of these hedging instruments is provided in the description of individual hedging relationships in Notes 36.5.2, 36.5.3 and 36.5.4.

36.5.1. Sensitivity to exchange rate changes

The exposure to currency risks is measured by a sensitivity analysis. The Group is exposed to the currency risk due to:

- changes in the carrying value of monetary items denominated in foreign currencies; and
- changes in the fair value of concluded financial derivatives.

The following table shows the impact that the strengthening and weakening of the Czech currency by CZK 1 against EUR would have on the profit (loss) and other comprehensive income. A positive value indicates an increase in profit (decrease in loss) and other comprehensive income, a negative value indicates a decrease in profit (increase in loss) and other comprehensive income:

(CZK million)

	Strengthening Czech currency by CZK 1 against EUR		Weakening Czech currency by CZK 1 against EUR	
	2025	2024	2025	2024
Translation of items denominated in foreign currencies at the end of the period	2,277	1,611	(2,277)	(1,611)
Change in the fair value of derivatives at the end of the period	(1,732)	(772)	1,732	772
Total impact on the profit / (loss) before tax	545	839	(545)	(839)
Change in tax effect recognised in profit / loss	(114)	(176)	114	176
Total impact on the profit / (loss) after tax	431	663	(431)	(663)
Change in the fair value of derivatives at the end of the period *	424	(12)	(424)	12
Foreign exchange rate gain or loss of lease liabilities under IFRS 16 **	166	142	(166)	(142)
Foreign exchange rate gain or loss of investment loans and bonds **	428	324	(428)	(324)
Total impact on other comprehensive income before tax	1,018	454	(1,018)	(454)
Change in tax effect recognised in other comprehensive income	(214)	(95)	214	95
Total impact on other comprehensive income after tax	804	359	(804)	(359)

* Financial derivatives used in hedge accounting.

** Reported in the current period.

36.5.2. Cross-currency interest rate swaps

In accordance with the currency risk management requirements, the Group has entered into cross-currency interest rate swaps, which reduce the risk of the bond funding in EUR using a hedge ratio of 1:1.

The economic relationship between the hedging instrument and the hedged item is described according to the following parameters:

- nominal values of the swaps are the same as the face values of the relevant bond volume;
- both transactions are contracted in the same currencies;
- due dates of swap interest payments and bond interest payments are equal;
- swaps are entered into at market rates (with no premium paid); the fair value of the derivatives is nil at the trade date;
- swaps do not include any arrangements on agreed interest rate restriction (embedded interest rate options); and
- the Group assumes no early bond repayment.

Sources of hedge relationship ineffectiveness are recognised as follows:

- significant decrease in the Group's or the counterparty's creditworthiness;
- timing of payments from the hedged item; and
- termination of the cross-currency interest rate swap by the counterparty.

The table shows the terms of contracts for cross-currency interest rate swaps that were opened at the end of the reporting periods.

31 Dec 2025	Nominal value (EUR million)	Average collected interest rate (annual)	Nominal value (CZK million)	Average paid interest rate (annual)	Fair value of assets / (liabilities) (CZK million)
Up to 1 year	1,256	2.96%	(32,154)	4.00%	(1,113)
1 to 5 years	756	3.76%	(19,253)	4.61%	(718)
Over 5 years	18	3.00%	(481)	3.23%	(21)
Total					(1,852)

31 Dec 2024	Nominal value (EUR million)	Average collected interest rate (annual)	Nominal value (CZK million)	Average paid interest rate (annual)	Fair value of assets / (liabilities) (CZK million)
Up to 1 year	766	2.46%	(19,951)	3.51%	(223)
1 to 5 years	766	2.79%	(19,951)	3.68%	(455)
Over 5 years	18	3.00%	(481)	3.23%	7
Total					(671)

The exchanges of payments under the cross-currency interest rate swaps and coupon payments from issued bonds occur simultaneously and the amount accumulated in equity is reclassified to finance costs in the period in which the coupon payments on the issued bonds affect profit or loss.

For purposes of determining effectiveness, the change in the fair value of the hedged item is equal to the change in the fair value of the hedging instrument since the hedging relationships were fully effective.

Hedging ineffectiveness in respect of cross-currency interest rate swaps was immaterial in 2025 and 2024.

The expected realisation of hedged items by cross-currency interest rate swaps

Expected cash flows of hedged foreign currency bonds are listed in Note 36.9.1 in tables with remaining contractual maturities of financial liabilities in the Fixed interest rate instruments.

36.5.3. Lease liabilities and secured loans denominated in v EUR

In line with the risk management strategy, the Group has decided to hedge the currency risk to which its expected future proceeds from freight transport in foreign currency are exposed, using the hedging instrument specified below. The hedged risk is the risk of changes in the spot exchange rate CZK/EUR, which affects the impact of sales denominated in foreign currency, EUR, on the Group's profit or loss.

Lease contracts in EUR negotiated after 1 January 2020 are considered hedging instruments as of the first day of the month following the commencement of the lease relationship.

The hedged item is highly probable expected revenues from freight transport in EUR. From the managed risk point of view, the Group considers all sales in EUR to be homogeneous groups with the same currency risk.

Due to the nature of the hedging relationship (EUR 1 used to repay the lease liability hedges EUR 1 of revenue), the hedge ratio is set at 1:1.

Due to the need for a sufficiently precise identification of hedged sales, the Group has identified the following possible sources of inefficiency: a time shift between lease payments and hedged sales, as well as a decrease in expected sales in EUR or changes in the repayment schedule of the hedging instrument. The Group considers the above-stated factors to be insignificant or highly improbable; therefore, it considers currency hedging to be effective.

The table shows lease liabilities and secured loans denominated in EUR as at:

Start of collateral	The average exchange rate on the date of creation of the collateral	Foreign currency	Nominal value (EUR million)	Book value (CZK million)
31 Dec 2025	25.1	EUR	167	4,041
31 Dec 2024	25.45	EUR	142	3,586

The change in the value of the hedged item due to a change in the spot rate is equal to the exchange rate difference of the hedging instrument for the purposes of determining effectiveness, since the hedging relationships were fully effective.

The following table shows the expected secured cash flows of future sales in EUR:

							(CZK million)
31 Dec 2025	Less than 1 month	1–3 months	3 months to 1 year	1–5 years	5 years and more	Total	
Secured future sales in EUR	80	158	682	2,471	1,000	4,391	

							(CZK million)
31 Dec 2024	Less than 1 month	1–3 months	3 months to 1 year	1–5 years	5 years and more	Total	
Secured future sales in EUR	74	147	615	2,379	638	3,853	

36.5.4. Financing in EUR

In line with the risk management strategy, the Group has decided to hedge the currency risk to which its expected future proceeds from freight transport in foreign currency are exposed, using the hedging instrument specified below. The hedged risk is the risk of changes in the spot exchange rate CZK/EUR, which affects the impact of sales denominated in EUR on the Group's profit or loss.

In 2025, the Group used 5 new investment loans with a total nominal value of EUR 140 million (2024: the Group used 4 new loans with a total nominal value of EUR 136 million).

The hedged item is highly probable expected revenues from freight transport in EUR. From the managed risk point of view, the Group considers all sales in EUR to be homogeneous groups with the same currency risk. Due

to the nature of the hedging relationship (EUR 1 used to repay the lease liability hedges EUR 1 of revenue), the hedge ratio is set as 1:1.

The Group hedges only the first part of the total planned cash flows in foreign currency in each hedged period. The unhedged part of the planned cash flows in foreign currency represents a "haircut".

For the continuing hedging relationship, a forward-looking assessment of the expected effectiveness is particularly relevant in the context of IFRS 9 requirements. The assessment of the expected effectiveness was carried out at the start of hedge accounting. Subsequently, it is carried out at least once a year and always at the date of the financial statements.

Given that the effectiveness of the hedging relationship was supported by a quantitative calculation of the sensitivity at the inception of the hedging relationship, in the subsequent periods, the effectiveness is assessed mainly by evaluating whether there have been changes in the critical parameters of the hedging instrument or the hedged item.

Due to the need for sufficiently precise identification of hedged sales, the Group has identified a time shift between the debt repayments and hedged sales as a possible source of inefficiency. This time mismatch may cause some degree of inefficiency due to the application of discounting in the calculation of inefficiency. Subsequently, a decrease in expected sales in EUR or changes in the repayment schedule of the hedging instrument.

The table provides information as at 31 December 2025:

	Start of collateral	Exchange rate on the date of creation of the collateral	Foreign currency	Nominal value (EUR million)	Book value (CZK million)
Bond	20 April 2022	24.415	EUR	40	973
Investment loan RB	29 April 2022	24.605	EUR	30	630
Investment loan ING	23 Dec 2022	24.245	EUR	10	242
Investment loan ING	23 Jan 2023	23.880	EUR	10	242
Investment loan VUB	22 March 2023	23.720	EUR	20	452
Investment loan EIB	1 June 2023	23.685	EUR	10	856
Investment loan RB	20 Dec 2023	24.540	EUR	35	711
Investment loan RB	31 Jan 2024	24.885	EUR	18	364
Investment loan ING	28 May 2024	24.645	EUR	37	762
Investment loan ČSOB	23 Sept 2024	25.115	EUR	24	498
Investment loan EIB	20 Dec 2024	25.120	EUR	50	1,212
Investment loan UCB	24 Feb 2025	20.060	EUR	40	901
Investment loan UCB	24 Feb 2025	20.060	EUR	20	473
Investment loan EIB	31 March 2025	24.965	EUR	20	496
Investment loan CEB	16 June 2025	24.785	EUR	20	485
Investment loan CEB	2 July 2025	24.665	EUR	40	970

The table provides information as at 31 December 2024:

	Start of collateral	Exchange rate on the date of creation of the collateral	Foreign currency	Nominal value (EUR million)	Book value (CZK million)
Bond	20 April 2022	24.415	EUR	40	1,007
Investment loan RB	29 April 2022	24.605	EUR	30	756
Investment loan ING	23 Dec 2022	24.245	EUR	14	352
Investment loan ING	23 Jan 2023	23.880	EUR	14	353
Investment loan VUB	22 March 2023	23.720	EUR	20	566
Investment loan EIB	1 June 2023	23.685	EUR	10	1,007
Investment loan RB	20 Dec 2023	24.540	EUR	35	873
Investment loan RB	31 Jan 2024	24.885	EUR	18	447
Investment loan ING	28 May 2024	24.645	EUR	37	935
Investment loan ČSOB	23 Sept 2024	25.115	EUR	24	607
Investment loan EIB	20 Dec 2024	25.120	EUR	50	1,259

For the purpose of determining effectiveness, the change in the value of the hedged item due to spot rate change is equal to the exchange difference of the hedging instrument, since the hedging relationships were fully effective.

The following table shows the expected secured cash inflows from future sales in EUR:

	(CZK million)					
31 Dec 2025	Less than 1 month	1–3 months	3 months to 1 year	1–5 years	5 years and more	Total
From bonds	2	3	14	1,007	-	1,026
From investment loans	95	313	1,186	6,011	3,062	10,667

	(CZK million)					
31 Dec 2024	Less than 1 month	1–3 months	3 months to 1 year	1–5 years	5 years and more	Total
From bonds	2	3	14	1,031	-	1,050
From investment loans	-	304	914	4,711	2,270	8,199

36.6. Interest rate risk management

The Group manages interest rate risk by maintaining an appropriate mix between fixed and variable rate financing, and, for this purpose, the Group concludes contracts for interest rate swaps so that the amount of the open risk position does not exceed the limit set for the period by the Risk Management Committee and approved by the Board of Directors of the Company.

The following table shows the breakdown of financial instruments by type of interest:

	(CZK million)	
	31 Dec 2025	31 Dec 2024
Instruments with fixed interest rate		
Financial assets	8,904	4,500
Financial liabilities	(90,999)	(80,319)
Total	(82,095)	(75,819)
Instruments with variable interest rate		
Financial assets	62	-
<i>Financial assets – €STR</i>	62	-
Financial liabilities	(4,459)	(6,297)
<i>Financial liabilities – PRIBOR</i>	(4,329)	(6,146)
<i>Financial liabilities – EURIBOR</i>	(130)	(151)
Total	(4,459)	(6,297)

The information on the nominal and carrying value of hedging instruments used to hedge the interest rate is disclosed in the description of a hedging relationship in Note 36.6.2.

36.6.1. Analysis of sensitivity to interest rate changes

The exposure to changes in interest rates is measured by the sensitivity analysis. The Group is exposed to the interest rate risk due to:

- changes in interest expenses from loans; and
- change in the fair value of concluded financial derivatives.

The following table shows the impact that an increase/decrease in interest rates of 100 basis points would have on the profit (loss) and other comprehensive income. A positive value indicates the increase in profit (decrease in loss) and other comprehensive income, a negative value indicates the decrease in profit (increase in loss) and other comprehensive income:

(CZK million)

	Increase in interest rates of 100 basis points		Decrease in interest rates of 100 basis points	
	2025	2024	2025	2024
Interest from loans and leases with variable rate for the period	(41)	(52)	41	52
Total impact on profit / (loss) for the period before tax	(41)	(52)	41	52
Change in tax effect recognised in profit / loss	9	11	(9)	(11)
Total impact on profit / (loss) after tax	(32)	(41)	32	41
Change in the fair value of derivatives at the end of the period *	95	118	(98)	(123)
Total impact on other comprehensive income before tax	95	118	(98)	(123)
Change in tax effect recognised in other comprehensive income	(20)	(25)	21	26
Total impact on other comprehensive income after tax	75	93	(77)	(97)

* Financial derivatives used in hedge accounting.

36.6.2. Interest rate swap contracts

In accordance with interest rate risk management requirements, the Group has entered into interest rate swap contracts which reduces the risk arising from loans with variable interest rates. The hedge ratio is determined at 1:1.

The economic relationship between the hedging instrument and the hedged item is described according to the following parameters:

- nominal values of the swaps are equal to the nominal values of the relevant loans with variable interest rates;
- both transactions are contracted in the same currencies;
- due dates of swap interest rate payments and interest payments arising from loans with variable interest rates are equal;
- swaps were entered into at market rates (with no premium paid); the fair value of the derivatives is nil at the trade date;
- swaps do not include any arrangements on agreed interest rate restriction (embedded interest rate options); and
- the Group assumes no early repayment of loans.

Sources of hedge relationship ineffectiveness are recognised as follows:

- early repayment of loans;
- termination of the interest rate swap by the counterparty; and
- significant decrease in the Group's or the counterparty's creditworthiness.

The following table details the terms of interest rate swap contracts outstanding at the end of the reporting periods:

31 Dec 2025	Hedging of interest rate from	Average contracted fixed interest rate	Principal amount	Fair value (CZK million)
Up to 1 year	loans	3.55%	CZK 3,578 million	(1)
1 to 5 years	loans	3.56%	CZK 2,644 million	5
Total				4

31 Dec 2024	Hedging of interest rate from	Average contracted fixed interest rate	Principal amount	Fair value (CZK million)
Up to 1 year	loans	3.55%	CZK 4,908 million	8
1 to 5 years	loans	3.57%	CZK 3,895 million	4
Total				12

The Group settles the difference between fixed and variable interest rates on a net basis. The interest rate swaps and the interest payments on the loan occur simultaneously, and the amount accumulated in equity is reclassified to profit or loss over the period that the variable interest rates on debt affect the profit or loss. Gains and losses reclassified during the year from the equity are included in Other interest expense, which is part of Finance costs in the consolidated statement of profit or loss.

For purposes of determining effectiveness, the change in the fair value of the hedged item is equal to the change in the fair value of the hedging instrument since the hedging relationships were fully effective.

Hedging ineffectiveness in respect of interest rate swaps was immaterial in 2025 and 2024.

Expected realisations of hedged item interest rate swaps

The expected hedged cash flows from interest on variable-rate debt are listed in Note 36.9.1 in tables with remaining contractual maturities of financial liabilities in the Variable interest rate instruments line.

36.7. Commodity risk management

The Group is exposed to the risk of changes in the price of commodities, as the use of commodities, specifically diesel and electricity, is a significant cost item of the Group. The Group manages this risk using the following instruments:

- negotiating a fixed price of electricity always for the following calendar year; and
- conclusion of contracts with public transport customers so that a possible price increase of the above-mentioned commodities is reflected in the amount of received payments; and
- conclusion of medium-term derivatives for the purchase of diesel.

36.7.1. Sensitivity to changes in commodity prices

The exposure to changes in the price of commodities is measured by sensitivity analysis. The Group is exposed to the risk of changes in traction diesel prices and due to changes in the fair value of concluded financial derivatives.

The following table shows the impact that a 10% increase/decrease in the price of diesel would have on profit (loss) and other comprehensive income. A positive value indicates an increase in profit (decrease in loss) and other comprehensive income, a negative value indicates a decrease in profit (increase in loss) and other comprehensive income:

(CZK million)

	10% increase in diesel price		10% decrease in diesel price	
	2025	2024	2025	2024
Costs of diesel use for the period	(141)	(147)	141	147
Total impact on the profit / (loss) before tax	(141)	(147)	141	147
Change in the tax effect recognised in profit / loss	30	31	(30)	(31)
Total impact on the profit / (loss) after tax	(111)	(116)	111	116
Change in the fair value of derivatives at the end of the period *	4	10	(4)	(13)
Total impact on other comprehensive income before tax	4	10	(4)	(13)
Change in the tax effect recognised in other comprehensive income	(1)	(2)	1	3
Total impact on other comprehensive income after tax	3	8	(3)	(10)

* Financial derivatives used in hedge accounting.

36.7.2. Commodity derivatives

In accordance with the commodity risk management requirements, the Group has entered into the contracts hedging traction diesel prices. The hedging was carried out by the commodity swap which relies on hedging a fixed price of traction diesel.

The hedging ratio of the hedging relationship is the same as the ratio of the amount of the hedged item and the used hedging instrument. i.e., 1:1 in this case. The hedging ratio is determined as a comparison of the amount of the hedged item and the used hedging instrument. Its calculation is based on a commodity swap agreement, which offsets the purchase of the secured volume of planned consumption according to the approved Financial Risk Management Strategy. The Group is aware that risk components such as excise duty, trader margins, etc. are included in the calculation of the hedging ratio; however, their effect on the ratio is immaterial. The hedging ratio is regularly monitored in line with risk management objectives.

The economic relationship between the hedging instrument and the hedged item is described according to the parameters listed below.

The effectiveness of hedging is regularly assessed by comparing critical terms. Given that the key characteristics of the hedging instrument fully correspond to the characteristics of the hedged item, the Group expects high hedging effectiveness. At the same time, a correlation test is performed, where the actual purchase prices of diesel per litre and the hedged price of the derivative (diesel) at settlement are compared. The correlation coefficient in 2025 was 98.74% (2024: 99.31%) and thus confirmed the high efficiency of the derivative.

The nominal value of the collateral is lower than the future expected volumes of purchased diesel, which means it never hedges more than 80% of the estimated volume of purchased diesel. Commodity Platts ULSD 10ppm FOB Barge Rotterdam is secured. The hedging is executed in CZK, which eliminates the risk arising from fluctuations in the CZK/USD exchange rate. The maximum volumes for hedging as at 31 December 2025 are set by the Financial Risk Management Strategy as follows:

- for the year 2026, a maximum of 65% of the underlying asset (expected volume of purchased diesel); and
- after the year 2027, a maximum of 50% of the underlying asset (expected volume of purchased diesel).

Commodity hedging is negotiated under market conditions (without payment of a premium), the fair value of derivatives on the date of agreement is nil. Based on the above-stated facts, the Group assumes that the hedging relationship will be effective over its lifetime. The result of the transaction is a predictable price of the purchased diesel volume.

Potential root causes of ineffectiveness may relate to unsecured components of the total price of diesel (i.e., various surcharges, impact of the price of biodiesel, excise tax, etc.) and at a significant increase in credit risk of a counterparty. In such cases, the Group also performs a correlation test for the price of diesel. The Group hedges the Platts ULSD 10ppm FOB Barge Rotterdam for the total purchase price of diesel, and since the hedging is performed in CZK, the currency risk arising from the USD / CZK currency pair is also eliminated. Other items that make up the price of diesel are fixed or have very low volatility. The Group considers the above items, such as mark-ups, the effect of biodiesel price, excise tax, increase in credit risk of a counterparty, etc., to be immaterial or highly unlikely; therefore, the Group considers commodity hedging to be effective. For these reasons, the change in the fair value of the hedged item is equal to the change in the fair value of the hedging instrument when determining effectiveness.

The table below presents outstanding commodity contracts for the diesel purchases as at:

Purchase of diesel	Hedged value	Volume of contracts (mt)	Fair value (CZK million)
31 Dec 2025	CZK 15,432/mt	3,600	(4)
31 Dec 2024	CZK 15,868/mt	6,000	3

Expected realisation of hedged items of commodity derivatives

The following table shows the expected cash flows of the hedged purchases of diesel:

							(CZK million)
31 Dec 2025	Less than 1 month	1–3 months	3 months to 1 year	1–5 years	5 years and more	Total	
Hedged future purchases of diesel	3	6	28	-	-	37	

							(CZK million)
31 Dec 2024	Less than 1 month	1–3 months	3 months to 1 year	1–5 years	5 years and more	Total	
Hedged future purchases of diesel	7	14	65	-	-	86	

36.8. Credit risk management

The Group is exposed to credit risk, which is the risk that one party of the financial instrument will cause financial losses to the other party by failing to meet its obligations. Credit risk arises as a result of the Group's business operations and financial market activities. The Group's credit risk quantification is based on a number of primary criteria, where the threat of counterparty default during a transaction is the main determinant due to possible negative impact on the Group's economic results and cash flow. The Group analyses the counterparties using both internal departments support and external information services. Any counterparty insolvency may result in imminent losses with an adverse impact on the Group's business.

Sources of credit risks related to the threat of a counterparty default in a transaction were identified by the Group as follows:

- financial institutions;
- employees or tenants – individuals from whom the receivable arises;
- corporate customers; and
- the state and regions as public service payers.

For this reason, business operations with new counterparties are subject to standardised approval procedures by designated departments. The credit risk management includes active receivables management, when standard financial instruments, such as prepayments and bank guarantees, are used in order to reduce the risk.

The Group tries to trade only with trusted contractors who are verified individually on an ongoing basis using publicly available data. The Group applies continuous monitoring of receivables by individual companies and ageing, with special regard to receivables over 30 days past due. Development of overdue receivables is continuously dealt with by individual responsible employees and, at the top, by the Receivables Commission.

Financial assets that expose the Group to potential credit risk include cash and cash equivalents, trade receivables and financial derivative contracts. The Group's cash is deposited in prestigious domestic financial institutions.

The Group is mainly exposed to the following credit risk categories due to its business activities:

- direct credit risk; and
- credit equivalent risk.

Most frequently, the direct credit risk arises from receivables from ongoing trading relationships, particularly from supplier loans granted. Credit quality of the customers is assessed individually, based on their financial position, previous customer experience and other factors. The Group assesses its financial assets at each balance sheet date to determine whether there is any objective evidence that they might be impaired. Financial assets are considered impaired if objective evidence indicates that one or more events have adversely affected the estimated future cash flows from those assets. Material financial assets are tested for impairment individually. The remaining financial assets are assessed on a portfolio basis in the groups that have similar credit risk characteristics. All impairment losses except for financial assets at fair value through other comprehensive income are recognised in profit or loss.

The concentration of credit risk is affected by a limited number of available counterparties (e.g., a limited number of banks on the Czech market, a limited number of public service customers). In such cases, the company reduces credit risk by cooperating only with counterparties with high creditworthiness (reputable banks with investment ratings, customers paying from the public budgets).

The credit risk relating to fare revenues has a low concentration as a considerable part of these revenues is collected in cash. The credit risk relating to payments from the state budget and the budget of the regions is low due to the high credit quality of counterparties. The concentration of short-term and long-term trade receivables from customers controlled by the state (the Ministry of Transport of the Czech Republic, regions and SŽ) as at 31 December 2025 is 27% (2024: 31%). In freight transport, there is no significant concentration of the credit risk from the perspective of customers, industrial segments or regions. The Group's exposure and payment discipline of its contractual partners are monitored on a continuous basis.

36.8.1. Short-term trade receivables and finance lease receivables

For the purposes of determining expected credit losses using the simplified approach, short-term receivables and finance lease receivables are classified according to common credit risk characteristics and appropriate maturities.

The expected credit loss rates are determined according to the payment profile and sales for the period of 3 years preceding 31 December 2025 or 31 December 2024, based on credit losses recognised in the past. The Group analysed a number of macroeconomic variables (GDP, industrial indices, etc.) and their possible correlation to customer solvency. However, as no correlation has been identified, the Group assesses customer creditworthiness individually. The Group also creates specific allowances for receivables.

The table below presents an overview of the impairment losses on short-term trade and finance lease receivables. The carrying value of receivables as at 31 December 2025 and 31 December 2024 below represents the Group's maximum exposure to credit risk on these assets.

(CZK million)

As at 31 Dec 2025	Before due date	Past due date (days)					Total
		1–30	31–90	91–180	181–365	Over 365	
Expected credit loss rate	2%	-%	7%	25%	77%	97%	
Finance lease receivables – gross (Note 23.1)	80	-	-	-	-	-	80
Short-term trade receivables – gross (Note 22)	4,588	170	44	8	26	114	4,950
Expected credit loss	86	-	3	2	20	111	222

(CZK million)

As at 31 Dec 2024	Before due date	Past due date (days)					Total
		1–30	31–90	91–180	181–365	Over 365	
Expected credit loss rate	2%	2%	7%	36%	59%	99%	
Finance lease receivables – gross (Note 23.1)	131	-	-	-	-	-	131
Short-term trade receivables – gross (Note 22)	4,359	125	29	25	32	168	4,738
Expected credit loss	108	3	2	9	19	167	308

36.8.2. Cash, other financial assets and long-term trade receivables

The credit risk of liquid financial assets and financial derivatives is limited, as the contractual partners are banks with an investment grade credit rating. For this reason, the impact of impairment of cash and cash equivalents is immaterial.

(CZK million)

Bank	Rating	Bank balances as at 31 Dec 2025	Restricted cash as at 31 Dec 2025	Bank balances as at 31 Dec 2024	Restricted cash as at 31 Dec 2024
Komerční banka	Aa3	1,564	153	1,647	201
ČSOB	Aa3	1,054	170	1,427	-
Citibank	Aa3	1	-	95	-
ING bank	Aa3	8	-	189	-
Česká spořitelna	Aa3	5	-	47	-
Erste Bank	Aa3	1	-	2	-
UniCredit Bank	A2	2,119	-	321	-
Raiffeisenbank	A2	2,057	-	418	-
PKO Bank	A2	5	-	21	-
Všeobecná úverová banka	A2	2,003	-	4,978	-
Millenium bank	Ba2	22	-	8	-
Deutsche Bank	A1	49	-	54	-
Frankfurter Sparkasse *	A1	5	-	5	-
Bank Austria	**	11	-	13	-
Slovenská sporiteľňa	A1	-	-	2	-
Tatra banka	A2	49	-	39	-
Fio banka	**	-	-	2	-
Česká národní banka	Aa3	6,207	-	-	-
MBH BANK	Baa2	18	-	21	-
Total		15,178	323	9,289	201

* For these bank institutions, the rating of Fitch Ratings was used, for all others, the Moody's rating was used.

** Rating is not available.

The application of the expected credit loss model has an immaterial impact on all Other financial assets.

The credit risk associated with financial operations is low because the Group spreads the risk over a larger number of financial institutions and only deals with financial institutions that have a credit rating in the investment range.

The following table provides an analysis of the credit risk of Other financial assets at amortised cost. The carrying values of assets as at 31 December 2025 and 31 December 2024 represent the Group's maximum exposure to credit risk from these assets:

(CZK million)

As at 31 Dec 2025	Level 1 (expected 12-month credit losses)	Level 2 (expected lifetime credit losses)	Level 3 (impaired)	Allowances	Total
Trade receivables – long-term	2,486	-	-	(18)	2,468
Restricted cash	323	-	-	-	323
Receivables from shortages and damages	48	-	-	-	48
Other	309	2	-	(18)	293
Total	3,166	2	-	(36)	3,132

(CZK million)

As at 31 Dec 2024	Level 1 (expected 12-month credit losses)	Level 2 (expected lifetime credit losses)	Level 3 (impaired)	Allowances	Total
Trade receivables – long-term	1,100	-	-	-	1,100
Restricted cash	201	-	-	-	201
Receivables from shortages and damages	45	-	-	-	45
Other	95	17	-	(17)	95
Total	1,441	17	-	(17)	1,441

The Group has assessed the credit risk for individual items of Other financial assets. Counterparties have low risk, and no material overdue receivables are recorded. Credit risk has not increased significantly since initial recognition. The carrying value of Other financial assets at fair value as at 31 December 2025 and 31 December 2024 represents the Group's maximum credit exposure from these assets (Note 23).

As at 31 December 2025 and 31 December 2024, the Group does not record any financial assets pledged as collateral.

36.9. Liquidity risk management

The Group manages its liquidity risk through planning future cash flows and securing binding limits of short-term financing with reputable financial institutions (promissory notes programme and agreed overdraft and revolving loans), with a minimum notice period of 18 months. In order to secure sufficient short-term liquidity, the Group has contracted these binding credit facilities so that its available funds exceed its expected short-term outflows. The liquidity is also monitored by the Moody's rating agency on an ongoing basis.

36.9.1. Liquidity risk tables

The following tables demonstrate the Group's remaining contractual maturity of financial liabilities. The tables have been drawn up based on the undiscounted cash flows from financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that instruments carry variable interest, the undiscounted amount is derived from interest rate curves at the end of the reporting periods and may change if interest rates differ from the determined estimates.

(CZK million)

31 Dec 2025	Less than 1 month	1–3 months	3 months to 1 year	1–5 years	Over 5 years	Total
Non-interest bearing	6,001	2,095	180	48	26	8,350
Payable arising from unpaid share capital (Note 35)	555	-	-	-	-	555
Derivatives *	-	2	392	2,341	70	2,805
<i>Incoming cash flows</i>	-	-	902	32,361	488	33,751
<i>Outgoing cash flows</i>	-	2	1,294	34,702	558	36,556
Lease liabilities	93	337	1,236	3,399	287	5,352
Secured loans	7	154	482	2,351	1,314	4,308
Variable interest rate instruments	-	176	928	3,340	-	4,444
Fixed interest rate instruments	637	993	17,703	53,996	23,769	97,098
Total	7,293	3,757	20,921	65,475	25,466	122,912

(CZK million)

31 Dec 2024	Less than 1 month	1–3 months	3 months to 1 year	1–5 years	Over 5 years	Total
Non-interest bearing	5,835	1,675	118	153	30	7,811
Payable arising from unpaid share capital (Note 35)	555	-	-	-	-	555
Derivatives *	-	1	161	988	54	1,204
<i>Incoming cash flows</i>	-	2	352	17,069	520	17,943
<i>Outgoing cash flows</i>	-	3	513	18,057	574	19,147
Lease liabilities	99	473	1,247	4,522	307	6,648
Secured loans	8	128	400	2,088	1,108	3,732
Variable interest rate instruments	1	186	976	4,474	-	5,637
Fixed interest rate instruments	1,231	972	4,209	56,897	23,125	86,434
Total	7,729	3,435	7,111	69,122	24,624	112,021

* Negative net non-discounted cash flows arise from specific cross-currency interest rate derivatives due to a significant interest rate difference between the functional currency and the hedged currency.

The following tables demonstrate the Group's expected contractual maturity of financial assets. The tables have been drawn up based on the undiscounted cash flows of financial assets reflecting the anticipated maturity. The table includes cash flows from the interest and principal.

(CZK million)

31 Dec 2025	Less than 1 month	1–3 months	3 months to 1 year	1–5 years	Over 5 years	Total
Non-interest bearing	11,043	1,476	659	841	368	14,387
Derivatives	-	2	8	11	-	21
<i>Incoming cash flows</i>	-	2	8	11	-	21
<i>Outgoing cash flows</i>	-	-	-	-	-	-
Finance lease receivables	6	-	18	93	413	530
Fixed interest rate instruments	7,023	5	291	1,104	659	9,082
Total	18,072	1,483	976	2,049	1,440	24,020

(CZK million)

31 Dec 2024	Less than 1 month	1–3 months	3 months to 1 year	1–5 years	Over 5 years	Total
Non-interest bearing	7,301	2,027	208	1,146	366	11,048
Derivatives	5	25	146	10	-	186
<i>Incoming cash flows</i>	5	173	2,876	5	-	3,059
<i>Outgoing cash flows</i>	-	148	2,730	(5)	-	2,873
Finance lease receivables	7	3	28	133	428	599
Fixed interest rate instruments	4,510	7	6	3	-	4,526
Total	11,823	2,062	388	1,292	794	16,359

The amounts listed in the above instruments with variable interest rates in respect of non-derivative financial assets and liabilities may change if the changes in variable interest rates differ from the interest rates determined at the reporting period end.

36.9.2. Financing facilities

The Group has access to the following loan facilities:

(CZK million)

Loan facilities	Overdraft loans	Promissory note programme	Revolving loan	Total
Loan facility as at 1 Jan 2024	4,749	6,500	2,550	13,799
Unused amount as at 1 Jan 2024	4,334	6,500	2,550	13,384
Change of loan facility in 2024	(6)	-	50	44
Effect of currency translation	6	-	-	6
Loan facility as at 31 Dec 2024	4,749	6,500	2,600	13,849
Unused amount as at 31 Dec 2024	3,582	6,500	2,600	12,682
Change of loan facility in 2025	32	2,100	12,900	15,032
Effect of currency translation	-	-	-	-
Loan facility as at 31 Dec 2025	4,781	8,600	15,500	28,881
Unused amount as at 31 Dec 2025	4,496	8,600	15,500	28,596

As part of securing funds for the planned investments, the Group has entered into contracts for long-term bank credit lines with the following undrawn loan facilities:

(CZK million)

Long-term credit lines	ING Bank	EIB	EUROFIMA	ČEB	Total
Loan facility as at 1 Jan 2024	2,489	4,118	15,799	-	22,406
Unused amount as at 1 Jan 2024	-	2,187	4,426	-	6,613
Change of loan facility in 2024	1,007	7,610	9,744	1,511	19,872
Effect of currency translation	19	60	294	-	373
Loan facility as at 31 Dec 2024	3,515	11,788	25,837	1,511	42,651
Unused amount as at 31 Dec 2024	-	8,640	9,744	1,511	19,895
Change of loan facility in 2025	970	7,610	-	-	8,580
Effect of currency translation	(75)	(122)	-	(56)	(253)
Loan facility as at 31 Dec 2025	4,410	19,276	25,837	1,455	50,978
Unused amount as at 31 Dec 2025	970	15,747	9,744	-	26,461

37. POST BALANCE SHEET EVENTS

No other significant events occurred between the balance sheet date and the date of approval of the consolidated financial statements.

38. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 21 April 2026.

SEPARATE FINANCIAL STATEMENTS FOR 2025

- 122 Separate Statement of Profit or Loss
- 123 Separate Statement of Comprehensive Income
- 124 Separate Statement of Financial Position
- 126 Separate Statement of Changes in Equity
- 127 Separate Cash Flow Statement
- 129 Notes to the Separate Financial Statements



Separate Financial Statements for the Year 2025

Prepared in Accordance with IFRS Accounting Standards as Adopted by the EU

Name of the company: České dráhy, a.s.
Registered office: Nábřeží L. Svobody 1222, 110 15 Prague 1
Legal status: Joint-Stock Company
Corporate ID: 709 94 226

Components of the Separate Financial Statements for the year 2025 prepared in accordance with IFRS Accounting Standards as adopted by the EU:

Separate Statement of Profit or Loss
Separate Statement of Comprehensive Income
Separate Statement of Financial Position
Separate Statement of Changes in Equity
Separate Cash Flow Statement
Notes to the Separate Financial Statements

SEPARATE FINANCIAL STATEMENTS WERE AUTHORISED FOR ISSUE ON 21 APRIL 2026.

Statutory body of the entity

Signature

Michal Krapinec
Chairman of the Board of Directors



Lukáš Svoboda
Member of the Board of Directors



SEPARATE STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2025

(CZK million)

		Year ended 31 Dec 2025	Year ended 31 Dec 2024
Revenues	5	36,429	33,796
Other operating income	6	4,452	3,045
Cost of services, raw materials and energy	7	(13,788)	(13,484)
Staff costs	8	(11,167)	(10,748)
Depreciation, amortisation and impairment	9	(8,304)	(7,767)
Impairment losses and gains on financial assets (net of reversals)	21, 22	72	(7)
Other operating expenses	10	(533)	(466)
Profit from operating activities		7,161	4,369
Finance costs	11	(5,539)	(2,741)
Finance income	12	1,153	455
Profit before tax		2,775	2,083
Income tax	13	(241)	26
Profit for the period		2,534	2,109

SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

(CZK million)

		Year ended 31 Dec 2025	Year ended 31 Dec 2024
Profit for the period		2,534	2,109
Actuarial remeasurements of employee defined benefit obligations		(17)	20
Revaluation of investments in equity instruments at fair value through other comprehensive income	25.2.5	5	30
Related deferred income tax		(1)	(6)
Reclassification of deferred tax		-	(21)
Other comprehensive income for the period (items that are not subsequently reclassified to profit or loss)		(13)	23
Change in cash flow hedging reserve	25.2.3	68	103
Change in cost of hedging reserve	25.2.4	(123)	(10)
Related deferred income tax		12	(20)
Reclassification of deferred tax		-	(74)
Other comprehensive income for the period (items that may be reclassified to profit or loss in subsequent periods)		(43)	(1)
Other comprehensive income for the period after tax		(56)	22
Total comprehensive income for the period		2,478	2,131

SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

(CZK million)

		31 Dec 2025	31 Dec 2024
Property, plant and equipment	14	87,460	83,204
Investment property	16	691	889
Intangible assets	17	237	290
Right-of-use assets	18	2,560	3,195
Investments in subsidiaries, associates and joint ventures	19	9,385	11,833
Trade receivables	21	2,468	1,100
Other financial assets	22	527	677
Other assets	23	121	8
Total non-current assets		103,449	101,196
Inventories	20	2,568	2,412
Trade receivables	21	2,602	2,199
Other financial assets	22	884	738
Other assets	23	1,426	575
Assets classified as held for sale	14	3,402	-
Cash and cash equivalents	24	13,869	6,645
Total current assets		24,751	12,569
TOTAL ASSETS		128,200	113,765

		(CZK million)	
		31 Dec 2025	31 Dec 2024
Share capital	25	20,000	20,000
Other capital reserves	25.2	16,676	16,942
Retained earnings		3,762	1,018
Total equity		40,438	37,960
Trade payables		21	-
Loans, borrowings and lease liabilities	26	59,608	62,442
Deferred tax liability	13	229	-
Provisions	27	231	204
Other financial liabilities	28	796	736
Other liabilities and contract liabilities	29	64	5
Total non-current liabilities		60,949	63,387
Trade payables		6,903	5,333
Loans, borrowings and lease liabilities	26	16,102	3,604
Provisions	27	283	133
Other financial liabilities	28	1,605	454
Other liabilities and contract liabilities	29	1,920	2,894
Total current liabilities		26,813	12,418
Total liabilities		87,762	75,805
TOTAL LIABILITIES AND EQUITY		128,200	113,765

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

(CZK million)

	Share capital	Other capital reserves			Retained earnings / Accumulated losses	Total equity
		Share premium	Cash flow hedging reserve	Other reserves *		
Balance at 1 January 2024	20,000	16,440	208	179	(1,093)	35,734
Profit for the period	-	-	-	-	2,109	2,109
Other comprehensive income for the period	-	-	(29)	51	-	22
Total comprehensive income for the period	-	-	(29)	51	2,109	2,131
Allocation to the reserve fund	-	-	-	93	(93)	-
Total transactions with owners for the period	-	-	-	93	(93)	-
Other	-	-	-	-	95	95
Balance at 31 December 2024	20,000	16,440	179	323	1,018	37,960
Profit for the period	-	-	-	-	2,534	2,534
Other comprehensive income for the period	-	-	54	(110)	-	(56)
Total comprehensive income for the period	-	-	54	(110)	2,534	2,478
Allocation to the reserve fund	-	-	-	(209)	209	-
Other	-	-	-	(1)	1	-
Total transactions with owners for the period	-	-	-	(210)	210	-
Balance at 31 December 2025	20,000	16,440	233	3	3,762	40,438

* Other reserves are discussed in Note 25.2.

SEPARATE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

(CZK million)

	Year ended 31 Dec 2025	Year ended 31 Dec 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	2,534	2,109
Income tax	13	241
Dividend income	6	(547)
Finance costs – interest	11	2,936
Gain on the sale and disposal of non-current assets	6	(2,933)
Depreciation and amortisation	9	8,323
Impairment losses on assets	6, 9	(121)
Change in provisions	27	177
Foreign exchange rate losses / gains		(623)
Losses from financial investment impairment	19	2,507
Other		(319)
Cash flows from operating activities before changes in working capital	12,175	9,245
(Increase) / decrease in trade receivables	21	(124)
Increase in inventories	20	(190)
(Increase) / decrease in other assets	22, 23	(1,041)
Increase / (decrease) in trade payables		(512)
Increase / (decrease) in other payables and contract liabilities	28, 29	(828)
Total changes in working capital	(2,695)	606
Cash flows from operating activities before interest, dividend and tax	9,480	9,851
Interest paid	11	(2,397)
Dividends received	6	547
Income tax paid		(1)
Net cash flows from operating activities	7,629	8,330

(CZK million)

		Year ended 31 Dec 2025	Year ended 31 Dec 2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	14	(12,877)	(17,595)
Proceeds from disposal of property, plant and equipment	6	1,470	1,029
Payments for investment property	16	(3)	(16)
Payments for intangible assets	17	(123)	(137)
Interest received	12	404	349
Loans and borrowings provided to related parties	30.6	-	(150)
Repayments of loans and borrowings from related parties	30.6	251	-
Net cash flows used in investing activities		(10,878)	(16,520)
CASH FLOWS FROM FINANCING ACTIVITIES			
Use of loans and borrowings	26	12,434	12,655
Repayments of loans and borrowings	26	(981)	(1,741)
Repayment of principal of lease liabilities	26	(957)	(1,906)
Net cash flows from financing activities		10,496	9,008
Net increase / (decrease) in cash and cash equivalents		7,247	818
Cash and cash equivalents at the beginning of the period		6,645	5,810
Effects of changes in foreign exchange rates		(23)	17
Cash and cash equivalents at the end of the period	24	13,869	6,645

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. General Information	130	27. Provisions	164
2. Material Accounting Policy Information	130	28. Other Financial Liabilities	165
3. Application of New and Revised International Financial Reporting Standards	138	29. Other Liabilities and Contract Liabilities	165
4. Critical Accounting Judgments and Key Sources of Uncertainty in Estimates	138	30. Related Parties	166
5. Revenue	139	31. Operating Lease	171
6. Other Operating Income	141	32. Capital Commitments	171
7. Cost of Services, Consumption of Material and Energy	141	33. Contingent Liabilities and Contingent Assets	172
8. Staff Costs	142	34. Financial Instruments	173
9. Depreciation, Amortisation and Impairment	142	35. Post Balance Sheet Events	188
10. Other Operating Expenses	142	36. Approval of the Financial Statements	188
11. Finance Costs	143		
12. Finance Income	143		
13. Income Tax	143		
14. Aseets Classified as Held for Sale	146		
15. Property, Plant and Equipment	147		
16. Investment Property	150		
17. Intangible Assets	151		
18. Right-of-use Assets	152		
19. Investments in Subsidiaries, Associates and Joint Ventures	153		
20. Inventories	155		
21. Trade Receivables	155		
22. Other Financial Assets	156		
23. Other Assets	158		
24. Cash and Cash Equivalents	158		
25. Equity	158		
26. Loans, Borrowings and Lease Liabilities	160		

1. GENERAL INFORMATION

České dráhy, a. s. (the "Company" or "ČD") was established on 1 January 2003 under Act No. 77/2002 Coll., as amended. The Company was formed as one of the two legal successors of České dráhy, státní organizace (Czech Railways, the state organisation); the second legal successor as at 1 January 2003 was the present Správa železnic, státní organizace (Railway Administration, the state organisation, "SŽ").

The sole shareholder of the Company is the Czech Republic. The Company's share capital is CZK 20,000 million. The Company's registered office is at Nábřeží L. Svobody 1222, Prague 1.

The Company's main business activity is operating the railway transport. In addition, the Company is engaged in other activities relating to its principal business activity.

The separate financial statements have been prepared as at and for the year ended 31 December 2025 (the "Separate Financial Statements"). The reporting period is the calendar year from 1 January 2025 to 31 December 2025. The Company also prepares the consolidated financial statements that will be approved for publication as at the same date as the Separate Financial Statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1. Statement of compliance

The Separate Financial Statements have been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union (EU).

2.2. Basis of preparation

The Separate Financial Statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments.

The accounting policies used in the preparation of these Separate Financial Statements are presented below. In the reporting period, these policies are consistent with the accounting policies used in previous periods, if not stated otherwise.

The preparation of financial statements in accordance with IFRS Accounting Standards as adopted by the EU requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying accounting policies. Areas with a high degree of judgment or complexity, or areas with assumptions or estimates significant for these financial statements are described in Note 4.

These Separate Financial Statements are related to the consolidated financial statements of České dráhy, a. s. and its subsidiaries (the "Group") for the year ended 31 December 2025. The Separate Financial Statements should be read in conjunction with the consolidated financial statements in order to fully understand the Group's results and financial position.

The going concern basis

At the time of approval of the Separate Financial Statements, the Company's management has a reasonable expectation that the Company has adequate resources to continue operations for the foreseeable future. Therefore, these Separate 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.

2.3. Revenue recognition

2.3.1. Revenue from contracts with customers

In the first phase, all contracts with customers are analysed in order to identify obligations towards the customer. Subsequently, the transaction price is determined and, in case of several identified performance obligations, is allocated according to their relative standalone selling prices. Consequently, revenue is recognised at the appropriate amount for each performance obligation at a certain point in time or over the term of the contract (it may be recognised over several reporting periods). Revenues are reported net of value added tax and are further reduced by expected returns from customers, rebates and other similar discounts.

The Company recognises revenue when the performance obligation is satisfied by transferring a promised service or good (asset) to a customer, once a customer obtains control of that asset. Revenue is recognised in the amount of the transaction price allocated to the performance obligation. The received payment is initially recognised as a contract liability that is subsequently released to revenue as the performance obligation is satisfied.

Revenue from passenger transport is recognised in the period in which transport services are provided taking into account the stage of completion of a service (e.g. validity period of long-term travel documents).

In contrast to domestic transport, international transport also includes the settlement process of proceeds and revenues from foreign carriers and sellers of international tickets. In some cases, such settlements may be delayed by a few months. For this reason, revenue as at the date a service has been provided is estimated based on the information available to the Company.

In addition to selling tickets and similar documents, a significant part of revenue from transport includes revenue from the usage of passenger train units in the RIC mode ("Regolamento Internazionale delle Carrozze"), based on the International Coach Regulation, with the settlement on a quarterly basis. Therefore, in this case revenue is also estimated.

Revenues from customers such as the Ministry of Transport (the "MT") and the regions are key revenues and are included in the Passenger transport segment. Payments from customers are discussed in more detail in Notes 4.2.1 and 30.9.

For passenger transport revenues, the Company applies practical expedient in accordance with IFRS 15.B16 and recognises revenues in the amount it has a right to invoice.

2.4. Leasing

2.4.1. The Company as a lessee

At the inception date of a contract, the Company assesses whether it is a lease contract or contains an embedded lease. The Company recognises a right-of-use asset and a corresponding lease liability in respect of all lease contracts in which the Company is a lessee, except for short-term leases (with a lease term of 12 months or less) and low-value asset lease (such as laptops and personal computers). For these leases, the Company recognises lease payments as operating expenses on a straight-line basis over the term of a lease.

At the commencement date of the lease, the lease liability is initially measured at the present value of lease payments to be made over the lease term that are not yet paid at that date, discounted using the incremental borrowing rate.

The incremental borrowing rate is an interest rate that the Company would have to pay if it borrowed funds necessary to obtain an asset of a similar value as a right-of-use asset in a similar economic environment for a similar period and with similar collateral. The Company estimates the incremental borrowing rate using observable inputs (such as market interest rate), if these are available.

Lease payments included in the measurement of a lease liability includes the following:

- fixed lease payments less any receivables from lease incentives;
- variable lease payments that are based on an index or a rate, initially measured using an index or rate as at the commencement date;
- amounts expected to be payable by the Company as guaranteed residual value;
- exercise price of a purchase option if the lessee is reasonably certain that the option will be exercised;
- and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising this option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured (and the related right-of-use asset must be adjusted accordingly), if:

- there is a change in a lease term or if there is a material event or change in circumstances that led to a change in the assessment of an option to purchase the underlying asset. In such a case, the lease liability is remeasured by discounting the revised lease payments using the revised discount rate;
- there is a change in lease payments resulting from a change in an index or a rate or change in the amounts expected to be payable under guaranteed residual value. In this case, the lease liability is remeasured by discounting the revised lease payments using the unchanged discount rate;
- and a lease contract is modified, and the modification is not considered to be a separate lease. In this case, the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using the revised discount rate as at the effective date of the modification.

Lease liabilities are presented in Loans, borrowings and lease liabilities in the separate statement of financial position.

The right-of-use asset includes the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date after deduction of any lease incentives received and includes initial direct costs. Subsequently, the right-of-use assets are measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

The right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease, or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation begins at the commencement of the lease.

The right-of-use assets are presented as a separate line in the separate statement of financial position.

At the end of each reporting period, the Company assesses whether there is any indication that right-of-use assets are impaired and recognises any identified impairment losses in accordance with the rules described in Note 2.8 Property, plant and equipment.

As a practical expedient, IFRS 16 allows a lessee not to separate non-lease components from lease components and instead to account for each lease component and any associated non-lease components as a single arrangement. The Company did not use this practical expedient. For the contract that contains a lease component and one or more other lease or non-lease components, the Company allocates the contract consideration to each lease and non-lease component based on the relative stand-alone price of a given component.

2.4.2. The Company as a lessor

Leases in which the Company is a lessor are classified as finance or operating leases. Leases that transfer substantially all significant risks and rewards of ownership of an asset to lessees are classified as finance leases. All other leases are classified as operating leases.

If the Company is the intermediate lessor, it accounts for the main lease and the sublease as two separate contracts. Subleases are classified as finance leases or operating leases by reference to the right-of-use asset arising from the principal lease.

In an operating lease, income is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and concluding an operating lease are included in the carrying amount of the leased asset and are expensed on a straight-line basis over the term of the lease.

Amounts due from lessees under finance leases are recognised as receivables in the amount of the Company's net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the Company's net investment.

After initial measurement, the Company regularly assesses the estimated unguaranteed residual value and recognises an allowance for expected credit losses from lease receivables, in accordance with the accounting policies for financial assets carried at amortised cost.

Income from finance lease is calculated based on the gross carrying value of lease receivables, except for credit-impaired financial assets, for which interest income is calculated on the basis of their net carrying value, i.e. after deducting the allowance for expected credit losses.

2.5. Foreign currencies

Given the economic substance of transactions and the environment in which the Company operates, the presentation currency as well as functional currency is the Czech crown (CZK).

Transactions denominated in foreign currencies are translated and recorded at the fixed exchange rate announced by the Czech National Bank on the date of the transaction. If the current exchange rate does not change significantly over time, the Company uses the average exchange rate of this period for a longer period of time - usually one month. At the date of the Separate Financial Statements, monetary items denominated in foreign currencies are translated to Czech crowns at the Czech National Bank exchange rate as at that date. Non-monetary items that are measured at historical cost in a foreign currency are not remeasured for changes in foreign exchange rates after initial recognition.

Identified exchange differences are recognised in profit or loss, except for exchange differences on transactions entered into in order to hedge certain foreign currency risks. Such foreign exchange rate differences are recognised directly in other comprehensive income and reclassified to profit or loss when the hedged underlying items affect profit or loss.

2.6. Grants

Government grants and grants from the European Union are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Grants whose primary condition is that the Company should purchase, construct or otherwise acquire fixed assets, are recognised as a reduction of cost of those fixed assets in the separate statement of financial position.

Other government grants are recognised in profit or loss as Other operating income over the periods necessary to match them with the costs which they are intended to compensate, on a systematic basis. Government grants receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support without future related costs are recognised in profit or loss in the period in which they become receivable.

2.7. Taxation

The income tax includes current tax and deferred tax.

2.7.1. Current tax

Current tax calculation is based on taxable profit for the year. The taxable profit differs from the profit recorded in the separate statement of profit or loss as it does not include items of income or expense that are taxable or deductible in other years, and items that are not taxable or deductible. The Company's current tax is calculated using tax rates enacted or announced by the end of the reporting period.

2.7.2. Deferred tax

Deferred tax is recognised based on temporary differences between the carrying amounts of assets and liabilities in the Separate Financial Statements and the corresponding tax bases used to calculate taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. These deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets or liabilities in a transaction which does not have an impact on taxable or accounting profit.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.7.3. Current tax and deferred tax for the period

Current and deferred tax are recognised as expenses or income in profit or loss, except when they relate to items that are recognised outside of profit or loss (whether in comprehensive income or directly in equity), in which case tax is also recognised outside of profit or loss.

2.8. Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated impairment losses and, in case of buildings and equipment, less accumulated depreciation. Freehold land is not depreciated.

Assets under construction are carried at cost less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs. Depreciation of these assets, on the same basis as depreciation of other assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, applying the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimates accounted for on a prospective basis.

The following useful lives were used in the depreciation calculation:

	Number of years
Buildings	20–50
Vehicles	
<i>Locomotives</i>	20–35
<i>Passenger train units</i>	20–30
Machinery, equipment and other	8–20

Property, plant and equipment items are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of these assets. Gain or loss arising on the disposal or retirement of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The Company capitalises major (periodical) repairs of railway vehicles. The costs of repairs are recorded as a separate asset (component) and are depreciated over the useful life of repairs. The depreciation period of the components is determined for the class of rolling stock and component types.

Average depreciation period of capitalised repairs:

	Number of years
First substantial repair of units	4
First substantial repair of vehicle	6
Major repair of vehicle	11

Strategic spare parts (exchangeable units) are reported within Vehicles. Other spare parts that meet the conditions for classification in accordance with IAS 16 are reported in the Components. Spare parts are depreciated from the moment of consumption (when fitted to the vehicle) over the remaining useful life of the asset or the useful life of the spare part, whichever occurs earlier.

2.9. Investment property

Investment property, namely property held to earn rental income and/or for capital appreciation is initially measured at cost, including transaction costs associated with its acquisition. Subsequent to initial recognition, the Company measures its investment property using the cost model; the carrying amounts are decreased by accumulated depreciation and impairment.

Investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its sale. Gains and losses on derecognition of the property (determined as the difference between the net disposal proceeds and the carrying amount of the asset) are included in profit or loss in the period in which the property is derecognised.

The depreciation method and useful life are determined by the Company for investment property in accordance with the property included in the Buildings category (see Note 2.8).

2.10. Intangible assets

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives of assets. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimates being accounted for on a prospective basis.

The following useful lives were used in the amortisation calculation:

	Number of years
Software	3–4
Software licences	6

An intangible asset is derecognised upon disposal, or when no future economic benefits are expected from its use or sale. Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in profit or loss in the period when the asset is derecognised.

2.11. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of tangible and intangible assets to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such assets is estimated in order to determine the amount of possible impairment. When it is impossible to determine the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are also allocated to individual cash-generating units, if a reasonable and consistent basis of allocation can be determined. Otherwise, corporate assets are allocated to the smallest group of cash-generating units for which it is possible to determine a reasonable and consistent basis for allocation.

The recoverable amount is equal to the higher of fair value less cost to sell and value in use. When assessing value in use, the future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, which have not been adjusted with estimates of future cash flows.

If the recoverable amount of an asset (or a cash-generating unit) is lower than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

If the impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount while ensuring that the increased carrying amount does not exceed the carrying amount that would have been determined in previous years if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. A reversal of impairment loss is recognised immediately in profit or loss.

2.12. Investments in subsidiaries, associates and joint ventures

A subsidiary is an entity which is controlled by the Company. The Company has power over the investee, if it is exposed to variable returns from its involvement with the investee or has the ability to use its power to affect

its returns, while it has power over the investee (i.e. holds existing rights based on which it is able to govern the activities that significantly impact the revenues of this entity).

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in decisions about the relevant activities of the investee but is not control or joint control over those activities. In such case, the Company usually controls 20-50% of the voting rights.

The joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control over the arrangement, which exists when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In the Separate Financial Statements, investments in subsidiaries and associates and joint ventures, which are not classified as held for sale, are reported at cost or, after adjustment for impairment of investments.

Investments in subsidiaries are tested for impairment at least on an annual basis by comparing the fair value and the carrying amount of the equity investment.

2.13. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs of inventories are determined using the weighted average method. The net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Spare parts that meet the conditions of classification in accordance with IAS 16 are recognised as Property, plant and equipment (Note 2.8).

2.14. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

In cases when some or all of the expenditure required to settle a provision are expected to be reimbursed by another party, an asset is recognised when it is certain that the reimbursement will be received by the Company and the amount of the receivable can be measured reliably.

A provision can be used only for expenditures for which the provision was originally recognised. Change in a provision is recognised in profit or loss for a specific expense category; the unused portion of the provision is recognised in Other operating income.

Current liabilities arising from onerous contracts are recognised and measured as provisions. Onerous contract is understood as a Company's contract under which the unavoidable costs of meeting obligations under the contract exceed the envisaged economic benefits expected to be received under such a contract. The costs of fulfilling the contract include both the incremental costs of fulfilling the contract and the allocation of other costs that are directly related to fulfilling a contract.

A provision for long-term employee benefits is determined using the Projected Unit Credit Method with actuarial valuation always at the year-end. Gains or losses from adjustments and changes in actuarial estimates for defined post-employment benefits are included in other comprehensive income, changes in the provision for other long-term benefits are included in profit or loss.

2.15. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of a financial instrument.

Financial assets and liabilities are initially measured at fair value, except for trade receivables that have no significant financing component – these are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets or liabilities (other than those measured at fair value through profit or loss) are added upon initial recognition to the fair value of financial assets or deducted from the fair value of financial liabilities, respectively. Transaction costs that are directly attributable to the acquisition of financial assets or liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets are classified into the following three categories: financial assets at amortised cost, financial assets at fair value through profit or loss, or financial assets at fair value through other comprehensive income. The classification depends on the Company's business model and the nature of the contractual cash flows of the particular financial asset.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss, or as financial liabilities measured at amortised cost.

2.15.1. Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts expected future cash inflow/outflow (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) with the exception of expected credit losses through the expected life of the debt instrument, to their gross amortised cost at initial recognition.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. If a financial asset is considered to be credit-impaired, interest income is calculated using the asset's residual value (i.e. gross book value less allowances).

Income and expenses are recognised based on an effective interest rate for debt instruments except for financial assets and financial liabilities classified as at fair value through profit or loss and except for short-term receivables for which the recognition of interest would be immaterial.

2.15.2. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include capital investments that were designated as investments in equity instruments at fair value through other comprehensive income at initial recognition.

These investments in equity instruments are initially measured at fair value increased by transaction costs. Subsequently, they are measured at fair value while gains and losses from changes in fair value are recognised in other comprehensive income and accumulated in the investment revaluation reserve. Cumulative profits or losses will not be reclassified to profit or loss upon derecognition of capital investments, they will be transferred to retained earnings instead.

Dividends from these capital investments are recognised in profit or loss when the Company has the right to receive the dividends.

2.15.3. Financial assets at amortised cost

Financial assets at amortised cost are financial assets held within the business model, whose objective is to collect contractual cash flows that are solely payments of the principal and interest on the outstanding principal. Hence, the Company measures these assets at amortised cost by applying the effective interest method less any allowance for expected credit losses. These assets are recognised when the cash, goods or services are provided directly to a debtor by the Company with no intention of trading the receivable.

2.15.4. Financial assets at fair value through profit or loss

Financial assets which do not meet the criteria to be measured at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

The Company reports in this category financial derivatives presented under Other financial assets.

Financial assets measured at fair value through profit or loss are measured at fair value at the end of each reporting period, and all gains or losses of fair value are recognised in profit or loss to the extent that they are not part of the hedging relationship (see the hedge accounting policy). The method of determining fair value is described in Note 34.3.

2.15.5. Expected credit losses on financial assets

Financial assets, other than those at fair value through profit or loss, are reduced by an allowance for expected credit losses as at the asset recognition, and at subsequent measurement, the amount of expected credit losses is always updated at the financial statements date.

For the purpose of determining expected credit losses, the Company applies the simplified approach in accordance with IFRS 9 which allows the assessment of the lifetime expected loss for all short-term trade receivables and receivables from finance leases.

The simplified approach is applied to short-term trade receivables not containing a significant financing component and finance lease receivables. The Company calculates allowances for portfolio-assessed receivables based on the impairment matrix including historical and forward-looking inputs.

For receivables assessed on an individual basis, the Company considers the following factors that affect the debtor's ability to meet its obligations:

- 30 and more days past due date;
- forward-looking information;
- knowledge of a customer; and
- payment discipline.

In respect of all other financial instruments, the Company reports lifetime expected financial losses, if there was a significant increase in credit risk since the initial recognition. However, if there was no significant increase in credit risk since the initial recognition, the Company calculates a loss allowance for this financial instrument in the amount corresponding to a 12-month expected credit loss.

(i) Significant increase in credit risk

When assessing whether the credit risk of a financial asset has increased significantly since the initial recognition, and when assessing the expected credit loss, the Company sees the information which is relevant and available without unreasonable costs or efforts as adequate and well-founded information. This involves both quantitative and qualitative information and analyses, based on historical experience of the Company and informed assessment of the credit risk, including forward-looking information.

The Company assumes that the credit risk in a financial asset has significantly increased if it is by more than 30 days past due date if the Company has no adequate and provable information that would document otherwise.

In spite of the above, the Company assumes that there has been no significant increase in the credit risk relating to a financial instrument since the initial recognition date, if it is determined that the credit risk of the financial instrument is low as at the financial statements date. A financial instrument bears low credit risk, if:

- 1) financial instrument shows a low default risk;
- 2) the debtor has a strong ability to meet its contractual obligations in cash flows in the near future; and
- 3) negative changes in economic and business conditions may, however, do not have to limit the ability of the debtor to meet its contractual obligations in cash flows in the long term.

The Company believes that there is a low credit risk in a financial asset if an external credit rating of this asset corresponds to the "investment grade" under the internationally recognised definition or if the international rating is not available, the asset has a "no default" internal rating. No default means that the counterparty has a strong financial position and there are no due amounts from prior periods.

(ii) Definition of default

Based on historical experience, the Company uses the following criteria for default determination:

- if information gathered from internal or external sources indicates that the debtor will not be able to pay its creditors in full (announcement of bankruptcy, initiation of insolvency proceedings); and
- if the financial asset is more than 90 days past due and the Company has no reasonable and supportable information to demonstrate that the delay in payments is not a sufficient criterion for default determination.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired if one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the debtor;
- breach of contract, such as a delay or more than 90 days past due;
- restructuring of a financial liability of the debtor (for economic or contractual reasons relating to the debtor's financial difficulties) under the conditions that the Company would not otherwise consider; and
- it is likely that the debtor will enter bankruptcy or another financial reorganisation.

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures. Any recoveries made are recognised in profit or loss.

2.15.6. Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Company substantially retains all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Upon derecognition of an asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received, and receivable is recognised in profit or loss. Upon derecognition of an investment in an equity instrument that the Company recognises at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

2.15.7. Financial liabilities at fair value through profit or loss

Financial liabilities are classified as financial liabilities at fair value through profit or loss when they are either held for trading or designated as measured at fair value through profit or loss.

This category includes financial derivative instruments recognised under Other financial liabilities.

Financial liabilities at fair value through profit or loss are measured at fair value, with any resulting gain or loss on changes in fair value being recognised in profit or loss (unless they are part of a designated hedging relationship - see hedge accounting policies). The fair value is determined as described in Note 34.3.

2.15.8. Financial liabilities measured at amortised cost

Financial liabilities that are not held for trading or designated as financial liabilities at fair value through profit or loss are subsequently measured at amortised cost applying the effective interest method.

Loans are initially recognised at fair value less transaction costs. In subsequent periods, loans are carried at amortised cost using the effective interest method.

2.15.9. Derecognition of financial liabilities

The Company derecognises financial liabilities only when its obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. Modifications to liabilities only occur when the debtor changes and are recorded as derecognition.

2.15.10. Derivative financial instruments

The Company enters into a variety of financial derivative contracts to manage its exposure to interest and currency risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured at their fair value at the end of each reporting period. The resulting gain or loss is recognised directly in profit or loss unless the derivative is designated as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedging relationship.

Derivatives that do not meet the criteria for hedging derivatives are recorded by the Company at fair value through profit or loss.

The derivative with a positive fair value is recorded as a financial asset, while the derivative with a negative fair value is recorded as a financial liability. Derivatives are not offset in the Separate Financial Statements unless the Company has an enforceable right to set-off and intends to exercise it.

2.15.11. Hedge accounting

The Company designates certain hedging instruments as fair value hedges. Hedge accounting is kept in compliance with the requirements of IFRS 9.

At the inception of the hedging relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Since the inception, the Company documents and monitors on an ongoing basis whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk. The Company monitors the existence of an economic relationship, the hedge ratio, sources of ineffectiveness, and credit risk impact. Hedge accounting corresponds to the Company's risk management strategy. Under IFRS 9, the Company recognises the basis spreads separately from cross-currency interest rate swaps through other comprehensive income and are accumulated in the cost of hedging reserve. If the hedged item is time-related, the amount accumulated in the cost of hedging reserve is reclassified to profit or loss through amortisation on a systematic and rational basis.

If the hedging relationship ceases to meet the hedge effectiveness requirement associated with the hedging ratio, but the risk management objectives for that hedging relationship remain the same, the Company adjusts the hedging ratio for that hedging relationship (i.e. rebalances the hedging) to meet the required criteria.

2.15.12. Cash flow hedges

The effective part of changes in the fair value of financial derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. The Company recognises the cost of hedging separately if the criteria of cost recognition through other comprehensive income have been met. The gain or loss relating to the ineffective part is recognised directly in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the separate statement of profit or loss as the recognised hedged item.

Hedge accounting is discontinued only when the hedging relationship no longer qualifies for hedge accounting (fully or partially), after considering any rebalancing of the hedging relationship. This involves for example expiry, sale, termination or settlement of the hedging instrument. Termination of hedge accounting is accounted for prospectively. All gains or losses recognised in other comprehensive income and accumulated in cash flow hedging reserve remain in equity until a forecast transaction occurs. When a forecast transaction is no longer expected to occur, gain or loss accumulated in the cash flow hedging reserve is reclassified immediately to profit or loss.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

3.1. Standards and interpretations effective for the annual period ended 31 December 2025

In the year ended 31 December 2025, no standard, amendment or interpretation relevant to the Company's activities became effective.

3.2. Standards and interpretations applied before the effective date

The Company has not applied any standard or interpretation before the effective date.

3.3. Standards and interpretations issued but not yet applied

As at the date of the Separate Financial Statements, the following standards and interpretations (relevant to the Company's activities) were published, but were not yet effective or applied by the Company before their effective dates.

Amendments, new and revised standards and interpretations	Effective for annual periods beginning on or after
IFRS 10, IAS 28 – Amendments to IFRS 10 and IAS 28 – Sales or Contributions of Assets between an Investor and its Associate or Joint Venture	Date will be determined *
IFRS 9, IFRS 7 – Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
Annual Improvements to IFRS – Volume 11	1 January 2026

* Standards, amendments and interpretations that have not yet been approved for use in the EU

The application of IFRS 18 will change the method of presentation of results in the financial statements and the method of disclosing information in the separate financial statements. The Company's management expects that the adoption of the other above-stated amendments to existing standards in future periods will not have a significant impact on the Company's Separate Financial Statements.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF UNCERTAINTY IN ESTIMATES

In application of the Company's accounting policies, which are described in Note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not clearly evident from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgements, basic assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are presented below.

4.1. Key sources of estimation uncertainty

4.1.1. Impairment of assets

The Company assesses the recoverable amount of all assets when there are indicators of their impairment. This assessment is based on expected assumptions and may change in the future depending on the development of the current situation and the availability of information. Impairment of property, plant and equipment is disclosed in Note 15.1. and category Investments in subsidiaries, associates and joint ventures in Note 19.1.

4.1.2. Provisions for legal disputes

The Company is involved in several regulatory, court and out-of-court commercial disputes. Where the criteria for the recognition of provisions have been met, the Company creates provisions for these disputes on the basis of the best available information and estimates. However, the actual outcome of the disputes may differ from these estimates. The information on legal disputes is disclosed in Notes 27 and 33.1.

4.1.3. Lease – rental period

The Company uses an estimate to determine the lease term of contracts concluded for an indefinite period. This estimate is made with respect to the period and termination conditions of individual contracts. For the contracts with indefinite duration assessed on the basis of a portfolio approach, the Company has determined the estimated lease term as a period of 5 years, as considering past experience, it is reasonably certain that these leases will not be terminated by the Company during this estimated lease term.

In addition, each significant contract is also assessed separately based on individual contract provisions, the economic situation on the market of a given asset, as well as the past experience with the lessor, and thus the lease terms are adjusted accordingly.

Contracts with SŽ for the lease of premises at railway stations are concluded for individual areas (six large framework contracts). When measuring individual leased premises under the same contract, the Company used aggregation into portfolios under the framework contracts because of the insignificance of these individual rental premises. Due to the fact that these contracts were concluded with SŽ for 50 years, they are evaluated in the same way as contracts with indefinite duration and the estimated lease term is therefore set at 5 years for the purposes of lease term determination. Lease contracts contain an early termination clause with a 3-month notice period (without a sanction for an early rental termination), however, the Company uses it primarily in the event of termination of transport at a given location.

4.2. Judgments used in the application of accounting policies

4.2.1. Payments from the public service customers

The Company receives payments from the regional budgets and the budget of the Ministry of Transport for railway transport as the provision of public services. The Company also receives payments from the budget of the Ministry of Transport for the provision of transport services at discounted prices for selected population groups (students, pensioners, individuals with reduced mobility). The Company recognises these payments as revenue from contracts with customers.

In case of payments from the customers, the essence of the contractual relation with the regions or the Ministry of Transport is the order of transport service availability in a given location or on a specified line. This service is provided by the Company regardless of the number of passengers using a transportation service. This is not a grant since the contract for the transport service availability has been competed among a number of parties interested in providing that service and the subject of the service is not transport of specific individuals, but public transportation availability. Payment for the provision of the service is received by the company which wins a tender and ensures the service by its own means, in compliance with the competed conditions.

The preferential prices for different categories of customers (students, pensioners, individuals with reduced mobility) are measures where a customer uses the service (passenger transport) and pays only part of its price, and the remaining part is paid by a third party (in this case the state). It is not a grant to the carrier since in fact it is a direct subsidy of a market price to the population groups and not an economic incentive to influence the behaviour of a carrier in a particular way.

5. REVENUE

5.1. Breakdown of revenues

(CZK million)

	2025	2024
REVENUE FROM CONTRACTS WITH CUSTOMERS		
Revenue from passenger transport	11,968	11,702
<i>Domestic passenger transport</i>	7,978	7,897
<i>International passenger transport *</i>	3,990	3,805
Revenue from passenger transport – payments from public service customers	23,317	20,795
<i>Payment from the state budget</i>	6,222	5,388
<i>Payment from the regional budgets</i>	17,095	15,407
Sale of other services	635	648
<i>Sale of other services recognised over time</i>	635	648
Commission for mediation of purchases of diesel and spare parts	58	64
Total revenue from contacts with customers	35,978	33,209
RENTAL INCOME		
Rental income	451	587
TOTAL REVENUE	36,429	33,796

* Includes sales for the use of passenger train units in the RIC (Regolamento Internazionale delle Carrozze) regime and performance of train units and personnel in cross-border transport in the amount of CZK 1,601 million for 2025 (2024: CZK 1,359 million).

Payments from public service customers relate to regional and long-distance domestic passenger transportation.

The Company provides transport services in public railway transport for a stated (rectified) price and assures 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 Company), with the exception of trains operated at commercial risk, are specified in contracts with the state and the regional authorities.

In 2025, the Company operated a total of 22 long-distance transport lines on the basis of 9 public service contracts, which represents 81% of services in this segment ordered as a public service by the Ministry of Transport of the Czech Republic. In 2024, the Company operated a total of 22 long-distance transport lines on the basis of 8 public service contracts, which represented 81% of services ordered as a public service by the Ministry of Transport of the Czech Republic. The decisive volume of performance is provided under a contract concluded on 15 December 2019 for 15 years.

In 2025 and 2024, regional transport was operated on the basis of 33 concluded contracts, most of which have been valid since 2020. The vast majority of contracts were concluded in the regime of "market consultation" and subsequent direct assignment. However, there are contracts arising from tenders (Pilsen region and P1 Západ and P2 lines, Moravian-Silesian region and S6 line, South Moravian region and the "Moravia" operating set).

In 2025, the Company managed to extend the contract in the Karlovy Vary and Central Bohemian regions by 5 years (until 2034). The Company currently participates in numerous tenders, the largest is a tender announced by the Central Bohemian region and Prague for 30 years and for other sets in the Olomouc region, South-Bohemian region, Pardubice region and Vysočina region.

In long-distance transport, the Company managed to well establish direct connections from Prague to Vienna through České Velenice and introduce direct connections from Prague to Brno and Vienna to Klagenfurt and succeed in the tender organised by the Transport Ministry for operations of the Morava set.

Significant transactions with the main customers with government participation are presented in Note 30.9.

5.2. Contract liabilities and refund liabilities

The Company recognises the following contract liabilities and refund liabilities (see also Note 29) related to revenue from contracts with customers:

(CZK million)

Contract liabilities related to revenue from contracts with customers	31 Dec 2025	31 Dec 2024
Prepaid products – i.e., kilometric bank, annual ticket	215	199
Prepayments received	71	66
Other contract liabilities	9	7
Total contract liabilities	295	272

(CZK million)

Refund liabilities	31 Dec 2025	31 Dec 2024
Other refund liabilities	330	336
Total refund liabilities	330	336

5.2.1. Revenues from contract liabilities

(CZK million)

Revenues included in the opening balance of contract liabilities	2025	2024
Revenue from passenger transport	193	200
Sale of other services	70	56
Total	263	256

5.2.2. Remaining contract liabilities

Passenger transport services are usually completed within a few hours and paid for by passengers just before the service is provided. In case of prepaid tickets, a contract liability is recognised. As at 31 December 2025, the Company has concluded 41 contracts with public service customers (the Ministry of Transport and the regions). Validity of these contracts varies individually from 1 to 15 years. According to these contracts, the Company is obliged to provide transport services to the specified extent. Income is recognised in the amount that the Company has a right to invoice. The customers usually pay a fixed amount based on the payment schedule. If services provided by the Company exceed payments, a receivable is recognised due to the fact that a right to payment is unconditional, and only the passage of time is required before the payment is due. Receivables are usually due within 15–30 days. If payments exceed services provided, a liability is recognised. The Company does not disclose the allocated transaction price under practical expedient from IFRS 15.121. Transport revenue is disclosed in Note 5.1.

6. OTHER OPERATING INCOME

	(CZK million)	
	2025	2024
Gain from disposal of property, plant and equipment and investment property	2,933	1,566
Income from energy recovery	195	193
Dividends received	547	473
Contractual penalties	160	107
Compensations for shortage and damage	145	225
Gain on disposal of redundant assets	126	110
Foreign exchange gains – operating	60	71
Release of provisions (Note 27)	26	196
Reversal of an inventory write-down to net realisable value	6	-
Other	254	104
Total other operating income	4,452	3,045

The gain from the disposal of property, plant and equipment and investment property in 2025 includes the profit from the sale of real estate in the area of Nákladové nádraží Žižkov train station in the amount of CZK 2,195 million (in 2024, the gain from the sale of real estate in Nákladové nádraží Žižkov train station amounted to CZK 1,093 million).

7. COST OF SERVICES, CONSUMPTION OF MATERIAL AND ENERGY

	(CZK million)	
	2025	2024
Traction costs	(3,924)	(4,363)
Costs associated with railroads	(2,185)	(1,886)
Other services, raw materials and energy	(8,127)	(7,635)
<i>Costs associated with the operation of railway vehicles</i>	<i>(2,746)</i>	<i>(2,578)</i>
<i>Consumed material</i>	<i>(1,683)</i>	<i>(1,631)</i>
<i>Costs associated with buildings</i>	<i>(784)</i>	<i>(769)</i>
<i>Substitute bus service</i>	<i>(373)</i>	<i>(423)</i>
<i>Costs associated with the provision of services to passengers</i>	<i>(722)</i>	<i>(613)</i>
<i>ICT costs</i>	<i>(778)</i>	<i>(694)</i>
<i>Travel costs</i>	<i>(212)</i>	<i>(197)</i>
<i>Low value rent or short-term rent</i>	<i>(98)</i>	<i>(88)</i>
<i>Other services</i>	<i>(731)</i>	<i>(642)</i>
Cost of services, consumption of material and energy	(14,236)	(13,884)
Capitalised services and consumption of material	448	400
Total cost of services, consumption of material and energy	(13,788)	(13,484)

Other services include, among other things, the cost of consulting and auditing services, advertising and promotion, staff care and environmental services.

Consulting and auditing services also include audit and non-audit services provided by Deloitte network companies. Total remuneration for these services is:

	(CZK million)	
	2025	2024
Statutory audit	(3)	(3)
Other audit services *	(3)	(1)
Total	(6)	(4)

* Other audit services include the verification of the sustainability report and the provision of a comfort letter. The total value of the service is CZK 8 million. The table shows the amount on an accrual basis.

8. STAFF COSTS

	(CZK million)	
	2025	2024
Payroll costs and severance pays	(8,261)	(7,976)
Statutory social security and health insurance	(1,017)	(939)
Contributions to post-employment benefits	(1,839)	(1,819)
Other employee benefit costs	(202)	(171)
Staff costs	(11,319)	(10,905)
Capitalised staff costs	152	157
Total staff costs	(11,167)	(10,748)
Average recalculated headcount	13,096	13,216

Other employee benefit costs mainly include allowances for meals, allowances for health recovery stays, allowances for capital life insurance and remuneration of members of statutory bodies.

9. DEPRECIATION, AMORTISATION AND IMPAIRMENT

	(CZK million)	
	2025	2024
Depreciation of property, plant and equipment	(7,335)	(6,280)
Depreciation of investment property	(29)	(31)
Depreciation of right-of-use assets	(804)	(1,133)
Amortisation of intangible assets	(179)	(210)
Impairment losses on property, plant and equipment and investment property (Notes 14 and 16)	43	(113)
Total depreciation, amortisation and impairment	(8,304)	(7,767)

In 2025, Depreciation of property plant and equipment was increased by CZK 24 million (2024: increased by CZK 14 million) due to allocation of costs of recognition and use of the provision for onerous contracts (Note 27.3).

10. OTHER OPERATING EXPENSES

	(CZK million)	
	2025	2024
Insurance	(134)	(132)
Expenses for uniforms	(53)	(46)
Shortages and damages	(51)	(65)
Foreign exchange rate losses – operating	(44)	(57)
Taxes and fees	(29)	(28)
Reimbursement of employee expenses	(21)	(15)
Costs of contractual fines and default interest	(2)	(2)
Write-off of inventories to net realisable value	-	(13)
Other	(199)	(108)
Total other operating expenses	(533)	(466)

11. FINANCE COSTS

(CZK million)

	2025	2024
Interest on issued bonds	(1,838)	(1,384)
Interest on bank loans	(948)	(926)
Interest on lease liabilities	(134)	(182)
Other interest expense	(361)	(230)
Less: amounts included in the cost of qualifying assets	345	409
Foreign exchange losses on loans, borrowings and lease liabilities	(43)	(374)
Bank fees	(7)	(7)
Commissions related to bank loans	(60)	(21)
Impairment of a financial investment in ČD Cargo a.s. (Note 19)	(2,448)	-
Other finance costs	(45)	(26)
Total finance costs	(5,539)	(2,741)

Other interest expense represents cash flow hedge expenses reclassified from other comprehensive income during the period.

The capitalisation rate of borrowing costs in 2025 is 0.45% p. a. (2024: 0.35% p. a.).

12. FINANCE INCOME

(CZK million)

	2025	2024
Foreign exchange gains on loans, borrowings and lease liabilities	667	84
Interest received	486	371
Total finance income	1,153	455

An increase in interest received is due to an appreciation of available funds from term deposits.

13. INCOME TAX

13.1. Income tax recognised in profit or loss

(CZK million)

	2025	2024
Tax for the current year recognised in the statement of profit or loss	(1)	-
Deferred tax recognised in the statement of profit or loss	(240)	26
Total income tax (expense) / income	(241)	26

Reconciliation of the total tax charge for the year to the accounting profit multiplied by the applicable tax rate.
(CZK million)

	2025	2024
Total profit for the period before tax	2,775	2,083
Statutory tax rate on corporate income in the Czech Republic	21%	21%
Expected income tax expense	(583)	(437)
Adjustments:		
Effect of the unrecognised deferred tax asset in the prior period	475	543
Non-taxable income – provisions (Note 27.1)	-	210
Other non-taxable income	115	99
Tax non-deductible expenses – shortages, damages and fines	(10)	(179)
Tax non-deductible payroll expenses	(17)	(16)
Other tax non-deductible expenses	(221)	(194)
Income tax recognised in profit or loss	(241)	26

13.2. Income tax recognised in other comprehensive income

(CZK million)

	2025	2024
Change in cash flow hedging reserve	(14)	(22)
Change in costs of hedging reserve	26	2
Change in revaluation reserve for investments in equity instruments at fair value through other comprehensive income	(1)	(6)
Total income tax recognised in other comprehensive income	11	(26)

13.3. Deferred tax

Reported deferred tax assets and liabilities are calculated as follows:

	(CZK million)	
	31 Dec 2025	31 Dec 2024
Deferred tax asset		
Compensation for unjust enrichment (Note 21)	3,455	3,849
Receivables	129	-
Borrowings costs	1,116	-
Contractual fines	68	-
Inventories	89	-
Impairment of a financial investment	2,448	-
Payables to employees	161	-
Lease liabilities	2,642	3,245
Basis for calculation of deferred tax	10,108	7,094
Corporate income tax rate	21%	21%
Total deferred tax asset – recognised	2,123	1,490
Deferred tax liability		
Non-current assets	(8,048)	(3,626)
Right-of-use assets	(2,560)	(3,245)
Provisions	(418)	-
Derivatives	(78)	(133)
Financial assets measured at fair value through other comprehensive income	(94)	(90)
Basis for calculation of deferred tax	(11,198)	(7,094)
Corporate income tax rate	21%	21%
Total deferred tax liabilities – recognised	(2,352)	(1,490)
Net deferred tax assets / liabilities – recognised	(229)	-

Borrowing costs include interest and other costs (in particular exchange rate differences) associated with used financial resources that meet the tax law requirements. It is possible to utilise them in the next years.

The unreported deferred tax asset as at 31 December 2024 was calculated as follows:

	(CZK million)
	31 Dec 2024
Compensation for unjust enrichment (Note 21)	298
Provisions	215
Receivables	90
Borrowing costs	1,116
Contractual penalties	176
Inventories	95
Lease liabilities	87
Payables to employees	168
Basis for calculation of deferred tax	2,245
Corporate income tax rate	21%
Deferred tax asset – not recognised	471

The tax effect of movements in temporary differences is calculated as follows:

(CZK million)

	1 Jan 2025	Deferred tax in the statement of profit or loss	Deferred tax in other comprehensive income	31 Dec 2025
Deferred tax asset				
Compensation for unjust enrichment	808	(82)	-	726
Receivables	-	27	-	27
Borrowing costs	-	234	-	234
Contractual penalties	-	14	-	14
Inventories	-	19	-	19
Impairment of a financial investment	-	514	-	514
Payables to employees	-	34	-	34
Lease liabilities	682	(127)	-	555
Total deferred tax asset – recognised	1,490	633	-	2,123
Deferred tax liability				
Non-current assets	(761)	(929)	-	(1,690)
Right-of-use assets	(682)	144	-	(538)
Provisions	-	(88)	-	(88)
Derivatives	(28)	-	12	(16)
Financial assets measured at fair value through other comprehensive income	(19)	-	(1)	(20)
Total deferred tax liability – recognised	(1,490)	(873)	11	(2,352)

	1 Jan 2024	Deferred tax in the statement of profit or loss	Deferred tax in other comprehensive income	(CZK million) 31 Dec 2024
Deferred tax asset				
Compensation for unjust enrichment	150	658	-	808
Lease liabilities	705	(23)	-	682
Total deferred tax asset – recognised	855	635	-	1,490
Deferred tax liability				
Non-current assets	(129)	(632)	-	(761)
Right-of-use assets	(705)	23	-	(682)
Derivatives	(8)	-	(20)	(28)
Financial assets measured at fair value through other comprehensive income	(13)	-	(6)	(19)
Total deferred tax liability – recognised	(855)	(609)	(26)	(1,490)

13.4. Top-up Tax

The Company falls under the scope of the Act on Top-up Taxes (global minimum tax). The Company meets the conditions of the safe haven rules test, its top-up tax is CZK 0 for 2025 and 2024.

The Company applies a temporary exception for the recognition and disclosure of the information on the deferred tax relating to Pillar Two income taxes under IAS 12; for this reason, the calculation of the deferred tax did not take the impact of the top-up tax into account.

14. ASSETS CLASSIFIED AS HELD FOR SALE

	(CZK million)	
	31 Dec 2025	31 Dec 2024
Land	3,402	-
Total assets classified as held for sale	3,402	-

Assets classified as held for sale primarily include land under the railway infrastructure used by SŽ, with which the Company negotiates on the sale.

15. PROPERTY, PLANT AND EQUIPMENT

(CZK million)

	Land	Buildings	Machinery, equipment and other	Vehicles	Components	Assets under construction	Prepayments	Total
Cost								
Balance at 1 Jan 2024	5,071	10,495	2,588	84,712	16,520	2,710	11,467	133,563
Additions	-	77	84	19,297	4,396	2,433	228	26,515
Disposals	(79)	(186)	(66)	(1,097)	(3,523)	(7)	(5,252)	(10,210)
Reclassification *	(34)	119	64	(214)	1,452	(1,598)	-	(211)
Balance at 31 Dec 2024	4,958	10,505	2,670	102,698	18,845	3,538	6,443	149,657
Additions	8	45	24	13,097	3,241	2,362	261	19,038
Disposals	(113)	(249)	(212)	(1,431)	(2,400)	(2)	(4,121)	(8,528)
Reclassification *	(3,250)	449	113	451	645	(1,561)	-	(3,153)
Balance at 31 Dec 2025	1,603	10,750	2,595	114,815	20,331	4,337	2,583	157,014
Accumulated depreciation and impairment								
Balance at 1 Jan 2024	68	5,882	1,979	49,538	6,308	-	-	63,775
Depreciation	-	218	89	3,139	2,820	-	-	6,266
Impairment losses	-	-	-	273	-	-	-	273
Reversal of impairment	-	(21)	-	(134)	(9)	-	-	(164)
Disposals	-	(123)	(66)	(1,024)	(2,273)	-	-	(3,486)
Reclassification *	-	(211)	-	-	-	-	-	(211)
Balance at 31 Dec 2024	68	5,745	2,002	51,792	6,846	-	-	66,453
Depreciation	-	226	104	3,735	3,246	-	-	7,311
Impairment losses	-	-	-	226	14	-	-	240
Reversal of impairment	-	(19)	-	(254)	-	-	-	(273)
Disposals	-	(180)	(210)	(1,429)	(2,390)	-	-	(4,209)
Reclassification *	-	32	-	-	-	-	-	32
Balance at 31 Dec 2025	68	5,804	1,896	54,070	7,716	-	-	69,554
Net book value								
Balance at 1 Jan 2024	5,003	4,613	609	35,174	10,212	2,710	11,467	69,788
Balance at 31 Dec 2024	4,890	4,760	668	50,906	11,999	3,538	6,443	83,204
Balance at 31 Dec 2025	1,535	4,946	699	60,745	12,615	4,337	2,583	87,460

* Reclassifications primarily include reclassifications of asset items between individual groups (IAS 16 and IAS 40) and transfer (capitalisation) of items from assets under construction to individual items of property, plant and equipment (Land, Buildings, Machinery, equipment and other, Vehicles).

Strategic spare parts (exchangeable units) with the acquisition cost of CZK 172 million and the net book value of CZK 0 as at 31 December 2025 are reported in Vehicles (31 December 2024: the acquisition cost of CZK 172 million and the net book value of CZK 6 million). Other spare parts with the net book value of CZK 1,454 million as at 31 December 2025 are reported in the Components (31 December 2024: CZK 951 million).

The most significant additions include the acquisition and modernisation of railway vehicles as part of the renewal of the Company's rolling stock in the amount of CZK 13,427 million in 2025 (2024: CZK 13,878 million). Due to the long-term nature of acquisition of this type of assets, significant balances are recognised in Assets under construction.

In 2025, the Company paid advances of CZK 307 million for the supply of BEMU 140 (2024: CZK 307 million).

As at 31 December 2025, the Company recognises grant promises in the amount of CZK 244 million (31 December 2024: CZK 6 million), which are reported in Other assets (Note 23).

Operating lease agreements in which the Company acts as a lessor, and which relate to movable assets (primarily rental of vehicles) are described in Note 31.

15.1. Impairment losses recognised in the reporting period

15.1.1. Asset impairment analysis

As at the balance sheet date, the Company's management assessed if there were any indications of impairment of non-financial assets. The Company's management determined the Passenger transport cash-generating unit where the Company's management includes vehicles, primarily railway vehicles (locomotives, passenger train units, other railway vehicles including leased and recognised as Right-of-use assets), other standalone movables used to operate passenger rail transport and the allocated part of corporate assets. This group of assets is tested for potential impairment as one cash-generating unit as it is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amount of the cash-generating unit was determined as the value in use. Value in use was determined based on the present value of future cash flows per cash-generating unit for the next five years. The five-year period reflects the assumptions for short- to medium-term market development and is used by the management as it allows for better reflection of the planned investment programme than the shorter period. The ČD's management believes that due to the character of the railway transport, it is able to forecast future cash flows over the whole five-year period with sufficient reliability. Cash flows beyond the five-year period have been extrapolated using a steady growth rate. This growth rate is in line with the long-term average growth rate for the sector in which the Company operates (passenger transport).

The calculation of future expected cash flows is based on an estimate of revenues, direct and indirect operating expenses and expenditures for the replacement of fixed assets for the period of 2026-2030. Revenues from the sale of services are projected on the basis of the expected collection of fares and the contracted payments from public service customers (the state and the regions) and compensation for the energy increase. Operating expenses are estimated based on the current structure of the Passenger transport segment and are adjusted for expected development and impact of cost-saving measures in operating and staff costs. Capital expenditure is based on the historical experience of the Company's management, planned development of passenger transport and commitments arising from contracts with public service customers. In general, the projections of the above-mentioned components of expected future cash flows take into account the expected economic development, competition and other market factors, regulation, as well as the Company's strategy.

The discount rate reflects the level of risk specific to the cash-generating unit as assessed by the Company's management. The basis for calculating the discount rate is the weighted average cost of capital (WACC) calculated based on the Capital Asset Pricing Model (CAPM). To calculate the recoverable amount, the cash flows expressed in nominal values were estimated and discounted using a discount rate of 7.56% (2024: 7.14%).

The expected growth rate is derived from the expected future development of the market, gross domestic product, the level of wages and interest rates and the expected economic growth of the country. A growth rate of 3% (2024: 3%) was used to calculate the recoverable amount.

The analysis performed as at 31 December 2025 confirmed that the recoverable amount of the cash-generating unit exceeds its carrying amount by CZK 14,985 million (2024: CZK 24,633 million).

Sensitivity analysis of impairment tests

When testing the recoverable amount of the cash-generating unit, a sensitivity analysis of the test results to changes in the following significant parameters used in the model was performed: the estimated future operating cash flows, the estimated capital expenditures for replacement of fixed assets, the discount rate used for calculating the present value of future cash flows and the growth rate.

31 Dec 2025	Operating cash flows for perpetuity		Estimated capital expenditures for perpetuity		Discount rate		Growth rate	
	CZK 6,872 million		CZK 10,020 million		7.56%		3.00%	
Parameter value	Increase by 10%	Decrease by 10%	Decrease by 10%	Increase by 10%	Decrease by 50 basis points	Increase by 50 basis points	Increase by 100 basis points	Decrease by 100 basis points
Increase / (decrease) in recoverable value	10,857	(10,857)	16,336	(15,324)	7,437	(12,350)	30,794	(20,086)
Impairment Yes/No	No	No	No	Yes	No	No	No	Yes
Value of impairment	-	-	-	(339)	-	-	-	(5,100)

31 Dec 2024	Operating cash flows for perpetuity		Estimated capital expenditures for perpetuity		Discount rate		Growth rate	
	CZK 6,332 million		CZK 9,035 million		7.14%		3.00%	
Parameter value	Increase by 10%	Decrease by 10%	Decrease by 10%	Increase by 10%	Decrease by 50 basis points	Increase by 50 basis points	Increase by 100 basis points	Decrease by 100 basis points
Increase / (decrease) in recoverable value	12,599	(9,829)	16,062	(16,545)	16,576	(13,108)	33,331	(21,117)
Impairment Yes/No	No	No	No	No	No	No	No	No
Value of impairment	-	-	-	-	-	-	-	-

The recoverable amount of the cash-generating unit would equal its carrying value, had the key assumptions been/changed as follows:

31 Dec 2025	Operating cash flows for perpetuity	Estimated capital expenditures for perpetuity	Discount rate	Growth rate
Parameter value	CZK 6,872 million	CZK 10,020 million	7.56%	3.00%
Parameter value where recoverable amount would equal carrying value	CZK 5,924 million	CZK 10,969 million	8.17%	2.48%
31 Dec 2024	Operating cash flows for perpetuity	Estimated capital expenditures for perpetuity	Discount rate	Growth rate
Parameter value	CZK 6,332 million	CZK 9,035 million	7.14%	3.00%
Parameter value where recoverable amount would equal carrying value	CZK 4,941 million	CZK 10,426 million	8.14%	1.83%

15.1.2. Other impairment losses

In addition, based on inventory taking and internal analyses, the Company's management identified fixed assets for which significant doubt about their future usability exists. Impairment losses were recognised for these items in the amount of the difference between the carrying value and the estimated recoverable amount. The recoverable amount of the 680 class tilting trains (Pendolino) and the 380 class locomotives was estimated as their fair value less cost to sell. Therefore, the recoverable amount of these railway vehicles was determined regardless of the cash-generating unit to which they belong. The assets belong to the Passenger transport cash-generating unit.

The market value of the 680 class EMUs was determined on the basis of an expert opinion. The impairment of these EMUs as at 31 December 2025 amounted to CZK 383 million (31 December 2024: CZK 410 million). Movement in impairment in 2025 was due to a reversal of impairment in the amount of CZK 27 million.

The market value of the 380 class locomotives is determined on the basis of an expert opinion. The impairment of these locomotives as at 31 December 2025 amounted to CZK 1,441 million (31 December 2024: CZK 1,478 million). Movement in impairment in 2025 includes a reversal of impairment loss of CZK 72 million and concurrently an increase in the impairment loss by CZK 35 million due to an accident and liquidation of the 380.017 locomotive. In 2024, the Company released an allowance of CZK 117 million relating to the accident of the 380.004 locomotive.

Impairment losses are presented in Depreciation, amortisation and impairment in the separate statement of profit or loss.

15.2. Pledged assets

As at 31 December 2025, the Company records assets pledged to EUROFIMA with the net book value of CZK 17,059 million (31 December 2024: CZK 14,211 million).

16. INVESTMENT PROPERTY

(CZK million)

	2025	2024
Balance at the beginning of the year	889	941
Additions from subsequent capitalised expenses	2	16
Depreciation	(29)	(31)
Disposals	(7)	(38)
Transfers from property, plant and equipment at net book value (from IAS 16 to IAS 40)	26	174
Transfers from property, plant and equipment at net book value (from IAS 40 to IAS 16)	(100)	(165)
Transfers from property, plant and equipment (from IAS 40 to IFRS 5)	(99)	-
Impairment (losses) / reversal of impairment losses	9	(8)
Balance at the end of the year	691	889

(CZK million)

	Balance as at 31 Dec 2025	Balance as at 31 Dec 2024	Balance as at 1 Jan 2024
Cost	1,685	1,916	1,825
Accumulated depreciation and impairment	(994)	(1,027)	(884)
Net book value	691	889	941

The Company measures Investment property as the percentage of the net book value attributable to the leased part of the property, where at least 2% of its useful area is leased to an external lessee.

The properties are located around the railroads, in train stations and depots of railway vehicles. The Company applies a market approach to determine the fair value of its land and an income approach to determine the fair value of its buildings.

When calculating the fair value of a building, firstly the annual rental income from the building is calculated as a multiple of the size of a property, occupancy as per a particular type of premises and external annual rent as per individual type of premises. Secondly, the fair value of the building is calculated as the annual rental income less the costs incurred on the building during the year and divided by the capitalisation rate for the given location (yield). Yield is updated annually based on an expert opinion and is calculated as the sum of net earned revenues (net rent) divided by the sum of achieved market prices of comparable real estate. To determine the fair value of real estate as at 31 December 2025 and 31 December 2024, depending on the type of real estate and its location, a yield in the range of 6–10% was used.

In respect of land, the fair value is calculated by multiplying the market price for m² for the specific locality and the size of the land. The market price for m² is determined each year by an expert based on the latest land price maps.

The estimated fair value of Investment property as at 31 December 2025 amounted to CZK 4,409 million (31 December 2024: CZK 5,266 million). Investment property is classified as Level 3 in terms of the method of determining fair value.

Operating lease agreements in which the Company acts as a lessor, and which relate to investment property are described in Note 31. The net book value of leased investment property as at 31 December 2025 is CZK 625 million (31 December 2024: CZK 812 million).

17. INTANGIBLE ASSETS

(CZK million)

	Software	Software licences	Assets under construction	Total
Cost				
Balance at 1 Jan 2024	1,609	724	163	2,496
Additions	98	8	45	151
Reclassification	99	-	(107)	(8)
Balance at 31 Dec 2024	1,806	732	101	2,639
Additions	109	1	51	161
Disposals	(82)	(10)	(35)	(127)
Reclassification	54	-	(54)	-
Balance at 31 Dec 2025	1,887	723	63	2,673
Accumulated amortisation				
Balance at 1 Jan 2024	1,437	702	-	2,139
Amortisation	200	10	-	210
Balance at 31 Dec 2024	1,637	712	-	2,349
Amortisation	173	6	-	179
Disposals	(82)	(10)	-	(92)
Balance at 31 Dec 2025	1,728	708	-	2,436
Net book value				
Balance at 1 Jan 2024	172	22	163	357
Balance at 31 Dec 2024	169	20	101	290
Balance at 31 Dec 2025	159	15	63	237

The amortisation costs were reported in Depreciation, amortisation and impairment in the separate statement of profit or loss.

Intangible assets are tested for potential impairment as part of the Passenger transport cash-generating unit (Note 15.1.1).

18. RIGHT-OF-USE ASSETS

The Company leases land, administrative premises, railway station buildings, locomotives, cars and equipment. Lease contracts are usually concluded for a defined period (3 to 10 years). Part of the contracts is concluded for an indefinite period (see Note 4.1.3).

(CZK million)

	Land	Buildings – premises at railway stations	Buildings – administrative	Machinery and equipment	Locomotives	Other vehicles	Total
Cost							
Balance at 1 Jan 2024	1	395	348	10	4,176	38	4,968
Additions	-	-	14	-	1,814	1	1,829
Disposals	-	(19)	(35)	(4)	(1,636)	-	(1,694)
Change in estimates *	1	56	31	-	-	-	88
Balance at 31 Dec 2024	2	432	358	6	4,354	39	5,191
Additions	-	-	99	7	51	96	253
Disposals	-	(21)	(26)	(4)	(108)	(35)	(194)
Change in estimates *	-	31	33	-	-	-	64
Balance at 31 Dec 2025	2	442	464	9	4,297	100	5,314
Accumulated depreciation and impairment							
Balance at 1 Jan 2024	-	243	108	7	1,234	20	1,612
Depreciation	-	32	48	1	1,042	10	1,133
Disposals	-	-	(12)	(4)	(733)	-	(749)
Balance at 31 Dec 2024	-	275	144	4	1,543	30	1,996
Depreciation	-	29	62	2	695	16	804
Disposals	-	-	(4)	(4)	(3)	(35)	(46)
Balance at 31 Dec 2025	-	304	202	2	2,235	11	2,754
Net book value							
Balance at 1 Jan 2024	1	152	240	3	2,942	18	3,356
Balance at 31 Dec 2024	2	157	214	2	2,811	9	3,195
Balance at 31 Dec 2025	2	138	262	7	2,062	89	2,560

* Change in estimate primarily represents a change in the estimated lease term of the assets.

In 2025, additions include new contracts for the lease of non-residential premises, renewal of the rolling stock and use of the option to purchase the Vectron locomotive (2024: 22 newly leased Vectron locomotives).

The disposal of locomotives includes the use of options for the purchase of the Vectron locomotive with the net book value of CZK 105 million in 2025 (2024: purchase of 9 Vectron locomotives of CZK 903 million).

Right-of-use assets are tested for potential impairment as part of the Passenger transport cash-generating unit (Note 15.1.1).

The amounts recognised in the separate statement of profit or loss:

	(CZK million)	
	2025	2024
Depreciation of right-of-use assets	(804)	(1,133)
Interest expense on lease liabilities	(134)	(182)
Expense related to short-term leases	(51)	(51)
Expense related to low-value assets leases	(47)	(37)
Proceeds from sublease of right-of-use assets	-	104

Lease liabilities are disclosed in Note 26.2.

18.1. Sensitivity analysis of right-of-use assets and lease liabilities

When calculating the value of right-of-use assets and lease liability for lease contracts with indefinite lease term, a sensitivity analysis to changes in estimated lease term was performed.

For buildings, a change in estimated lease term by one year with other parameters unchanged would lead to a change in the value of right-of-use assets and lease liabilities by CZK 64 million (2024: CZK 87 million).

19. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

(CZK million)

	31 Dec 2025	31 Dec 2024
Investments in subsidiaries	9,274	11,722
Investments in associates and joint ventures	111	111
Total	9,385	11,833

19.1. Information on subsidiaries

(CZK million)

Name of the entity	Principal place of business	Carrying value of investment as at 31 Dec 2025	Carrying value of investment as at 31 Dec 2024
ČD Cargo, a.s.	Prague	6,312	8,760
ČD – Telematika a.s.	Prague	2,058	1,936
DPOV, a.s.	Přerov	434	434
Výzkumný Ústav Železniční, a.s.	Prague	383	383
ČD – Informační Systémy, a.s.	Prague	-	122
ČD Bus a.s.	Vyškov	58	58
ČD Restaurant, a.s.	Prague	15	15
ČD travel, s.r.o.	Prague	8	8
Dopravní vzdělávací institut, a.s.	Prague	6	6
RailReal a. s.	Prague	-	-
Total		9,274	11,722

On 1 June 2025, ČD – Informační Systémy, a.s. ceased to exist due to a merger by amalgamation with the successor company ČD – Telematika a.s.

While testing the impairment of equity investments, it was identified that the equity of ČD Cargo, a.s. was lower than the carrying value of the financial investment in this entity. For this reason, the above equity investment was impaired at CZK 2,448 million as at 31 December 2025.

Name of the entity	Principal activity	Ownership percentage as at 31 Dec 2025	Ownership percentage as at 31 Dec 2024
Výzkumný Ústav Železniční, a.s.	Research and development in the area of rolling stock	100%	100%
ČD – Telematika a.s.	Provision of ITC services	100%	100%
DPOV, a.s.	Repairs and renovations of rolling stock	100%	100%
ČD Cargo, a.s.	Operations of railway freight transport	100%	100%
ČD – Informační Systémy, a.s.	Provision of ITC services	-%	100%
Dopravní vzdělávací institut, a.s.	Provision of educational services	100%	100%
ČD travel, s.r.o.	Travel agency	51.72%	51.72%
ČD Bus a.s.	Operation of bus transport	100%	100%
RailReal a.s.	Engineering in investment construction	66%	66%
ČD Restaurant, a.s.	Hospitality and real estate activities	100%	100%

19.2. Information on associates and joint ventures

(CZK million)

Name of the entity	Principal place of business	Carrying value of investment as at 31 Dec 2025	Carrying value of investment as at 31 Dec 2024
JLV, a.s.	Prague	110	110
Masaryk Station Development, a.s.	Prague	-	-
Žižkov Station Development, a.s.*	Prague	1	1
Total		111	111

Name of the entity	Principal activity	Ownership percentage as at 31 Dec 2025	Ownership percentage as at 31 Dec 2024
JLV, a.s.	Catering activities	38.79%	38.79%
Masaryk Station Development, a.s.	Development of the Masaryk station	34%	34%
Žižkov Station Development, a.s.*	Development of the Žižkov station	51%	51%

* In accordance with the Articles of Association of these entities, it is necessary to have at least 52% of all votes to adopt significant resolutions, and it is therefore a joint venture.

Summary of financial information on associates and joint ventures:

(CZK million)

31 Dec 2025 / Year ended 31 Dec 2025	Masaryk Station Development, a.s.	JLV, a.s.	Žižkov Station Development, a.s.	Total
Total assets	7	482	2	491
of which: <i>non-current assets</i>	-	307	-	307
<i>current assets</i>	7	175	2	184
Total liabilities	-	124	1	125
of which: <i>non-current liabilities</i>	-	-	-	-
<i>current liabilities</i>	-	124	1	125
Net assets / liabilities	7	358	1	366
The Company's share of net assets / liabilities	2	139	1	142
Total income	-	708	4	712
Profit / (loss) for the period	-	13	3	16
Comprehensive income for the period	-	13	3	16
The Company's share in profit	-	5	2	7

	(CZK million)			
31 Dec 2024 / Year ended 31 Dec 2024	Masaryk Station Development, a.s.	JLV, a.s.	Žižkov Station Development, a.s.	Total
Total assets	6	458	12	476
of which: <i>non-current assets</i>	-	288	11	299
<i>current assets</i>	6	170	1	177
Total liabilities	-	105	13	118
of which: <i>non-current liabilities</i>	-	-	4	4
<i>current liabilities</i>	-	105	9	114
Net assets / liabilities	6	353	(1)	358
The Company's share of net assets / liabilities	2	137	(1)	138
Total income	4	652	2	658
Profit / (loss) for the period	-	6	-	6
Comprehensive income for the period	-	6	-	6
The Company's share in profit	-	2	-	2

20. INVENTORIES

	(CZK million)	
	31 Dec 2025	31 Dec 2024
Spare parts for machinery and equipment	212	198
Spare parts for rolling stock	2,202	2,053
Fuels, lubricants and other oil products	49	49
Work clothes, work shoes, protective devices	69	82
Other	125	125
Total cost	2,657	2,507
Impairment of inventories to their net realisable value *	(89)	(95)
Total net book value	2,568	2,412

* The amount of inventories for which the allowance was accounted for is CZK 251 million as at 31 December 2025 and CZK 242 million as at 31 December 2024.

The amount of inventories recognised as an expense in 2025 was CZK 3,035 million (2024: CZK 2,998 million).

21. TRADE RECEIVABLES

	(CZK million)		
31 Dec 2025	Long-term	Short-term	Total
Trade receivables – gross	2,486	2,645	5,131
Expected credit loss allowance	(18)	(43)	(61)
Trade receivables – net	2,468	2,602	5,070

	(CZK million)		
31 Dec 2024	Long-term	Short-term	Total
Trade receivables – gross	1,100	2,329	3,429
Expected credit loss allowance	-	(130)	(130)
Trade receivables – net	1,100	2,199	3,299

Movements in the expected credit loss allowance:

	(CZK million)	
	2025	2024
Allowance as at 1 January	130	121
Charge for the year – trade receivables	9	22
Release of allowance – trade receivables	(78)	(13)
Allowance as at 31 December	61	130

Since 2017, the Company has billed SŽ the compensation for unjust enrichment resulting from SŽ using the Company's property, mainly land plots under the railway infrastructure. As at 31 December 2025, the Company determined the compensation for 2017–2025 in the amount of CZK 4,276 million including VAT based on the expert's opinion (as at 31 December 2024 for 2017–2024 in the amount of CZK 4,947 million including VAT). No agreement has been reached yet on the amount of the compensation. Due to this uncertainty, the Company did not recognise a receivable from this transaction. However, as at 31 December 2025, a receivable arises from the Company's claim to either collect or get refunded the related VAT amounting to CZK 821 million that was presented in the long-term receivables – gross (as at 31 December 2024: CZK 800 million).

The increase in long-term receivables is due to a long-term receivable from the sale of property, plant and equipment in the area of Nákladové nádraží Žižkov train station.

22. OTHER FINANCIAL ASSETS

	(CZK million)	
	31 Dec 2025	31 Dec 2024
Equity investments at fair value through other comprehensive income *	362	357
Finance lease receivables	79	78
Hedging derivatives *	14	122
Loans within the ČD Group	-	58
Restricted cash	72	62
Total non-current financial assets	527	677
Hedging derivatives *	444	193
Group cash pooling	159	224
Receivables from shortages and damages	40	32
Loans within the ČD Group	-	128
Restricted cash	56	117
Collateral posted for hedging derivatives (Note 34.4.1)	62	-
Other	123	44
Total current financial assets	884	738
Total	1,411	1,415

* Hedging derivatives and equity investments at fair value through other comprehensive income are measured at fair value; other financial assets are measured at amortised cost.

The Company classified the below equity securities as equity investments at fair value through other comprehensive income because the investment is expected to be held for strategic purposes rather than for income from resale, and there are no plans to sell this investment in the short to medium term.

(CZK million)

	Fair value at 31 Dec 2025	Fair value at 31 Dec 2024	Dividends reported in 2025	Dividends reported in 2024
EUROFIMA	358	353	4	3
Hit Rail B.V.	4	4	-	-
Total	362	357	4	3

During 2025, the Company sold no strategic investments and there were no transfers of accumulated profits or losses within equity in relation to these investments.

Restricted cash includes cash that the Company is obliged to have deposited in special bank accounts, and which can be disposed only once the conditions with which they are connected have been met. These are funds that relate mainly to grants from the European Union or the ministries and that cash can be used only in line with the grant conditions and for the acquisition of specific grant-related assets or technical improvement on these assets and funds restricted under Czech tax legislation.

Movements in the expected credit loss allowance:

(CZK million)

	2025	2024
Allowance as at 1 January	6	8
Creation of allowance – other financial assets	1	1
Release of allowance – other financial assets	(4)	(3)
Allowances as at 31 December	3	6

Further information on Other financial assets is provided in Note 34.7 Credit risk management.

22.1. Finance lease receivables

The Company leased the station building at the Brno - main railway station in the form of a finance lease.

Maturity analysis of future lease payments:

(CZK million)

	31 Dec 2025	31 Dec 2024
1 st year	23	23
2 nd year	23	23
3 rd year	23	23
4 th year	23	23
5 th year	23	23
Over 5 years	415	427
Undiscounted lease payments	530	542
Less: unrealised financial income	(450)	(462)
Present value of lease payments	80	80
Expected credit loss allowance	(1)	(2)
Net investment in lease	79	78
In the separate statement of financial position as:		
<i>Other current financial assets</i>	-	-
<i>Other non-current financial assets</i>	79	78
Total	79	78

The amounts recognised in the separate statement of profit or loss:

(CZK million)

	2025	2024
Finance income from the net investment in finance leases	23	23

The Company uses a simplified approach in accordance with IFRS 9 to measure expected credit losses, which allows recognition of expected loss allowance over the useful life of all finance lease receivables.

The Company is not exposed to currency risk as a result of lease arrangements as the leases are denominated in CZK.

Further information on finance lease receivables is provided in Note 34.7 Credit risk management.

23. OTHER ASSETS

(CZK million)

	31 Dec 2025	31 Dec 2024
Total non-current	121	8
Prepayments provided	79	85
Tax assets – VAT	949	410
Tax assets – other (except for taxes on corporate income)	1	8
Prepaid expenses	91	60
Grants	244	6
Other	62	6
Total current	1,426	575
Total	1,547	583

Grants represent investment grants.

24. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are measured at amortised cost in the separate statement of financial position. The Company expects immaterial credit losses on these items due to the high credit quality of cash deposits held with reputable financial institutions with a high investment credit rating with which the Company cooperates on the basis of long-term and stable relationships.

For the purposes of the separate cash flow statement, cash includes cash on hand, cash in bank accounts and depository bills. The cash at the end of the reporting periods recognised in the separate cash flow statement can be reconciled with the relevant items in the separate statement of financial position as follows:

(CZK million)

	31 Dec 2025	31 Dec 2024
Cash and cash in transit	35	47
Bank accounts *	13,834	6,598
Total	13,869	6,645

* Bank rating analysis is provided in Note 34.7.

25. EQUITY

25.1. Share capital

The Company's share capital is composed of the investment made by the Czech Republic as the sole shareholder, represented by the Ministry of Transport of the Czech Republic. As at 31 December 2025 and 31 December 2024, the share capital consisted of 20 ordinary registered shares with a nominal value of CZK 1 billion. The shares are placed with the shareholder's representative, the Ministry of Transport, and are transferable only subject to the prior consent of the Government of the Czech Republic. All the shares are fully paid. There were no changes in the share capital during 2025.

Each shareholder is entitled to attend and vote at the General Meeting. Shareholders have the right to request and receive explanations on matters concerning the Company or its controlled entities. The voting right is associated with the share and is determined by its nominal value, such that one vote corresponds to each CZK 1 billion of the nominal value of the share. If the state is the shareholder, it exercises the rights of the Company's shareholder in accordance with the law through the Steering Committee.

25.2. Other capital funds

	(CZK million)	
	31 Dec 2025	31 Dec 2024
Share premium	16,440	16,440
Reserve fund	-	209
Cash flow hedging reserve	233	179
Costs of hedging reserve	(171)	(74)
Revaluation of investments to equity instruments at fair value through other comprehensive income	75	71
Actuarial remeasurements of defined benefit obligations	99	117
Total	16,676	16,942

25.2.1. Share premium

The share premium represents the difference between the nominal value of the shares and the non-monetary contribution at the establishment of the Company, by which the issue price of the shares was paid.

The amount of share premium, which was thus determined during the transition to accounting in accordance with the IFRS Accounting Standards as adopted by the EU is CZK 16,440 million as at 31 December 2025 and 31 December 2024.

25.2.2. Reserve fund

	(CZK million)	
	2025	2024
Balance at the beginning of the year	209	116
Allocation to the reserve fund	-	93
Transfer from the reserve fund to retained earnings	(209)	-
Balance at the year-end	-	209

Allocations to the reserve fund are made in accordance with the Articles of Association of the Company. In 2025, there was a change in the Articles of Association, and the reserve fund balance as at 31 December 2024 was transferred to retained earnings.

25.2.3. Cash flow hedging reserve

	(CZK million)	
	2025	2024
Balance at the beginning of the year	179	208
Revaluation gain / (loss)	(131)	(16)
Reclassification to profit or loss	199	119
Total change in the cash flow hedging reserve	68	103
Related deferred income tax	(14)	(22)
Reclassification of deferred tax	-	(110)
Balance at the year-end	233	179

The cash flow hedging reserve includes accumulated gains and losses from the effective hedging of cash flows. The accumulated deferred gain or loss from hedging derivatives is reclassified to the profit or loss only when a hedging transaction affects the profit or loss or is included in the hedged non-financial item as an adjustment to the carrying value in accordance with the relevant accounting policies.

Gains and losses reclassified from equity during the year are presented in Finance costs in the separate statement of profit or loss.

Reclassifications from cash flow hedging reserve to profit or loss for each of the risk exposures:

	(CZK million)	
	2025	2024
Cross-currency interest rate swaps – hedging of bond funding in EUR with fixed rate		
Balance at the beginning of the year	171	219
Change in the fair value of hedging derivatives	(131)	(89)
Reclassification to profit or loss	205	168
Related deferred income tax – change	(15)	(17)
Reclassification of deferred tax	-	(110)
Balance at the year-end	230	171

	(CZK million)	
	2025	2024
Interest rate swaps – securing loans with a variable rate		
Balance at the beginning of the year	8	(11)
Change in fair value of hedging derivatives	-	73
Reclassification to profit or loss	(6)	(49)
Related deferred income tax – change	1	(5)
Balance at the year-end	3	8

25.2.4. Costs of hedging reserve

Costs of hedging represent accumulated gains and losses from changes in fair value excluded from hedging instruments related to the currency base margin of cross-currency interest rate swaps.

The Company has assessed that the separate currency base margin relates to a period of time, not to a specific transaction. Therefore, the Company systematically amortises costs of hedging through profit or loss over the duration of the hedging relationship to the extent they are associated with the hedged item.

	(CZK million)	
	2025	2024
Balance at the beginning of the year	(74)	(102)
Reclassification to profit or loss	(19)	(18)
Change in fair value in costs of hedging	(104)	8
Related deferred income tax	26	2
Reclassification of deferred tax	-	36
Balance at the year-end	(171)	(74)

Additional information regarding derivatives and hedging accounting is provided in Note 34.

25.2.5. Revaluation of investments to equity instruments at fair value through other comprehensive income

Revaluation of investments to equity instruments at fair value through other comprehensive income includes the accumulated net change in fair value of equity instruments revalued through other comprehensive income, after deducting accumulated gains/(losses) transferred to retained earnings on derecognition.

	(CZK million)	
	2025	2024
Balance at the beginning of the year	71	68
Revaluation	5	30
Related deferred income tax	(1)	(6)
Reclassification of deferred tax	-	(21)
Balance at the year-end	75	71

26. LOANS, BORROWINGS AND LEASE LIABILITIES

	(CZK million)	
	31 Dec 2025	31 Dec 2024
Bank loans	993	998
Loans from EUROFIMA	558	397
Lease liabilities	798	851
Group cash pooling	830	802
Bonds issued	12,923	556
Total short-term	16,102	3,604
Bank loans	4,347	5,329
Loan from EUROFIMA	15,830	15,896
Lease liabilities	1,844	2,481
Bonds issued	37,587	38,736
Total long-term	59,608	62,442
Total	75,710	66,046

Portions of long-term loans, bonds, borrowings and lease liabilities that are repayable in a period shorter than one year from the date of the Separate Financial Statements are presented as short-term loans, borrowings and lease liabilities.

The Company did not breach any terms of the loan agreements in 2025 or 2024.

26.1. Bonds issued

Issue date	Nomin al value	Due date	Publicly traded	Coupon	Carrying value as at 31 Dec 2025 (CZK million)	Carrying value as at 31 Dec 2024 (CZK million)
5 Nov 2014	EUR 150 million	5 Nov 2029	No	3.50%	3,651	3,783
3 June 2015	EUR 77.5 million	3 June 2035	No	3.00%	1,899	1,981
23 May 2019	EUR 500 million	23 May 2026	Yes	1.50%	12,218	12,665
12 Oct 2022	EUR 500 million	12 Oct 2027	Yes	5.625%	12,241	12,697
24 June 2024	CZK 8,001 million	24 June 2029	Yes	5.50%	8,180	8,166
28 May 2025	EUR 500 million	28 July 2030	Yes	3.75%	12,321	-
Total					50,510	39,292
- of which short-term					12,923	556
- of which long-term					37,587	38,736

The Company did not breach any terms or conditions valid for the issued bonds in 2025 or 2024.

Bondholders could request early repayment of bonds within 90 days once the state's share in the Company falls below 75% or the Company's share in the segments of passenger or freight transport falls under 50% and, at the same time, the Company's rating falls below the investment grade.

26.2. Lease liabilities

The Company recognised lease liabilities as follows:

	(CZK million)	
	31 Dec 2025	31 Dec 2024
Short-term lease liabilities	798	851
Long-term lease liabilities	1,844	2,481
Total lease liabilities	2,642	3,332

Expenses relating to short-term leases and low-value asset leases, that are not included in the above short-term lease liabilities, are reported in Cost of services, raw materials and energy in the separate statement of profit or loss (see Note 7).

Total cash outflows related to leases amounted to CZK 1,189 million in 2025 and CZK 2,176 million in 2024.

The information on right-of-use assets is disclosed in Note 18.

The Company is not exposed to significant liquidity risk with respect to lease liabilities. The analysis of the maturity of lease liabilities is disclosed in Note 34.8.1.

26.3. Bank loans

(CZK million)

Loan type / Currency	Interest	Final maturity	Carrying value as at 31 Dec 2025	Carrying value
Investments loans in CZK	Variable	2028–2029	4,056	4,996
Investment loans in CZK	Fixed	2029–2031	1,284	1,331
Total			5,340	6,327
- of which short-term			993	998
- of which long-term			4,347	5,329

Investment bank loans are repaid in regular semi-annual, or quarterly principal payments in line with repayment schedules. The final maturity shown in the table represents the date of the last repayment. Part of the principal due within 12 months from the balance sheet is classified in the balance sheet as a short-term bank loan. A detailed time structure of future undiscounted cash flows (including future repayments of the principal and interest) is discussed in Note 34.8.1 Liquidity risk tables.

Bank loans are not collateralised.

26.4. Loan from EUROFIMA

The Company drew a loan from EUROFIMA in which it owns 1% (Note 33), in the following 4 tranches:

(CZK million)

	Nominal value	Due date	Interest rates	Carrying value at 31 Dec 2025	Carrying value at 31 Dec 2024
1 st tranche	CZK 6,903 million	30 March 2033	Fixed	7,145	7,147
2 nd tranche	EUR 70 million	30 March 2033	Fixed	1,740	1,808
3 rd tranche	CZK 2,687 million	30 March 2033	Fixed	2,776	2,777
4 th tranche	CZK 4,543 million	31 May 2035	Fixed	4,727	4,561
Total				16,388	16,293
- of which short-term				558	397
- of which long-term				15,830	15,896

The loan from EUROFIMA is collateralised by pledge contracts for the financed assets.

26.5. Changes in liabilities from financing activities

Changes in liabilities from financing activities including changes arising from cash flows and non-cash changes are disclosed in the following table.

(CZK million)

Note	Short-term bank loans	Long-term bank loans	Lease liabilities – short-term	Lease liabilities – long-term	Loan from EUROFIMA – short-term	Loan from EUROFIMA – long-term	Group cash pooling	Issued bonds – short-term	Issued bonds – long-term	Total
Note	26	26	26	26	26	26	26	26	26	26
Liabilities from financing as at 1 Jan 2024	1,016	6,309	1,514	1,899	290	11,321	641	1,064	30,183	54,237
Cash flows from financing activities	(981)	-	(1,906)	-	-	4,543	161	(760)	7,951	9,008
<i>Use of loans and borrowings</i>	-	-	-	-	-	4,543	161	-	7,951	12,655
<i>Repayments of loans and borrowings</i>	(981)	-	-	-	-	-	-	(760)	-	(1,741)
<i>Repayment of principal of lease liabilities</i>	-	-	(1,906)	-	-	-	-	-	-	(1,906)
Effect of exchange rate changes	-	-	5	42	-	36	-	28	565	676
Reclassification *	970	(970)	821	(821)	107	(107)	-	-	-	-
Additions to new leases and change in estimates	-	-	417	1,362	-	-	-	-	-	1,779
Accrued interest	63	361	46	136	-	502	40	320	1,064	2,532
Interest paid (cash flows from operating activities) **	(70)	(371)	(46)	(137)	-	(337)	(40)	(34)	(784)	(1,819)
Capitalised interest paid (cash flows from investing activities)	-	-	-	-	-	-	-	(62)	(293)	(355)
Other non-cash movements	-	-	-	-	-	(62)	-	-	50	(12)
Liabilities from financing as at 31 Dec 2024	998	5,329	851	2,481	397	15,896	802	556	38,736	66,046
Cash flows from financing activities	(981)	-	(957)	-	-	-	28	-	12,406	10,496
<i>Use of loans and borrowings</i>	-	-	-	-	-	-	28	-	12,406	12,434
<i>Repayments of loans and borrowings</i>	(981)	-	-	-	-	-	-	-	-	(981)
<i>Repayment of principal of lease liabilities</i>	-	-	(957)	-	-	-	-	-	-	(957)
Effect of exchange rate changes	-	-	(1)	(100)	-	(66)	-	(493)	(1,021)	(1,681)
Reclassification *	981	(981)	876	(876)	161	(161)	-	12,593	(12,593)	-
Additions to new leases and change in estimates	-	-	29	244	-	-	-	-	-	273
Accrued interest	46	225	40	94	-	677	24	658	1,180	2,944
Interest paid (cash flows from operating activities) **	(51)	(225)	(40)	(94)	-	(434)	(24)	(332)	(964)	(2,164)
Capitalised interest paid (cash flows from investing activities)	-	-	-	-	-	(86)	-	(59)	(141)	(286)
Other non-cash movements	-	(1)	-	95	-	4	-	-	(16)	82
Liabilities from financing as at 31 Dec 2025	993	4,347	798	1,844	558	15,830	830	12,923	37,587	75,710

* Loans and borrowings classified in the previous period as long-term, which became short-term in the current period.

** Interest paid line in the separate cash flow statement for the year 2025 also includes cash flows from securing interest payments in the amount of CZK 233 million (2024: CZK 175 million).

27. PROVISIONS

(CZK million)

	Balance as at 1 Jan 2024	Creation	Use	Release of unused part	Balance as at 31 Dec 2024	Creation	Use	Release of unused part	Balance as at 31 Dec 2025
Provisions for legal disputes	1,002	-	809	193	-	-	-	-	-
- of which: long-term part	-				-				-
Provision for post-employment benefits	133	1	10	-	124	44	12	-	156
- of which: long-term part	102				94				116
Provision for other long-term employee benefits	117	82	83	-	116	75	79	-	112
- of which: long-term part	38				37				39
Provision for onerous contracts	116	77	116	-	77	49	10	26	90
- of which: long-term part	11				73				76
Other provisions	14	20	11	3	20	154	18	-	156
- of which: long-term part	-				-				-
Total provisions	1,382	180	1,029	196	337	322	119	26	514
- of which long-term	151				204				231
- of which short-term	1,231				133				283

27.1. Provision for legal disputes

The Company recognises a provision for legal disputes according to the anticipated results of all ongoing legal disputes and the related probable cash outflows from the Company.

27.1.1. Alleged cartel agreement between ČD, ZSSK and ÖBB for the sale of the disposed rolling stock

In 2024, the provision for legal disputes in the amount of CZK 809 million was used following a fine imposed by the European Commission regarding the cartel agreement between the Company and ÖBB (The Austrian Federal Railways) amounting to EUR 31.94 million. The remaining amount of the recognised provision was released.

Information on other legal disputes is disclosed in Note 33.1.

27.2. Provisions for employee benefits

The provision for post-employment benefits represents an employee's entitlement to a financial contribution upon retirement. The provision for other long-term employee benefits represents the employees' entitlement to a financial contribution upon reaching a jubilee and to the payment of medical expenses, including compensation

of wages during curative and rehabilitation stays. In calculating these provisions, the Company used an actuarial model based on current employee data (number of employees, date of old-age pension, average salary, amount of financial contribution), expected parameters determined with the Company's qualified estimate (expected fluctuation, salary increase) and publicly available statistical data (expected inflation rate of 2%, probability of death and disability according to data from the Czech Statistical Office). The change in the provision related to retirement benefits caused by the change in these parameters is reported as actuarial gains (losses) in the separate statement of other comprehensive income. The change in the provision for other benefits is recognised in the separate statement of profit or loss. Cash flows are discounted to present value using a discount rate derived from the rate of return on 10-year government bonds.

27.3. Provision for onerous contracts

As at 31 December 2025, the Company created a provision for onerous contracts in the amount of CZK 90 million (31 December 2024: CZK 77 million). The provision is recognised for contracts concluded with the regions where the unavoidable costs of fulfilling the obligation stipulated in the contracts exceed the economic benefits that are expected to be accepted on the basis of these contracts. As the assets used to perform these contracts are not exclusively attributable to the contracts, no impairment is recognised for these assets in accordance with IAS 36.

28. OTHER FINANCIAL LIABILITIES

	(CZK million)	
	31 Dec 2025	31 Dec 2024
Financial derivatives * (Note 34.2)	748	566
Other	48	170
Total non-current	796	736
Financial derivatives * (Note 34.2)	1,558	408
Other	47	46
Total current	1,605	454
Total	2,401	1,190

* Financial derivatives are stated at fair value, other financial liabilities are stated at amortised cost.

29. OTHER LIABILITIES AND CONTRACT LIABILITIES

	(CZK million)	
	31 Dec 2025	31 Dec 2024
Total non-current	64	5
Advances received	3	4
Payables to employees	854	939
Liabilities for social security and health insurance	311	314
Tax liabilities – tax withheld from employees	67	75
Contract liabilities (Note 5.2)	295	272
Refund liabilities (Note 5.2)	330	336
Other	60	954
Total current	1,920	2,894
Total	1,984	2,899

Other non-current liabilities and contract liabilities as at 31 December 2025 include long-term prepayments received of CZK 60 million and investment subsidies of CZK 5 million (31 December 2024: CZK 5 million).

The Other item in Other current liabilities as at 31 December 2024 included a fine under the resolution of the European Commission in the amount of EUR 31.94 million (CZK 809 million) relating to the alleged cartel agreement with ÖBB due in January 2025. In addition, this item included investment subsidies totalling CZK 76 million as at 31 December 2024.

The Company has no payables to taxation authorities, social security authorities or health insurers past their due dates.

30. RELATED PARTIES

30.1. Income from subsidiaries and associates

(CZK million)					
2025	Commission on inventory sales	Sales of services	Dividends	Other income *	Total
ČD – Telematika a.s.	-	13	116	18	147
Výzkumný Ústav Železniční, a.s.	-	13	422	-	435
DPOV, a.s.	28	22	-	8	58
ČD Cargo, a.s.	5	206	-	1	212
Dopravní vzdělávací institut, a.s.	-	10	1	-	11
ČD travel, s.r.o.	-	-	-	-	-
ČD Bus a.s.	-	14	-	5	19
JLV, a.s.	-	2	3	1	6
Total	33	280	542	33	888

* Including finance income

(CZK million)					
2024	Commission on inventory sales	Sales of services	Dividends	Other income *	Total
ČD – Telematika a.s.	-	4	189	-	193
Výzkumný Ústav Železniční, a.s.	-	9	275	-	284
DPOV, a.s.	32	16	-	16	64
ČD Cargo, a.s.	8	308	-	1	317
ČD – Informační Systémy, a.s.	-	16	-	13	29
Dopravní vzdělávací institut, a.s.	-	9	2	-	11
ČD travel, s.r.o.	-	1	-	-	1
ČD Bus a.s.	-	12	-	5	17
JLV, a.s.	-	2	3	-	5
Total	40	377	469	35	921

* Including finance income

30.2. Purchase from subsidiaries and associates

(CZK million)

2025	Purchase of material	Services	Other expenses *	Total
ČD – Telematika a.s.	8	617	8	633
Výzkumný Ústav Železniční, a.s.	-	2	15	17
DPOV, a.s.	1	53	-	54
ČD Cargo, a.s.	2	34	-	36
JLV, a.s.	-	295	-	295
Dopravní vzdělávací institut, a.s.	-	88	1	89
ODP-software, spol. s r.o.	2	20	-	22
ČD relax s.r.o.	-	28	-	28
ČD Bus a.s.	-	993	-	993
CHAPS spol. s r.o.	-	5	-	5
Total	13	2,135	24	2,172

* Including finance expenses

(CZK million)

2024	Purchase of material	Services	Other expenses *	Total
ČD – Telematika a.s.	8	204	18	230
Výzkumný Ústav Železniční, a.s.	-	1	19	20
DPOV, a.s.	1	110	-	111
ČD Cargo, a.s.	2	35	2	39
ČD – Informační Systémy, a.s.	5	325	-	330
JLV, a.s.	-	260	-	260
Dopravní vzdělávací institut, a.s.	-	84	1	85
ODP-software, spol. s r.o.	1	20	-	21
ČD relax s.r.o.	-	30	-	30
ČD Bus a.s.	-	1,256	-	1,256
CHAPS spol. s r.o.	-	5	-	5
Total	17	2,330	40	2,387

* Including finance expenses

Subsidiaries and associates use services provided by the Company under the conditions applicable to other customers. On the expense side, the Company purchases services and materials from subsidiaries and associates under the same conditions as other customers.

30.3. Purchases and sales of intangible and tangible non-current assets from/to subsidiaries and associates

(CZK million)

Sales	Tangible fixed assets 2025	Tangible fixed assets 2024
ČD Cargo, a.s.	125	212
Total	125	212

(CZK million)

Purchases	Intangible fixed assets 2025	Tangible fixed assets 2025	Intangible fixed assets 2024	Tangible fixed assets 2024
ČD – Telematika a.s.	101	1,274	-	895
DPOV, a.s.	-	1,384	-	1,570
ODP-software, spol. s r.o.	1	-	-	-
ČD – Informační Systémy, a.s.	-	-	114	34
Tramex Rail s.r.o.	10	-	-	2
Total	112	2,658	114	2,501

Purchases of non-current assets from DPOV, a.s. include purchases of rolling stock components – major periodical repairs. Purchases of fixed assets from ČD – Telematika a.s. primarily include an installation of ETCS into selected locomotives and electric units.

30.4. Trade receivables and trade payables with subsidiaries and associates at the end of the reporting period

(CZK million)		
31 Dec 2025	Receivables	Payables
ČD – Telematika a.s.	145	746
Výzkumný Ústav Železniční, a.s.	5	-
DPOV, a.s.	17	214
ČD Cargo, a.s.	276	4
JLV, a.s.	-	33
Dopravní vzdělávací institut, a.s.	2	4
ČD travel, s.r.o.	-	1
ODP-software, spol. s r.o.	-	4
CHAPS spol. s r.o.	-	2
ČD Bus a.s.	4	99
Total	449	1,107

(CZK million)		
31 Dec 2024	Receivables	Payables
ČD – Telematika a.s.	249	265
Výzkumný Ústav Železniční, a.s.	3	-
DPOV, a.s.	32	288
ČD Cargo, a.s.	255	5
JLV, a.s.	-	52
ČD – Informační Systémy, a.s.	5	155
Dopravní vzdělávací institut, a.s.	2	8
ČD travel, s.r.o.	1	6
ODP-software, spol. s r.o.	-	6
CHAPS spol. s r.o.	-	2
ČD Bus a.s.	3	187
Total	550	974

Outstanding balances are not secured and will be paid by bank transfers. No guarantees were given or accepted. Receivables are usually due within 30 days, payables within 45 days. In terms of IFRS 9, impairment losses on related parties' receivables were assessed as immaterial.

30.5. Capital Commitments

As at the date of the Separate Financial Statements, the Company concluded contracts with related parties for the purchase of property, plant and equipment:

(CZK million)		
	31 Dec 2025	31 Dec 2024
ČD – Telematika a.s.	505	1,477
DPOV, a.s.	452	544
ČD – Informační Systémy, a.s.	-	52
ODP-software, spol. s r.o.	3	1
Total	960	2,074

The contracts with ČD-Telematika mainly represent the purchase of ETCS systems.

30.6. Loans to related parties

(CZK million)

Counterparty	Amount of loan provided	Date of loan	Maturity	Interest rate	Carrying value as at 31 Dec 2025	Carrying value as at 31 Dec 2024
ČD – Informační Systémy, a.s.	-	27 Sept 2017	27 Sept 2027	3M PRIBOR plus margin	-	58
ČD – Informační Systémy, a.s.	-	14 Sept 2024	14 March 2025	fixed	-	50
ČD Bus a.s.	-	11 July 2024	13 Jan 2025	fixed	-	68
ČD Bus a.s.	-	18 Nov 2024	13 Jan 2025	fixed	-	10
Total	-				-	186

Loans to related parties are not collateralised.

30.7. Receivables and payables from cash pooling

(CZK million)

Counterparty	Limit as at 31 Dec 2025	Interest rate	Receivables		Payables	
			Carrying value as at 31 Dec 2025	Carrying value as at 31 Dec 2024	Carrying value as at 31 Dec 2025	Carrying value as at 31 Dec 2024
ČD Cargo, a.s.	300	O/N PRIBOR plus margin	-	-	2	3
DPOV, a.s.	300	O/N PRIBOR plus margin	159	145	-	-
Výzkumný Ústav Železniční, a.s.	60	O/N PRIBOR plus margin	-	-	372	443
ČD – Telematika a.s.	100	O/N PRIBOR plus margin	-	-	437	342
ČD – Informační Systémy, a.s.	-	O/N PRIBOR plus margin	-	79	-	-
Dopravní vzdělávací institut, a.s.	5	O/N PRIBOR plus margin	-	-	14	14
ČD Bus a.s.	40	O/N PRIBOR plus margin	-	-	5	-
Total	805		159	224	830	802

Receivables and payables from cash pooling are not collateralised.

30.8. Key management members compensation

The following employee benefits were paid to key management members during the year:

	(CZK million)	
	2025	2024
Remuneration to members of statutory bodies	34	33
Other short-term employee benefits	8	8
Total	42	41

The group of key management members receiving remuneration includes the members of the Board of Directors and the Supervisory Board. Remuneration and other short-term benefits include remuneration and benefits provided in the particular year to current and former members for the period of their service as members of key management personnel.

30.9. Relationships with companies controlled by the state

The Company is wholly owned and controlled by the state of the Czech Republic. In accordance with the exception in IAS 24 Related Party Disclosures, the Company does not disclose quantitative information about individually immaterial transactions with the government and companies controlled or jointly controlled by the government or in which the government has significant influence. Individually material transactions with these companies that the Company has managed to identify are payments of public service obligations (the regions and the Ministry of Transport) and transactions with the state organisation SŽ and ČEPRO, a. s.

Payments of public service obligation

The cost risk is associated with the costs that the carrier must incur in order to ensure the operation of public transport requested by the customer. The cost risk is primarily about a risk of operating costs, which from the carrier's point of view could be understood as a risk that the costs calculated by the carrier in the offer of public transport submitted to the customer would differ from the costs actually incurred by the carrier during contract performance. Operating cost risks can be both external, which the carrier is unable to influence (such as rising fuel prices, changes in spare parts prices, additional costs due to traffic closures and emergencies, changes in legislation and tax regulations, etc.) and internal, which the carrier could influence (e.g. proper maintenance of a fleet, effective setting of internal processes, wage levels, etc.).

The revenue risk corresponds to a risk of sales to passengers and can be understood as a risk that sales expected before entering a contract would differ from sales actually achieved by the carrier for the duration of a contract. A key component of the revenue risk is the risk of passenger demand for transport services provided by the carrier.

With regard to the risk allocation method, the Company enters into contracts with the customers of public transport in the "gross" and "net" regimes. Gross regime contracts have cost risks and opportunities shared between the carrier and the customer; revenue risks and opportunities remain solely on the customer's side. Net regime contracts have cost and revenue risks and opportunities shared between the carrier and the customer. The customer bears the risks and opportunities for the amount of integrated transport system (IDS) sales, which the carrier cannot influence, and the carrier bears the risks and opportunities for other sales. Unless a contract refers to the application of the IDS tariff, all risks and sales opportunities are borne by the carrier. All contracts with the Ministry of Transport are in the net regime.

(CZK million)			
Revenue and compensation	Counterparty	2025	2024
Rental income	SŽ	64	63
Payment for substitute bus service *	SŽ	716	1,061
Other revenue	SŽ	126	177
Proceeds from traction energy recovery	SŽ	195	193
Payments from public service customers – the state budget	state – MT	6,222	5,388
Compensation of 50% discount fares	state – MT	1,646	1,644
Payments from public service customers from the regional budgets – "gross" contracts	regions	7,118	7,068
Payments from public service customers from the regional budgets – "net" contracts	regions	9,977	8,339

* This payment offsets the costs of substitute bus service. Substitute bus service in Note 7 is presented net after this offset.

(CZK million)			
Expenses	Counterparty	2025	2024
Use of the railway route and allocated railway capacity	SŽ	2,166	1,869
Consumption of electric traction energy	SŽ	2,627	3,054
Other costs	SŽ	79	85
Disel and light heating oil	ČEPRO	1,337	1,355
Other energies	SŽ	180	191

(CZK million)

Receivables	Counterparty	31 Dec 2025	31 Dec 2024
Substitute bus service reimbursement	SŽ	165	181
Compensation for unjust enrichment (Note 21)	SŽ	821	800
Compensation of 50% discount fare	state – MT	98	101
Public service obligation	regions	723	535

(CZK million)

Liabilities	Counterparty	31 Dec 2025	31 Dec 2024
Use of railroads and allocated railway capacity	SŽ	483	425
Consumption of electric traction energy	SŽ	103	142
Public service obligation	state – MT	67	43
Public service obligation	regions	294	324
Lease liabilities	SŽ	187	203
Lease liabilities	state – MT	66	105
Diesel and light heating oils	ČEPRO	199	210
Other energies	SŽ	8	13

State institutions, enterprises and other parties controlled by the government use the services provided by the Company under the same conditions applicable to other customers. On the expense side, the Company purchases some services and other supplies (water, energy, etc.) from companies controlled by the government under the conditions applicable to other customers.

In 2025, the Company reported the grants from the MT in the amount of CZK 163 million (2024: CZK 634 million) in the separate statement of financial position as a decrease in the acquisition value of non-current assets. Receivables and payables from investment grants are reported in Other assets (Note 23) and Other liabilities and contract liabilities (Note 29).

31. OPERATING LEASE

Operating lease contracts in which the Company acts as a lessor relate to investment property and movable assets held by the Company with various lease terms.

Maturity analysis of undiscounted payments from non-cancellable operating lease contracts:

(CZK million)

	31 Dec 2025	31 Dec 2024
1 st year	70	63
2 nd year	75	68
3 rd year	-	73
Total	145	204

In 2025, income from operating leases recognised in profit or loss amounted to CZK 451 million (2024: CZK 587 million), of which the income from investment property amounted to CZK 356 million in 2025 (2024: CZK 390 million).

Direct operating expenses related to investment property were CZK 135 million in 2025 (2024: CZK 176 million).

32. CAPITAL COMMITMENTS

As at the date of the Separate Financial Statements, the Company concluded contracts for the purchase of land, buildings and equipment in the amount of CZK 37,011 million (2024: CZK 46,753 million), of which CZK 25,227 million had already been paid as at 31 December 2025 (31 December 2024: CZK 25,690 million).

(CZK million)

	31 Dec 2025	31 Dec 2024
Unpaid supplies agreed for the next year	4,340	1,527
Unpaid supplies for the subsequent years	7,444	19,536
Total	11,784	21,063

Investments in rolling stock of CZK 9,926 million as at 31 December 2025 (2024: CZK 19,806 million) represent a substantial part of the capital commitments.

33. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company holds a 1% equity investment in EUROFIMA. The shareholders of the entity are European national railway carriers, and the purpose of this entity is to acquire funds for rolling stock purchases. According to Article 5 of the Articles of Association, only 20% of the equity investment value has been paid and the remaining 80% can be requested by EUROFIMA from its shareholders on an ad-hoc basis under the resolution of the Management Board. The nominal value of unpaid shares as at 31 December 2025 and 31 December 2024 was CHF 20.8 million (CZK 542 million as at 31 December 2025, CZK 557 million as at 31 December 2024). The management of ČD considers the probability that the Company will be called upon to pay the nominal value of the unpaid shares to be low as at 31 December 2025.

The aggregate clean-up costs were CZK 15 million in 2025 (2024: CZK 16 million). The Company is not aware of any environmental burdens that would exceed legislative limits and represent harm to human health or property of third parties. The Company's management acting with due managerial care is not aware of any liability resulting from legislation requirements in respect of environmental burdens.

33.1. Legal disputes

33.1.1. Legal action by Regiojet a.s. and STUDENT AGENCY k.s. for the repayment of alleged unlawful state aid (defendants ČD, a.s., SŽ, s.o., ČR presented by the Ministry of Transport of the Czech Republic)

In April 2015, Regiojet filed a legal action for the repayment of approximately CZK 7 billion plus late payment interest for alleged unlawful state aid. STUDENT AGENCY k.s. subsequently joined the legal action. By this amount, the "dead railroad" assets that ČD transferred to SŽ for CZK 12 billion in 2008 were allegedly overestimated. Both the Municipal Court in Prague (by judgment of 6 February 2019) and the High Court in Prague (by judgment of 23 September 2020) ruled in favour of ČD. The Supreme Court reversed the previous decision by judgment of 29 February 2024 and ordered the matter to be reheard. The reversal of the judgments was due to the application of incorrect legislation by the courts of both instances. The Municipal Court in Prague therefore re-heard the matter.

On 21 January 2025, the legal action was dismissed in its entirety. On April 13, 2026, the appellate court upheld the judgment of the court of first instance. It is expected that the claimants will appeal to the Supreme Court.

According to the analysis of external legal counsel, no other final decision on the matter is expected. For this reason, no provision is recognised for the case.

33.1.2. Legal action by PESA Bydgoszcz SA for purchase price increase of DMUs 120

By a legal action filed on 12 December 2024, PESA Bydgoszcz SA seeks to increase the purchase price of 33 DMUs 120 by CZK 629 million. The grounds for bringing the action is the alleged existence of a substantial change in circumstances giving rise to a particularly gross disproportion in the performance of both parties, which was caused by the alleged increase in the cost of production of the motor units after the signing of the framework agreement on 26 February 2021 as a result of the COVID-19 pandemic and the war in Ukraine. Of the total of 33 units, 25 units have already been delivered, with the remaining 8 units to be received in 2026. The case is pending, no final and definitive ruling has been made yet.

In the Company's opinion, supported by external legal expertise, the chances of success in this action are minimal and therefore, no provision is recognised for the case.

33.1.3. Twins case

The case relates to an alleged cartel agreement allegedly entered into between ČD and OBB regarding the sale of discarded railway vehicles between 2012 and 2015. Since 2016, the case was investigated by the European Commission (EC), and the investigation was concluded on 23 October 2024 by a ruling issued in the administrative proceedings by which the EC imposed a fine on ČD amounting to EUR 31.94 million (CZK 809 million). The fine was covered by a provision of CZK 1 billion and was paid in January 2025.

ČD filed a legal action with the Court of Justice of the EU, as they see the fine as unjustified. The legal action has no suspensive effect; therefore, ČD paid the fine. The intention of ČD in this case is to defend itself and seek a cancellation or reduction in the fine. Views are being exchanged, and the order for proceedings at the CJEU is awaited.

So far, ČD has not expected to be required to pay damages to third parties in this case.

The Company's management will seek to prove that ČD has not breached Article 101 of the TFEU. The intention of ČD in this case is to strongly defend itself, including the use of all available manners of dissent with the EC ruling binding ČD to a payment.

In May 2025, ČD received a call to enter into a settlement agreement with Regiojet by which Regiojet would settle out of court its claim for damages supposedly caused by ČD together with ÖBB by entering in a cartel against Regiojet. For the settlement, Regiojet required EUR 25 million from ČD and ÖBB each. The claim was judged to be completely vague and unsubstantiated and was rejected. As such, this claim has so far existed on a purely hypothetical level, and the Company has not recognised a provision.

34. FINANCIAL INSTRUMENTS

34.1. Capital risk management

The Company's main objective in managing its capital structure is to maintain a long-term sustainable debt ratio and investment grade rating. Based on its methodology, the rating agency assesses the debt ratio using the debt/EBITDA indicator. For the current investment grade, an indicated ratio level determined using the consolidated data is 7. The rating agency annually comments on the indicator level and its potential impact on the Company's rating in its report that is publicly available on the Company's website. As a source of long-term financing, the Company mainly uses bond issues and long-term investment loans.

The capital structure of the Company consists of net debt (borrowings less cash and cash equivalents) and the Company's equity (includes share capital, reserves and other funds and retained earnings/accumulated losses).

(CZK million)

		31 Dec 2025	31 Dec 2024
Net debt			
Loans, borrowings and lease liabilities	26	75,710	66,046
Cash and cash equivalents	24	(13,869)	(6,645)
Total net debt		61,841	59,401
Equity			
Share capital	25	20,000	20,000
Capital funds	25	16,676	16,942
Retained earnings / Accumulated losses	25	3,762	1,018
Total equity		40,438	37,960
Total managed capital		102,279	97,361

The Company is not subject to any externally imposed capital requirements.

The Board of Directors and the Supervisory Board of the Company are regularly informed about the development of debt. Any additional debt is subject to their approval.

34.2. Classes of financial instruments

(CZK million)

Classification of financial assets	Category of financial assets		31 Dec 2025	31 Dec 2024
Financial assets measured at amortised cost	Trade receivables	21	5,070	3,299
	Cash and cash equivalents	24	13,869	6,645
	Finance lease receivables	22	79	78
	Loans and cash pooling in the ČD Group	22	159	410
	Other	22	353	255
Financial assets measured at fair value through profit or loss	Financial derivatives used in hedge accounting *	22	458	315
Financial assets measured at fair value through other comprehensive income	Capital investment at fair value through other comprehensive income	22	362	357
Total			20,350	11,359

(CZK million)

Classification of financial liabilities	Category of financial liabilities		31 Dec 2025	31 Dec 2024
Financial liabilities measured at fair value through profit or loss	Financial derivatives in hedge accounting *	28	2,306	974
Financial liabilities measured at amortised cost	Loans, borrowings and lease liabilities	26	75,710	66,046
	Trade payables		6,903	5,333
	Other	28	95	216
Total			85,014	72,569

* Provided that the hedge is effective, changes in the fair value of the hedging instrument are initially recognised in other comprehensive income (Note 25.2.3).

Income from individual classes of financial assets is as follows:

			(CZK million)
	2025	2024	Reported in the statement of profit or loss line
Interest on cash and cash equivalents	448	320	Finance income
Interest on loans and cash pooling	15	28	Finance income
Interest on finance lease receivables	23	23	Finance income
Dividends from equity investments	5	3	Other operating income
Total	491	374	

Impairment losses on financial assets are disclosed in Note 21 Trade receivables, Note 22 Other financial assets and Note 34.7 Credit risk management.

34.3. Fair value of financial instruments

		(CZK million)			
Financial assets	Level	Fair value as at 31 Dec 2025	Carrying value as at 31 Dec 2025	Fair value as at 31 Dec 2024	Carrying value as at 31 Dec 2024
Measured at fair value		820	820	672	672
Financial derivatives used in hedge accounting	Level 2	458	458	315	315
Financial assets at fair value through other comprehensive income	Level 3	362	362	357	357
Measured at amortised cost		147	151	193	198
Long-term loans in the ČD Group	Level 2	-	-	58	58
Finance lease receivables	Level 2	79	79	78	78
Other financial assets – non-current	Level 2	68	72	57	62
Total		967	971	865	870

(CZK million)

Financial liabilities	Level	Fair value as at 31 Dec 2025	Carrying value as at 31 Dec 2025	Fair value as at 31 Dec 2024	Carrying value as at 31 Dec 2024
Measured at fair value		2,306	2,306	974	974
Financial derivatives used in hedge accounting	Level 2	2,306	2,306	974	974
Measured at amortised cost		72,603	72,286	62,720	62,082
Issued bonds	Level 2	5,183	5,550	5,444	5,763
Issued bonds (publicly traded)	Level 1	45,100	44,960	33,657	33,529
Loans *	Level 2	5,375	5,340	6,366	6,327
Loan from EUROFIMA	Level 2	16,907	16,388	17,103	16,293
Other financial liabilities – long-term	Level 2	38	48	150	170
Total		74,909	74,592	63,694	63,056

* The fair value of variable-rate loans is approximately the same as the book value of these loans.

Cash and cash equivalents, trade receivables and trade payables, receivables and payables from cash-pooling, other current financial assets and other current financial liabilities are not shown in the table because their fair value is approximately equal to the carrying value due to their short-term maturity.

In 2025 and 2024, there were no transfers of financial instruments between levels.

34.3.1. Valuation procedures used to determine fair value

Fair values of financial assets and financial liabilities are determined as follows:

- Fair value of investments in equity instruments at fair value through other comprehensive income was estimated using the asset-based approach. As at 31 December 2025 and 2024, the Company's management analysed the investee's audited financial statements and concluded that its fair value is approximately equal to the carrying value of its net assets.
- Fair value of interest rate swaps is calculated using a valuation model on the basis of discounted future cash flows.
- 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 values of financial assets and financial liabilities that are not measured at fair value but are required to be disclosed are determined as follows:

- Fair value of the bonds is determined on the basis of quoted market prices, if they exist. If quoted market prices do not exist, the fair value is determined using a valuation model on the basis of quoted market prices of comparable bonds.
- Fair value of other long-term financial assets and liabilities is calculated using the discounted cash flow method.

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

34.3.2. Fair value measurement recognised in the separate 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, which are determined based on unadjusted quoted prices of the same assets or liabilities in active markets.
- Fair value measurement at level 2 are valuations, which 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 measurement 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 at 31 December 2025 and 31 December 2024 are included in level 3. All other financial instruments measured at fair value as at 31 December 2025 and 31 December 2024 are included in level 2.

34.3.3. Reconciliation of measurement of financial instruments at fair value at level 3

The following table shows the financial assets measured at fair value at level 3:

(CZK million)

Investments in equity instruments	
Balance at 1 Jan 2024	327
Total gains or losses:	30
<i>in other comprehensive income</i>	30
Balance at 31 Dec 2024	357
Total gains or losses:	5
<i>in other comprehensive income</i>	5
Balance at 31 Dec 2025	362

34.4. Financial risk management objectives

The Company manages and monitors financial risks through internal risk reports which include analysis of the risks based on their significance. Financial risks include market risk (currency risk, interest rate risk and commodity risk), credit risk and liquidity risk.

34.4.1. Hedge accounting

The Company uses financial derivatives to hedge risks and mitigate their impacts. The use of financial derivatives observes the Company's principles approved by the Board of Directors.

The accounting principles of hedge accounting are disclosed in Notes 2.15.11 to 2.15.12.

The following tables show the concluded derivatives:

(CZK million)

as at 31 Dec 2025:						
Type of risk	Derivative	Other financial assets – current (Note 22)	Other financial assets – non-current (Note 22)	Other financial liabilities – current (Note 28)	Other financial liabilities – non-current (Note 28)	Note
Currency	Cross-currency interest rate swaps	435	-	1,547	740	33.5.2
Interest rate	Interest rate swaps	9	14	11	8	33.6.2
Total		444	14	1,558	748	

(CZK million)

as at 31 Dec 2024:						
Type of risk	Derivative	Other financial assets – current (Note 22)	Other financial assets – non-current (Note 22)	Other financial liabilities – current (Note 28)	Other financial liabilities – non-current (Note 28)	Note
Currency	Cross-currency interest rate swaps	175	101	398	549	33.5.2
Interest rate	Interest rate swaps	18	21	10	17	33.6.2
Total		193	122	408	566	

The information on the effect of hedge accounting on the cash flow hedge reserve and the cost of hedging reserve is disclosed in Notes 25.2.3 and 25.2.4.

34.5. Currency risk management

The Company undertakes certain transactions denominated in foreign currencies resulting in exposures to exchange rate fluctuations. These transactions predominantly include proceeds from international transport, issued bonds, the loan from EUROFIMA, term deposits, deposit bills and purchases of rolling stock in foreign currency. In line with the approved Risk Management Strategy, the Company hedges anticipated payments in a foreign currency such that the size of the open risk position does not exceed the limit defined for the period by the Risk Management Committee and approved by the Company's Board of Directors.

The carrying amounts of the Company's financial assets and financial liabilities denominated in foreign currency, net of the impact of currency hedging, at the end of the reporting period are as follows:

(CZK million)

31 Dec 2025	EUR	Other	Total
Financial assets	2,642	2	2,644
Financial liabilities	(49,428)	-	(49,428)
Total	(46,786)	2	(46,784)

(CZK million)

31 Dec 2024	EUR	Other	Total
Financial assets	1,338	3	1,341
Financial liabilities	(36,593)	-	(36,593)
Total	(35,255)	3	(35,252)

Information on the nominal and book value of hedging instruments used to hedge currency risk is included in the description of individual hedging relationships in Note 33.5.2.

34.5.1. Sensitivity to exchange rate changes

The exposure to currency risks is measured by a sensitivity analysis. The Company is exposed to the currency risk due to:

- changes in the carrying value of monetary items denominated in foreign currencies;
- and changes in the fair value of concluded financial derivatives.

The following table shows the impact that the strengthening and weakening of the Czech currency by CZK 1 against EUR would have on the profit (loss) and other comprehensive income. A positive number indicates an increase in profit (decrease in loss) and other comprehensive income, a negative number indicates the decrease in profit (increase in loss) and other comprehensive income:

(CZK million)

	Strengthening Czech currency by CZK 1 against EUR		Weakening Czech currency by CZK 1 against EUR	
	2025	2024	2025	2024
Translation of items denominated in foreign currencies at the end of the period	1,930	1,400	(1,930)	(1,400)
Change in the fair value of derivatives at the end of the period	(1,732)	(772)	1,732	772
Total impact on the profit / (loss) for the period before tax	198	628	(198)	(628)
Change in the impact on the tax reported in profit / (loss)	(42)	(132)	42	132
Total impact on the profit / (loss) after tax	156	496	(156)	(496)
Change in the fair value at the end of the period *	424	(12)	(424)	12
Total impact on the other comprehensive income before tax	424	(12)	(424)	12
Change in the impact on tax reported in other comprehensive income	(89)	3	89	(3)
Total impact on other comprehensive income after tax	335	(9)	(335)	9

* Financial derivatives used in hedge accounting.

34.5.2. Cross-currency interest rate swaps

In line with the currency risk management requirements, the Company has entered into cross-currency interest rate swaps which reduce the risk of the bond funding in EUR using hedge ratio 1:1.

The economic relationship between the hedging instrument and the hedged item is described according to the following parameters:

- nominal values of the swaps are the same as the face values of the relevant bond volume;
- both transactions are contracted in the same currencies;
- due dates of swap interest payments and bond interest payments are equal;
- swaps are entered into at market rates (with no premium paid); the fair value of the derivatives is nil at the trade date;
- swaps do not include any arrangements on agreed interest rate restriction (embedded interest rate options); and
- the Company assumes no early bond repayment.

Sources of hedge relationship ineffectiveness are recognised as follows:

- significant decrease in the Company's or counterparty's creditworthiness;
- timing of payments from the hedged item; and
- termination of the cross-currency interest rate swap by a counterparty.

The table shows the terms of contracts for cross-currency interest rate swaps that were opened at the end of the reporting period:

31 Dec 2025	Nominal value (EUR million)	Average collected interest rate (annual)	Nominal value (CZK million)	Average paid interest rate (annual)	Fair value of assets (liabilities) (CZK million)
Up to 1 year	1,256	2.96%	(32,154)	4.00%	(1,113)
1 to 5 years	756	3.76%	(19,253)	4.61%	(718)
5 years and more	18	3.00%	(481)	3.23%	(21)
Total					(1,852)

31 Dec 2024	Nominal value (EUR million)	Average collected interest rate (annual)	Nominal value (CZK million)	Average paid interest rate (annual)	Fair value of assets (liabilities) (CZK million)
Up to 1 year	766	2.46%	(19,951)	3.51%	(223)
1 to 5 years	766	2.79%	(19,951)	3.68%	(455)
5 years and more	18	3.00%	(481)	3.23%	7
Total					(671)

The exchanges of payments under the cross-currency interest rate swaps and coupon payments from issued bonds occur simultaneously and the amount accumulated in equity is reclassified to finance costs in the period in which the coupon payments on the issued bonds affect profit or loss.

For purposes of determining effectiveness, the change in the fair value of the hedged item is equal to the change in the fair value of the hedging instrument since the hedging relationships were fully effective.

Hedging inefficiency in respect of cross-currency interest rate swaps was immaterial in 2025 and 2024.

The expected realisation of hedged items by cross-currency interest rate swaps

Expected cash flows of hedged foreign currency bonds are listed in Note 34.8.1 in the tables with remaining contractual maturities of financial liabilities in the Fixed interest rate instruments.

34.6. Interest rate risk management

The Company manages interest rate risk by maintaining an appropriate mix between fixed and variable rate financing, and, for this purpose, the Company concludes contracts for interest rate swaps so that the amount of the open risk position does not exceed the limit set for the period by the Risk Management Committee and approved by the Board of Directors of the Company.

The following table shows the division of financial instruments by type of interest:

	(CZK million)	
	31 Dec 2025	31 Dec 2024
Instruments with fixed interest rate		
Financial assets	8,904	4,628
Financial liabilities	69,639	59,474
	60,735	54,846
Instruments with variable interest rate		
Financial assets – PRIBOR	159	282
Financial assets – €STR	62	-
Financial liabilities – PRIBOR	4,875	5,781
	4,654	5,499

The information on the nominal and carrying value of hedging instruments which hedge the interest rate is disclosed in the description of the hedge relationship in Note 34.6.2.

34.6.1. Sensitivity to interest rate changes

The exposure to changes in interest rates is measured by the sensitivity analysis. The Company is exposed to the interest rate risk due to:

- changes in interest expenses from loans; and
- change in the fair value of concluded financial derivatives.

The following table shows the impact that an increase/decrease in interest rates of 100 basis points would have on the profit (loss) and other comprehensive income. A positive value indicates an increase in profit (decrease in loss) and other comprehensive income, a negative value indicates a decrease in profit (increase in loss) and other comprehensive income:

(CZK million)

	Increase in interest rates of 100 basis points		Decrease in interest rates of 100 basis points	
	2025	2024	2025	2024
Interest on loans	(47)	(55)	47	55
Total impact on profit / (loss) for the period before tax	(47)	(55)	47	55
Change in impact on tax reported in profit / (loss)	10	11	(10)	(11)
Total impact on profit / (loss) after tax	(37)	(44)	37	44
Change in fair value of derivatives at the end of the period *	95	118	(98)	(123)
Total impact on other comprehensive income before tax	95	118	(98)	(123)
Change in impact on tax reported in other comprehensive income	(20)	(25)	21	26
Total impact on other comprehensive income after tax	75	93	(77)	(97)

* Financial derivatives used in hedge accounting.

34.6.2. Interest rate swap contracts

In line with interest rate risk management requirements, the Company has entered into interest rate swap contracts which reduce the risk arising from loans with variable interest rates. The hedge ratio is determined at 1:1.

The economic relationship between the hedging instrument and the hedged item is described according to the following parameters:

- nominal values of the swaps are equal to the nominal values of the relevant loans with variable interest rates;
- both transactions are contracted in the same currencies;
- due dates of swap interest rate payments and interest payments arising from loans with variable interest rates are equal;
- swaps were entered into at market rates (with no premium paid); the fair value of the derivatives is nil at the trade date;
- swaps do not include any arrangements on agreed interest rate restriction (embedded interest rate options); and
- the Company assumes no early repayment of loans.

Sources of hedge relationship ineffectiveness are recognised as follows:

- early repayment of the loan;
- termination of the interest rate swap by the counterparty; and
- significant decrease in the Company's or the counterparty's creditworthiness.

The following table details the terms of interest rate swap contracts outstanding at the end of the reporting periods:

	Hedging of interest payments on	Average contracted fixed interest rate	Principal amount	Fair value in CZK million as at 31 Dec 2025
Up to 1 year	loans	3.55%	CZK 3,578 million	(1)
1 to 5 years	loans	3.56%	CZK 2,644 million	5
Total				4

	Hedging of interest payments on	Average contracted fixed interest rate	Principal amount	Fair value in CZK million as at 31 Dec 2024
Up to 1 year	loans	3.55%	CZK 4,908 million	8
1 to 5 years	loans	3.57%	CZK 3,895 million	4
Total				12

The Company settles the difference between fixed and variable interest rates on a net basis. The interest rate swaps and the interest payments on the loan occur simultaneously, and the amount accumulated in equity is reclassified to profit or loss over the period that the variable interest rates on debt affect the profit or loss. Gains and losses reclassified during the year from the equity are included in Other interest expense which are part of Finance cost in the separate statement of profit or loss.

For the purposes of determining effectiveness, the change in the fair value of the hedged item is equal to the change in the fair value of the hedging instrument since the hedging relationships were fully effective.

Hedging inefficiency in respect of interest rate swaps was immaterial in 2025 and 2024.

The expected realisation of hedged items by interest rate swaps

The expected hedged cash flows from interest on variable-rate debt are listed in Note 34.8.1 in tables with remaining contractual maturities of financial liabilities in Variable interest rate instruments line.

34.7. Credit risk management

The Company is exposed to credit risk, which poses a risk that one party of the financial instrument will cause financial losses to the other party by failing to meet its obligations. Credit risk arises as a result of the Company's business operations and financial market activities. The Company's credit risk quantification is based on a number of primary criteria, where the threat of counterparty default during a transaction is the main determinant due to possible negative impact on the Company's economic results and cash flow. The Company analyses the counterparties using both internal departments support and external information services. Any counterparty insolvency may result in imminent losses with an adverse impact on the Company's business.

Sources of credit risk related to the threat of a counterparty default in a transaction were identified by the Company as follows:

- financial institutions;
- employees or tenants – individuals from whom the receivable arises;
- corporate customers;
- entities in the ČD Group as borrowers of loans from ČD; and
- the state and the regions as public service payers.

Hence, business operations with new counterparties are subject to standardised approval procedures by designated departments. The credit risk management includes active receivables management, when standard financial instruments, such as prepayments and bank guarantees, are used in order to reduce the risk.

Financial assets that expose the Company to potential credit risk include cash and cash equivalents, trade receivables, loans granted within the ČD Group and financial derivative contracts. The Company's cash is deposited in prestigious domestic financial institutions. Intercompany loans do not bear significant credit risk as Group companies' exposure and rating are monitored and managed within the Group.

The Company is mainly exposed to the following credit risk categories due to its business activities:

- direct credit risk; and
- credit equivalent risk.

Most frequently, the direct credit risk arises from receivables from ongoing trading relationships, particularly from supplier loans granted. Credit quality of the customers is assessed individually, based on their financial position, previous experience and other factors. The Company assesses its financial assets at each balance sheet date to determine whether there is any objective evidence that they might be impaired. Financial assets are considered impaired if objective evidence indicates that one or more events have adversely affected the estimated future cash flows from those assets. Material financial assets are tested for impairment individually. The remaining financial assets are assessed on a portfolio basis in the groups that have similar credit risk characteristics. All impairment losses on financial assets other than financial assets at fair value through other comprehensive income are recognised in profit or loss.

The concentration of credit risk is affected by a limited number of available counterparties (e.g., a limited number of banks on the Czech market, a limited number of public service customers). In such cases, the Company reduces credit risk by cooperating only with counterparties with high creditworthiness (reputable banks with investment ratings, customers paying from the public budgets).

The credit risk associated with the fare revenue has a low concentration as a significant proportion of fare sales is collected in cash. Credit risk related to payments from the state budget and the regional budget is low due to the high credit quality of the counterparties. Concentration of short-term and long-term trade receivables from the customers controlled by the state (Ministry of Transport, the regions and SŽ) as at 31 December 2025 is 36% (31 December 2024: 49%). The Company's exposure and the payment discipline of its contractors are monitored on an ongoing basis.

34.7.1. Short-term trade receivables and finance lease receivables

For the purposes of determining expected credit losses using the simplified approach, short-term receivables and finance lease receivables are classified according to the common credit risk characteristics and appropriate maturities. The expected credit loss rates are determined according to the payment profile and sales for the period of 3 years preceding 31 December 2025 or 31 December 2024, respectively, based on credit losses recognised in the past. The Company analysed a number of macroeconomic variables (GDP, industrial indices, etc.) and their possible correlation to customer solvency. However, as no correlation has been identified, the Company gives greater consideration to an individual assessment of customer creditworthiness. The Company also creates specific allowances for receivables.

The table below presents an overview of the impairment losses on short-term trade and finance lease receivables. The carrying values of receivables as at 31 December 2025 and 31 December 2024 below represent the Company's maximum exposure to credit risk on these assets:

(CZK million)

As at 31 Dec 2025	Before due date	Past due date (days)					Total
		1–30	31–90	91–180	181–365	365 and more	
Expected credit loss rate	1%	2%	4%	12%	84%	100%	
Finance lease receivables – gross (refer to Note 22.1)	80	-	-	-	-	-	80
Short-term trade receivables – gross (refer to Note 21)	2,595	32	3	2	3	10	2,645
Expected credit loss	30	1	-	-	3	10	44

(CZK million)

As at 31 Dec 2024	Before due date	Past due date (days)					Total
		1–30	31–90	91–180	181–365	365 and more	
Expected credit loss rate	2%	3%	6%	17%	81%	100%	
Finance lease receivables – gross (refer to Note 22.1)	80	-	-	-	-	-	80
Short-term trade receivables – gross (refer to Note 21)	2,224	19	2	1	8	75	2,329
Expected credit loss	49	1	-	-	7	75	132

34.7.2. Cash, other financial assets and long-term trade receivables

The credit risk of liquid financial assets and financial derivatives is limited, as the contractual partners are banks with an investment grade credit rating. The Company does not expect any losses from default by these counterparties. For this reason, the impact of impairment of cash and cash equivalents is immaterial.

(CZK million)

Bank	Rating (Moody's)	Bank balance as at 31 Dec 2025	Restricted cash as at 31 Dec 2025	Bank balance as at 31 Dec 2024	Restricted cash as at 31 Dec 2024
Komerční banka	Aa3	1,375	128	1,343	179
ČSOB	Aa3	293	-	227	-
Citibank	Aa3	-	-	-	-
ING bank	Aa3	1	-	95	-
Česká spořitelna	Aa3	1	-	1	-
Raiffeisenbank	A2	1,977	-	228	-
UniCredit Bank	A2	1,981	-	-	-
Všeobecná úverová banka	A2	2,000	-	4,704	-
Česká národní banka	Aa3	6,207	-	-	-
Total		13,835	128	6,598	179

The credit risk associated with financial operations is low because the Company spreads the risk over a larger number of financial institutions and only deals with financial institutions that have a credit rating in the investment range.

Other financial assets mainly include securities at fair value through other comprehensive income, receivables from loans and cash pooling within the ČD Group, to which the Company applied a general impairment model.

The Company analysed the financial performance, external indebtedness and future cash flows of related parties and assessed that the credit risk associated with these receivables is limited and at the same time the probability of default related to these balances is low. The application of the expected credit loss model has immaterial impact on all Other financial assets.

The following table provides an analysis of the credit risk of Other financial assets at amortised cost. The carrying values of assets as at 31 December 2025 and 31 December 2024 represent the Company's maximum exposure to credit risk from these assets:

(CZK million)

As at 31 Dec 2025	Level 1 (expected 12-month credit losses)	Level 2 (expected lifetime credit losses)	Level 3 (impaired)	Allowances	Total
Trade receivables – long-term	2,486	-	-	(18)	2,468
Loans within the ČD Group	-	-	-	-	-
Group cash pool	159	-	-	-	159
Restricted cash	128	-	-	-	128
Receivables from shortages and damages	40	-	-	-	40
Collateral posted for hedging derivatives	62	-	-	-	62
Other	124	2	-	(3)	123
Total	2,999	2	-	(21)	2,980

(CZK million)

As at 31 Dec 2024	Level 1 (expected 12-month credit losses)	Level 2 (expected lifetime credit losses)	Level 3 (impaired)	Allowances	Total
Trade receivables – long-term	1,100	-	-	-	1,100
Loans within the ČD Group	186	-	-	-	186
Group cash pool	224	-	-	-	224
Restricted cash	179	-	-	-	179
Receivables from shortages and damages	34	-	-	(2)	32
Other	46	2	-	(4)	44
Total	1,769	2	-	(6)	1,765

The Company has assessed the credit risk for individual items of Other financial assets. Counterparties have low risk, and no material overdue receivables are recorded. Credit risk has not increased significantly since initial recognition. The carrying value of other financial assets at fair value as at 31 December 2025 and 31 December 2024 represents the Company's maximum credit exposure from these assets (Note 22).

As at 31 December 2025 and 31 December 2024, the Company does not have any financial assets pledged as collateral.

34.8. Liquidity risk management

The Company manages its liquidity risk through planning future cash flows and securing binding limits of short-term financing with reputable financial institutions (promissory notes programme and agreed overdraft and revolving loans), with a minimum notice period of 18 months. In order to secure sufficient short-term liquidity, the Company has contracted these binding credit limits so that its available funds exceed its expected short-term outflows. The liquidity is also monitored by the Moody's rating agency on an ongoing basis.

34.8.1. Liquidity risk tables

The following tables show the Company's remaining contractual maturity of financial liabilities. The tables have been drawn up based on the undiscounted cash flows from financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that instruments carry the variable interest, the undiscounted amount is derived from interest rate curves at the end of the reporting period and may change, if interest rates differ from the determined estimates.

(CZK million)

31 Dec 2025	Up to 1 month	1–3 months	3 months to 1 year	1–5 years	Over 5 years	Total
Non-interest bearing	5,183	1,664	103	43	26	7,019
Liabilities from unpaid share capital (Note 33)	542	-	-	-	-	542
Derivatives *	-	2	392	2,341	70	2,805
<i>Incoming cash flows</i>	-	-	902	32,361	488	33,751
<i>Outgoing cash flows</i>	-	2	1,294	34,702	558	36,556
Lease liabilities	85	142	678	1,944	29	2,878
Variable interest rate instruments	830	175	926	3,339	-	5,270
Fixed interest rate instruments	200	519	14,144	44,409	20,528	79,800
Total	6,840	2,502	16,243	52,076	20,653	98,314

(CZK million)

31 Dec 2024	Up to 1 month	1–3 months	3 months to 1 year	1–5 years	Over 5 years	Total
Non-interest bearing	4,068	1,207	95	149	30	5,549
Liabilities from unpaid share capital (Note 33)	557	-	-	-	-	557
Derivatives *	-	1	216	994	54	1,265
<i>Incoming cash flows</i>	-	(1)	325	17,066	520	17,910
<i>Outgoing cash flows</i>	-	-	541	18,060	574	19,175
Lease liabilities	83	237	660	2,651	15	3,646
Variable interest rate instruments	802	185	973	4,472	-	6,432
Fixed interest rate instruments	35	526	1,609	45,206	21,538	68,914
Total	5,545	2,156	3,553	53,472	21,637	86,363

* Negative net undiscounted cash flows arise on specific cross-currency interest rate derivatives due to the significant interest rate differential between the functional currency and the hedged currency.

The following tables demonstrate the Company's expected contractual maturity of financial assets. The tables have been drawn up based on the undiscounted cash flows of financial assets reflecting the anticipated maturity. The table includes cash flows from the interest and principal.

(CZK million)

31 Dec 2025	Up to 1 month	1–3 months	3 months to 1 year	1–5 years	Over 5 years	Total
Non-interest bearing	8,517	668	178	821	362	10,546
Finance lease receivables	6	-	17	92	415	530
Fixed interest rate instruments	7,016	-	290	1,090	659	9,055
Variable interest rate instruments	159	62	-	-	-	221
Hedging derivatives *	-	2	8	11	-	21
<i>Incoming cash flows</i>	-	2	8	11	-	21
<i>Outgoing cash flows</i>	-	-	-	-	-	-
Total	15,698	732	493	2,014	1,436	20,373

(CZK million)

31 Dec 2024	Up to 1 month	1–3 months	3 months to 1 year	1–5 years	Over 5 years	Total
Non-interest bearing	3,592	855	124	1,123	357	6,051
Finance lease receivables	6	-	17	92	427	542
Fixed interest rate instruments	4,588	52	-	-	-	4,640
Variable interest rate instruments	224	1	4	68	-	297
Hedging derivatives *	-	5	-	59	-	64
<i>Incoming cash flows</i>	-	5	160	2,831	-	2,996
<i>Outgoing cash flows</i>	-	-	160	2,772	-	2,932
Total	8,410	913	145	1,342	784	11,594

* Negative net undiscounted cash-flows arise on specific cross-currency interest rate derivatives due to the significant interest rate differential between the functional currency and the hedged currency.

The amounts shown above for variable interest rate instruments for non-derivative financial assets and liabilities are subject to change if changes in variable interest rates differ from the interest rates determined at the end of the reporting period.

34.8.2. Financing facilities

The Company has access to the following loan facilities:

(CZK million)

Loan facilities	Overdrafts	Promissory Note programme	Revolving loans	Total
Loan facility as at 1 Jan 2024	2,700	4,500	2,250	9,450
Unused amount as at 1 Jan 2024	2,700	4,500	2,250	9,450
Change of loan facility in 2024	-	-	-	-
Loan facility as at 31 Dec 2024	2,700	4,500	2,250	9,450
Unused amount as at 31 Dec 2024	2,700	4,500	2,250	9,450
Change of loan facility in 2025	-	2,100	12,900	15,000
Loan facility as at 31 Dec 2025	2,700	6,600	15,150	24,450
Unused amount as at 31 Dec 2025	2,700	6,600	15,150	24,450

The Company has contracted long-term bank credit lines as part of securing resources for the planned investments with the following not fully used facilities.

(CZK million)

Long-term credit lines	EUROFIMA	EIB	Total
Loan facility as at 1 Jan 2024	15,799	904	16,703
Unused amount as at 1 Jan 2024	4,426	527	4,953
Change of loan facility in 2024	9,744	7,610	17,354
Impact of the foreign exchange	294	-	294
Loan facility as at 31 Dec 2024	25,837	8,514	34,351
Unused amount as at 31 Dec 2024	9,744	8,137	17,881
Change of loan facility in 2025	-	7,610	7,610
Loan facility as at 31 Dec 2025	25,837	16,124	41,961
Unused amount as at 31 Dec 2025	9,744	15,747	25,491

35. POST BALANCE SHEET EVENTS

No other significant events occurred between the balance sheet date and the date of approval of the Separate Financial Statements.

36. APPROVAL OF THE FINANCIAL STATEMENTS

These Separate Financial Statements were approved by the Board of Directors and authorised for issue on 21 April 2026.

NON-FINANCIAL OVERVIEW

190 INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT

194 CONSOLIDATED SUSTAINABILITY STATEMENT





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INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE CONSOLIDATED SUSTAINABILITY STATEMENT OF České dráhy, a.s. To the Shareholders of České dráhy, a.s.

Having its registered office at: Nábřeží L. Svobody 1222, 110 15 Praha 1

We have conducted a limited assurance engagement on the Consolidated Sustainability Statement of České dráhy, a.s. and its subsidiaries (hereafter the “Group”) included in section Consolidated Sustainability Statement of the Annual Report including the information incorporated in the Consolidated Sustainability Statement by reference, as disclosed in section List of requirements incorporated by reference (the “Consolidated Sustainability Statement”) as at 31 December 2025 and for the year then ended.

Identification of Applicable Criteria

The Consolidated Sustainability Statement was prepared by the Board of Directors of the Company in order to satisfy the requirements of Section 32k of the Czech Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards introduced by Commission Delegated Regulation (EU) of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council (“ESRS”), including that the process carried out by the Company to identify the information reported in the Consolidated Sustainability Statement (the “Process”) is in accordance with the description set out in section Double materiality assessment; and
- Compliance of the disclosures in subsection EU Taxonomy within section Environmental responsibility of the Consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”).

Inherent Limitations in Preparing the Consolidated Sustainability Statement

The criteria, nature of the Consolidated Sustainability Statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

In reporting forward looking information in accordance with ESRS, management of the Group is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Consolidated Sustainability Statement, management of the Group interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

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Responsibility of the Company's Board of Directors, Supervisory Board for the Consolidated Sustainability Statement

The Board of Directors is responsible for designing and implementing a process to identify the information reported in the Consolidated Sustainability Statement in accordance with the ESRS and for disclosing this process in section Double materiality assessment of the Consolidated Sustainability Statement. This responsibility includes:

- Understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- The identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- The assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- Making assumptions that are reasonable in the circumstances.

The Board of Directors is further responsible for the preparation of the Consolidated Sustainability Statement, in accordance with Section 32k of the Czech Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the ESRS;
- Preparing the disclosures in subsection EU Taxonomy within section Environmental responsibility of the Consolidated Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;
- Designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the Consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

The Supervisory Board is responsible for overseeing the Group's sustainability reporting process.

Our Responsibility

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the Consolidated Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in section Double materiality assessment.

Our other responsibilities in respect of the Consolidated Sustainability Statement include:

- Obtaining an understanding of the entity's control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error.
- Designing and performing procedures responsive to disclosures in the Consolidated Sustainability Statement where material misstatements are likely to arise, whether due to fraud or error. 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.

Our Independence and Quality Management

We complied with the applicable independence and other ethical requirements of the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic (the "Code"). The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Consolidated Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management; and
 - reviewing the Group's internal documentation of its Process;
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in section Double materiality assessment.

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Consolidated Sustainability Statement by performing inquiries to understand the Group's control environment, processes and information systems relevant to the preparation of the Consolidated sustainability statements;
- Evaluated whether material information identified by the Process to identify the information reported in the Consolidated Sustainability Statement is included in the Consolidated Sustainability Statement;
- Evaluated whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected disclosures in the Consolidated Sustainability Statement;
- Performed substantive assurance procedures based on a sample basis on selected disclosures in the Consolidated Sustainability Statement;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement;

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Statement is not prepared, in all material respects, in accordance with Section 32k of the Czech Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported in the Consolidated Sustainability Statement is in accordance with the description set out in section Double materiality assessment; and
- Compliance of the disclosures in subsection EU Taxonomy within section Environmental responsibility of the Consolidated Sustainability Statement with Article 8 of the Taxonomy Regulation.

In Prague on 21 April 2025

Audit firm:

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



Statutory auditor:

Ladislav Šauer
registration no. 2261



CONSOLIDATED SUSTAINABILITY STATEMENT

- 195** ESRS 2 General disclosures
- 216** Environmental responsibility
- 245** Social responsibility
- 258** Governance



ESRS 2 General disclosures

General basis for the preparation of sustainability statement	196
Strategy, business model and value chain	198
Sustainability management within the company	202
Double materiality assessment	205
Climate risks	208
Overview of disclosures included in the statement	210



ESRS 2 General disclosures

GENERAL BASIS FOR THE PREPARATION OF SUSTAINABILITY STATEMENT

This consolidated Sustainability Statement for 2025 has been prepared for the ČD Group for the period from 1 January 2025 to 31 December 2025. The scope of consolidation is based on the consolidation scope used in the preparation of the ČD Group's consolidated financial statements for the same period. All subsidiaries subject to financial consolidation are included in the consolidated Sustainability Statement. Equity interests over which the parent company, České dráhy, a.s., does not exercise operational control are not included in this Statement.

The European regulatory framework for sustainability reporting, in particular the Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS), continue to evolve and be refined through interpretative guidance and practical application. In preparing this Statement, the ČD Group has based its work on the up-to-date legislation, specifically Section 32k of Act No. 563/1991 Coll., on Accounting, as amended (hereinafter the "Accounting Act"), which implements Article 29a of Directive 2013/34/EU of the European Parliament and of the Council, aligned with Act No. 256/2004 Coll., on Capital Market Activities, as amended, and with the European Sustainability Reporting Standards introduced by Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023, supplementing Directive 2013/34/EU of the European Parliament and of the Council (hereinafter referred to as the ESRS). The key performance indicators (KPI) of the EU Taxonomy are reported in alignment with Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, and the relevant acts, including a detailed description of the assumptions and principles underlying their calculation.

In preparing this Statement, the ČD Group draws on available methodological guidelines and experience gained in previous reporting periods. On this basis, sustainability management systems, internal processes and approaches were further developed during 2025, including the refinement of selected policies, targets and actions. In areas that remain in the further development phase or are subject to ongoing developments in the regulatory framework, these circumstances are described transparently in the relevant sections of the Statement. The Sustainability Statement has been prepared to the extent corresponding to the results of the double materiality assessment and with the aim of providing a true, balanced and comprehensible picture of the ČD Group's approach to sustainability management.

The scope of the information disclosed in this Statement is based on the results of the double materiality assessment carried out within the ČD Group companies, in which all relevant requirements of the ESRS standards were assessed. The assessment was conducted both from the perspective of the ČD Group's own activities and with regard to the relevant parts of its value chain.

The quantitative information disclosed in this consolidated Statement include data for all Companies included in the ČD Group's consolidation. Qualitative information is provided for those ČD Group companies for which the given topic was identified as material, in particular for the parent company České dráhy, a.s., and the subsidiary ČD Cargo, a.s., which, in terms of the scope of their activities and their share in the consolidated metrics, represent a decisive part of the ČD Group. Non-financial information from the subsidiary ČD Cargo, a.s., has been included in this consolidated Statement based on inputs from its separate consolidated Sustainability Statement for 2025, which was verified by an independent audit firm. Where relevant, this consolidated Statement of the ČD Group refers to the aforementioned document.

During 2025, an intra-group merger of subsidiaries also took place, whereby ČD Informační systémy, a.s. was incorporated into ČD Telematika, a.s.; this change had no impact on the scope of consolidation of the ČD Group or on the definition of the reporting group for the purposes of this Statement.

Additional information on the published Statement

As the ČD Group is publishing this Sustainability Statement for 2025 as a follow-up reporting period, no significant changes have been made to the basic principles of the preparation and presentation of information compared to the previous year. The Statement is based on the methodological approaches applied in the previous reporting period and takes into account the experience gained during their application. Unless otherwise stated in the individual thematic chapters, the disclosed metrics have not been verified by any external entity other than the assurance service provider.

In this Statement, the ČD Group has not applied the exemption allowing for the non-disclosure of information on the grounds of protecting know-how, trade secrets or innovations.

In preparing the Statement, the ČD Group did not deviate from the definition of short-term, medium-term and long-term time horizons set out in Section 6.4 of the ESRS 1 standard. The short-term horizon corresponds to the reporting period of the financial statements, the medium-term horizon represents a period of one to five years, and the long-term horizon a period longer than five years. Different time horizons were used in the assessment of climate risks, for which the timeframe 2030–2040–2050 was established.

Value chain estimation

The ČD Group has selected its key suppliers, taking into account in particular the financial performance of their contracts and the anticipated impact of their activities in terms of energy consumption and environmental impact. Based on this selection, priorities were set for the gradual implementation of sustainability principles within the value chain. Internal financial data and publicly available industry information were used for the purposes of this definition. The accuracy of these estimates has not yet been externally verified. At present, direct data from the value chain is not systematically included in the published metrics. The ČD Group plans to gradually improve the quality of this information, in particular through direct communication with suppliers, the introduction of standardized ESG questionnaires and the development of processes for the systematic collection of sustainability data. Direct data from suppliers will be gradually incorporated into the published metrics in future reporting periods.

Sources of estimation and outcome uncertainty

In cases where certain data is not fully available as at the reporting date for the ČD Group, selected metrics within the Disclosure Requirements Energy consumption and mix, Gross Scopes 1, 2, 3 and Total GHG emissions; Water consumption and Resource outflows are supplemented on the basis of a qualified estimate by recalculation from available data. This approach is also applied to selected subsidiaries that do not have a system in place for the comprehensive collection of relevant data. The estimates used are based on available internal information and benchmark metrics and may represent a source of a certain degree of uncertainty, which is progressively reduced as data collection systems are being developed.

Changes in preparation or presentation of sustainability information

The 2025 Sustainability Statement took into account the following adjustments relating to quantitative metrics for 2024. For the energy consumption and energy intensity indicators, the originally estimated values were refined in line with the actual final energy billing of the company ČD, a.s. These adjustments did not affect the calculation of greenhouse gas emissions for 2024. For metrics relating to ESRS E3, errors identified as part of the refined methodology for collecting non-financial data introduced within the ČD Group in 2025 were corrected.

Metric with adjusted figures for 2024	Company	Original figure	Adjusted figure	Δ
Total consumption in buildings (MWh)	ČD, a.s.	111,949	107,662	(4%)
Total traction energy consumption (MWh)	ČD, a.s.	527,283	598,218	13%
Total volume of water withdrawn (m ³ /year)	ČD, a.s.	533,727	470,752	(12%)
Total volume of wastewater discharged to third parties (m ³ /year)	ČD, a.s.	523,959	460,984	(12%)
Total water consumption across all areas (m ³ /year)	ČD, a.s.	533,727	9,767	(98%)
Total water consumption (m ³) per net revenue from own operations	ČD Group	11	0.4	(96%)

Disclosure of information stemming from other legislation

Beyond the requirements of the CSRD and ESRS standards, this Statement contains selected information based on generally accepted frameworks and standards that contribute to increasing the consistency and comparability of the disclosed data. These include the Greenhouse Gas Protocol (GHG Protocol) and the ISO 9001, ISO 14001, ISO 45001 and ISO 50001 standards.

List of requirements incorporated by reference

This Sustainability Statement contains references to publicly available documents that supplement or support the information provided in this Statement, in particular:

- The Code of Ethics of České dráhy, a.s., which supplements information regarding values, management principles and the approach to ethical conduct and responsibility,
- The financial section of the ČD Group's Annual Report for 2025, containing the financial data referred to in this Statement, including information relevant to the chapters on the business model and value chain,
- The Sustainability Statement of ČD Cargo, a.s., which provides detailed information on the sustainability aspects of this subsidiary and supplements the data presented in the ČD Group's consolidated Statement.

These documents are available via the websites of the relevant Companies and will be kept up to date for the entire duration of the Statement's disclosure.

The process of setting, monitoring and evaluating sustainability targets

Sustainability targets within the ČD Group are not set as a separate, parallel agenda, but are derived from the objectives and priorities of the Company's corporate strategy. Sustainability is an integral part of the ČD Group's strategic management, and its principles are reflected in long-term business, investment and operational objectives.

Material topics identified through the double materiality assessment are assessed in relation to the Company's strategic priorities. If a given topic is already covered by an existing strategic target, that target is also considered relevant from a sustainability perspective. The Company therefore does not set separate "specific sustainability targets", but reports on and evaluates those strategic targets that are substantively compatible with the principles of sustainability. The process of defining targets is based on expert input from the relevant departments and is coordinated at the parent company level. Targets are assessed in terms of their relevance to material impacts, risks and opportunities, data availability and alignment with regulatory requirements, and are subsequently approved by the Company's management.

In the case of quantified targets, a baseline, a timeframe for achievement and the methodology for calculating the relevant metric are established. If no quantified targets have been set for a particular area, the ČD Group discloses the reasons for this approach and describes how it monitors the effectiveness of the actions taken.

Progress towards targets is monitored through internal information and control systems and assessed according to the nature of the target in question, but at least on an annual basis. The results are presented to the Company's management and serve as a basis for any updates to strategic priorities and related targets.

STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Approach to sustainability strategy

Across the ČD Group, the sustainability strategy is based on a pragmatic and balanced concept that takes into account the economic, environmental and social aspects of business. Sustainability is understood as an integral part of the long-term viability of undertakings and value creation, with its development anchored in the real economic performance and operational efficiency of the individual Companies within the ČD Group.

The ČD Group operates primarily in the field of rail transport, which has long been regarded as one of the key pillars of sustainable mobility. The provision of passenger and freight rail transport constitutes the core activity of the ČD Group and, at the same time, naturally contributes to an environmentally friendly mode of transporting people and goods, the promotion of regional transport accessibility, and the long-term sustainable development of the transport system. The ČD Group's material markets and customer groups are, in particular, public procurers of passenger rail transport (the state and regions), commercial customers in the passenger transport segment, and customers in the rail freight transport sector. These segments represent the ČD Group's key sources of revenue and, at the same time, determine the extent of its environmental and social impacts. From a sustainability perspective, the role of publicly commissioned transport in ensuring transport services and supporting the shift of transport performances from road to rail in both the passenger and freight segments is particularly significant. During the reporting period, there was no fundamental change in the structure of significant markets or customer groups.

Across the ČD Group, common fundamental principles and a strategic approach to sustainability are shared, as defined by the ČD Group's Sustainability and ESG Management Policy. These principles represent a common value and management framework for the environmental, social and governance aspects of an undertaking and are applied across the ČD Group whilst respecting the specific characteristics of individual subsidiaries and their activities. The subsidiary ČD Cargo, a.s. takes these specific characteristics into account in its separate Sustainability Statement, whilst other subsidiaries within the ČD Group do not prepare separate sustainability strategies or statements and contribute to the fulfilment of the ČD Group's principles to the extent corresponding to their role within the ČD Group.

The parent company ČD, a.s., bases its approach to sustainability on the ČD 2030 Corporate Strategy, which was updated in 2025. The update to the strategy confirmed the parent company's long-term priorities in the development of its core business activities, particularly the provision of passenger rail transport, improving the quality and accessibility of services, operational efficiency and long-term financial stability, whilst also refining the terminology, structure of strategic areas and the framework for their management. The parent company's sustainability topics, priorities and targets are derived directly from this corporate strategy and are integrated into its strategic management.

Specific sustainability targets, metrics and actions are set in line with this strategic framework and are elaborated separately in the relevant thematic chapters of this Statement aligned with the requirements of the ESRS standards.

Business model

The ČD Group considers rail transport to be a key element of sustainable development, particularly in terms of reducing greenhouse gas emissions and minimizing negative environmental impacts. Thanks to its energy efficiency and the potential for electrification using renewable energy sources, rail transport ranks among low-emission and environmentally friendly transport systems. In alignment with the EU Taxonomy regulation of sustainable activities, rail transport is classified as a sustainable economic activity, as it contributes significantly to climate change mitigation and meeting the European Union's environmental targets.

The ČD Group is a major provider of passenger and freight rail transport in the Czech Republic and Central Europe. Its business model is based on providing reliable, safe and sustainable transport of passengers and goods, with an emphasis on meeting customer requirements, fulfilling public service obligations and supporting the development of integrated and accessible transport. The ČD Group creates value through the effective use of human capital, infrastructure and rolling stock, modern technologies and digital solutions. The ČD Group's business model is closely linked to the long-term corporate strategy ČD 2030, the update of which confirmed the continuity of the Group's core business activities and their alignment with the principles of sustainable development. Sustainability is an integral part of the business model and is reflected in both the strategic management and day-to-day operations of the ČD Group, particularly through the promotion of sustainable mobility, improving the quality and safety of transport, and reducing the environmental impact of operations.

At the heart of the ČD Group's business model lies the provision of passenger rail transport, which within the ČD Group is provided by the parent company České dráhy, a.s., as the national carrier, and rail freight transport, provided by the subsidiary ČD Cargo, a.s. These core activities are complemented by supporting and synergistic activities carried out through other subsidiaries, particularly in the fields of information technology, telematics, testing, vehicle maintenance and repair, and training. These activities support the stability and efficiency of the ČD Group's core business activities. The ČD Group collects data on its business model and value chain primarily through internal information systems and the reporting tools of individual companies. Data on the upstream part of the value chain (particularly suppliers) is obtained through procurement processes, supplier evaluations and contractual relationships. In the downstream part of the value chain (primarily customers and end-users of services), data is obtained mainly through operational and business processes and systems, customer surveys and feedback.

The ČD Group's business model creates value for key stakeholders primarily through the provision of safe, reliable and environmentally friendly rail transport. For customers and end-users, the benefits lie primarily in the accessibility of public transport, the comfort and quality of services, and the gradual decarbonisation of transport. For public transport commissioning authorities and the state, the ČD Group contributes to meeting transport service provision and climate targets. For investors and the owner, the business model represents a stable and long-term sustainable source of value based on a regulated environment and long-term contracts. At the same time, the ČD Group generates indirect economic benefits within its value chain, particularly through cooperation with suppliers and employment.

Material risks and opportunities associated with the ČD Group's business model may impact its financial position, performance and cash flows in the short, medium and long term. These impacts relate in particular to the energy intensity of operations, developments in the regulatory environment and requirements for the decarbonisation of transport, which may affect the ČD Group's cost structure and investment needs. Detailed information on the identified risks, scenarios and their potential financial impacts are provided in Chapter Climate Risks.

Scope of operations of ČD Group companies by classification of economic activities

Company	Business segment	NACE code	Description of NACE code
České dráhy, a.s.	Passenger transport	4910	Intercity rail passenger transport
ČD Cargo, a.s.	Freight transport	4920	Rail freight transport
ČD – Telematika a.s.	IT and services	611	Telecommunications and information technology activities.
Výzkumný Ústav Železniční, a.s.	Testing	7120	Technical testing and analysis
DPOV, a.s.	Repair services	33171	Repair and maintenance of rolling stock
ČD Bus a.s.	Passenger transport	49410	Road freight transport
Dopravní vzdělávací institut, a.s.	Education	8559	Other education n.e.c.
ČD Travel, s.r.o.	Travel agency	79120	Travel agency activities

Employee structure of ČD Group companies by geographical area

	2025	2024	Δ
Czech Republic	20,034	21,246	(5.7%)
Slovakia	67	73	(8.2%)
Austria	119	4	2875%
Germany	66	7	842.9%
Poland	138	139	(0.7%)
Croatia	2	4	(50.0%)
Hungary	29	40	(27.5%)
Ukraine	3	-	300.0%
Total	20,458	21,513	(4.9%)

The breakdown of the ČD Group's total revenue by material segments is presented in the Consolidated Financial Statements in Note 5 – Segment Information.

Value chain

The ČD Group's value chain primarily comprises activities and relationships related to the provision of passenger and freight rail transport and associated support services. For the purposes of this Statement, the value chain is defined in alignment with the requirements of ESRS standards and includes the main activities carried out by the ČD Group, key supplier relationships, and relationships with customers and other relevant partners.

The upstream value chain primarily includes the supply of energy, fuel, vehicles and their components, maintenance services, information technology, and other materials and services necessary to ensure the operation of rail transport. Cooperation with the railway infrastructure operator and other partners in the transport infrastructure sector also plays a material role in this part of the value chain.

The ČD Group's own operations consist primarily of providing passenger and freight rail transport, including train operations, traffic management, maintenance and renewal of the rolling stock, the provision of ancillary services to passengers and freight customers, and the activities of supporting subsidiaries. This part of the value chain represents the core of the ČD Group's business model and is key in terms of value creation.

The downstream part of the value chain primarily encompasses relationships with passenger and freight transport customers, public transport contracting authorities, logistics partners and other entities that use the ČD Group's services. This part of the value chain also includes ancillary services related to the transport of passengers and goods and to ensuring the availability and quality of the services provided.

The ČD Group's value chain is closely linked to the identified material sustainability topics. The impacts, risks and opportunities associated with individual parts of the value chain are further analysed in detail as part of the double materiality assessment and elaborated upon in the relevant thematic chapters of this Statement. The scope and level of detail of information on the value chain are gradually being expanded in line with data availability and developments in regulatory requirements.

Stakeholders

The ČD Group's stakeholders are entities that are affected by the ČD Group's activities, or that may influence its activities, strategy, business model and the functioning of the value chain. The identification and definition of the main stakeholder groups are based on the nature of the ČD Group's business, its role in the public transport system, and its links to key partners, customers and institutions. The main stakeholder groups of the ČD Group include employees, customers (passengers), public transport contracting authorities, banks and investors, Správa železnic, s. o., suppliers, trade union bodies and regulatory authorities, in particular the Ministry of Transport of the Czech Republic. These groups have a direct relationship with the ČD Group's business model and individual parts of its value chain, both in the value chain, within its own operations, and in the customer segment of the value chain. Stakeholder engagement is carried out through various forms of communication and cooperation appropriate to the nature of the individual groups and the legal frameworks within which the ČD Group operates. For some groups, in particular public transport contracting authorities and regulatory bodies, communication takes place exclusively within the framework of statutory procedures, which fully replace other forms of stakeholder engagement within the meaning of the ESRS requirements.

Outcome of the stakeholder dialogue in 2025

The dialogue conducted in 2025 confirmed the validity of the identified stakeholders and material topics from the previous period. The outcomes of this dialogue do not contain any new suggestions or risk areas that would require a change or update to the double materiality assessment (DMA). The only newly identified potential threat, relating to cooperation with Správa železnic, s. o. in connection with the impacts of extreme weather events on railway infrastructure, is currently considered unconfirmed and is not yet eligible for a change in categorisation within the ČD Group's double materiality assessment.

Stakeholder	Relationship to business activities / business model	Form of engagement / communication	Main topics and areas of cooperation
Employees	A key group directly involved in the ČD Group's own activities and the provision of passenger and rail freight transport.	Internal communication, training, dialogue with trade unions	Working conditions, wages, OHS, skills development
Customers	Direct beneficiaries of the value created by the ČD Group's business model in the field of rail transport.	Customer communication, satisfaction surveys	Quality and reliability of services, comfort, digitalisation
Public transport commissioning authorities	Entities influencing the scope, structure and financing of passenger rail transport.	Contract negotiations, reporting	Scope and quality of services, transport coverage
Banks and investors	Banks and investors share the financing of the ČD Group's activities and support the investments necessary for the development of rail transport and the long-term viability of the ČD Group's business model.	Annual statements, Sustainability statements, meetings with investors	Financial stability, transparency, compliance with ESG performance requirements
Suppliers	They provide the inputs necessary for the operation of rail transport and form the supplier segment of the value chain.	Tendering procedures, contractual relationships	Supply stability, quality, ESG criteria
Správa železnic, s. o.	Key partner for the operation and development of railway infrastructure.	Coordination, operational cooperation	Closures, the infrastructure, decarbonisation
Trade union bodies	Trade union bodies represent employees who are a key part of the ČD Group's own activities and the implementation of its business model.	Collective bargaining, regular consultations	Collective agreements, employee programmes and benefits
Regulatory bodies / Ministry of Transport of the Czech Republic	They establish the legislative framework affecting the ČD Group's operations.	Reporting, consultations	Legislation, CSRD, climate targets

SUSTAINABILITY MANAGEMENT WITHIN THE COMPANY

Involvement of the governing bodies

Within the Company's governing bodies, the area of sustainability and ESG falls under the remit of the board member responsible for finance and assets, who oversees this agenda both at the parent company level and from the perspective of group-wide management across the ČD Group. The Company's governing bodies are involved in sustainability management primarily through the supervision of risks and opportunities in the ESG area. Sustainability-related risks identified through the Double Materiality process are discussed within the Company's risk management system via the Risk Management Committee, to which they are regularly submitted as part of quarterly risk reporting.

The Board of Directors is also informed of the results of the updated double materiality assessment and its conclusions in connection with decisions on the company's strategic priorities, particularly in relation to the process of managing and updating the corporate strategy. Information regarding the development of sustainability within the ČD Group is also provided to the management bodies upon request. The provision of information to the Company's other governing bodies, in particular the Supervisory Board and the Audit Committee, takes place aligned with standard corporate governance processes, particularly during the discussion and approval of the annual report, including its sections relating to sustainability.

Internal management of sustainability and ESG

Internal management of sustainability and ESG within the parent company České dráhy, a.s., and across the ČD Group is ensured by a dedicated sustainability manager, who is responsible for the coordination, methodological guidance and development of the sustainability agenda and non-financial reporting. The sustainability manager bears primary responsibility for fulfilling ESG reporting obligations, for coordinating related processes, and for ensuring the quality and consistency of published non-financial information.

In 2025, internal management of sustainability and ESG was strengthened and formalised through the introduction of group-wide management. As part of this structure, a group-wide ESG subcommittee was established to coordinate ESG agendas across the relevant companies within the ČD Group and to support a unified approach to sustainability management across the entire ČD Group. The subsidiary ČD Cargo, a.s., is also involved in this structure and has had its own ESG management structure since 2024.

The provision of input non-financial data and information within both the parent company and the subsidiaries of the ČD Group is ensured by designated ESG contact persons. These individuals collaborate with a specialised ESG data team, which methodically manages, collects and consolidates non-financial data for the purposes of non-financial reporting at the ČD Group level.

Internal management of sustainability and ESG is carried out in alignment with the adopted Group governance documents. The basic framework for sustainability management is set out in the ČD Group Sustainability and ESG Management Policy, which defines the main principles, targets and organisational structure for managing this area. The implementing document for non-financial reporting is the ČD, a.s. Non-Financial Reporting Directive, which regulates the processes, roles, responsibilities and control mechanisms relating to the collection, consolidation and disclosure of non-financial information. Policies and approaches to managing individual areas of sustainability are defined within the ČD Group under the relevant thematic areas of the ESRS and corresponding internal regulations and fall under the remit of the relevant specialist managers in the individual Companies of the ČD Group. These documents are communicated via internal management tools, in particular the intranet, and targeted training for employees. They are binding on the relevant organisational units, and their implementation is ensured through follow-up processes and control mechanisms, with individual ČD Group companies applying them in accordance with the specific nature of their activities.

The double materiality assessment processes and related internal sustainability management are coordinated by the sustainability manager and are synchronized with the process of managing and updating the Company's corporate strategy. This approach ensures that the conclusions of the double materiality assessment are systematically taken into account in sustainability management and when setting priorities within the Company's strategic management.

Linking competencies to material topics

Following an update to the double materiality assessment carried out in 2025, the validity of the material topics identified in the previous period has been confirmed. Responsibility for individual material topics remains assigned to specific members of the Company's Board of Directors, aligned with their areas of responsibility. An overview of the allocation of responsibilities for individual material topics, including their classification into categories according to ESRS standards, is provided in the table below. The allocation of responsibilities provides a stable framework for managing material sustainability topics within the Company and the ČD Group and is reviewed on an ongoing basis as necessary in response to changes in the regulatory framework or organisational structure.

ESRS categories	Material topic	Responsible board member / lead
E1 – Climate change	Rail transport development	Deputy Director General for Passenger Transport
	Energy efficiency	Deputy Director General for Services
	Greenhouse gas emissions	Deputy Director General for the Economy and Assets
	Environmental and climate targets	Director General
E2 – Pollution	Air pollution from diesel vehicle operations	Deputy Director General for Economy and Assets
	Environmental pollution in the event of accidents	Deputy Director General for Services
E3 – Water and marine resources	Water consumption	
E5 – Resource use and the circular economy	Waste management and Circular economy	
S1 – Own workforce	Staff stability and employee satisfaction	Deputy Director General for Human Resources
	Employee development and skills	
	Employee health and safety	
S4 – Consumers and end users	Quality and reliability of services	Deputy Director General for Passenger Transport
	Customer satisfaction	
	Railway transport safety	
G1 – Business conduct	Ethical and anti-corruption conduct	Director General
	Sustainability in the value chain	Deputy Director General for Economy and Assets

Integration of sustainability criteria into the Company's evaluation system

The Company's long-term targets and priorities, confirmed as part of the update to the ČD 2030 corporate strategy, are aligned with the principles of long-term sustainable business and form the basis for managing sustainability topics within the ČD Group. The strategy update confirmed the continuity of the main strategic targets and their link to key priorities in the area of sustainability. In line with the implementation of this strategy, the management of the parent company České dráhy, a.s., has set key performance indicators (KPIs) in the following areas, which remain unchanged from the previous period:

- ESRS S4 – development of rail transport services (increasing transport capacity and reliability of services),
- ESRS S4 – improving rail safety (preparedness for the introduction of the ETCS signaling system),
- ESRS S1 – increasing employee satisfaction,
- ESRS S4 – increasing customer satisfaction.

In the area of **ESRS E1 – climate change**, no specific targets or performance metrics have currently been set at the management level of the parent company České dráhy, a.s., or the ČD Group. The setting of climate targets is contingent upon the prior approval of the Company's decarbonisation framework, following the adoption of national emissions reduction targets for the transport sector, which are expected to be adopted in the course of 2026. This step will be followed by the finalisation of the Company's decarbonisation strategy and the adoption of specific climate targets and metrics.

The parent company, České dráhy, a.s., applies due diligence principles aligned with the requirements of the ESRS 2 GOV-4 standard. The due diligence approach is integrated into the Company's management system and involves the systematic identification, assessment, prevention and mitigation of actual and potential adverse sustainability impacts associated with the Company's operations, its business relationships and its value chain. Due diligence processes are linked to the Company's strategic targets and risk management system and include the engagement of relevant stakeholders, the assessment of material impacts, risks and opportunities, the adoption of appropriate actions and the monitoring of their effectiveness. This approach also includes regularly informing the Company's governing bodies of the results of due diligence and of progress in managing identified impacts and risks.

The way the individual elements of due diligence are addressed in relation to the requirements of the ESRS 2 GOV-4 standard is transparently described in this Statement in the following table, which provides references to the relevant sections of the Statement where the individual aspects of due diligence are elaborated in detail.

Statement on due diligence

Key elements of due diligence	Chapter of the Statement	Page
Integration of due diligence into governance, strategy and business model	Sustainability management within the Company	204
	ESRS 2 General disclosures	196
Engaging with affected stakeholders in all key due diligence steps	Sustainability management within the Company	202
	ESRS 2 General disclosures	201
	Social responsibility	246, 252
Identification and assessment of adverse impacts	Governance	259
	ESRS 2 General disclosures	198
	Sustainability management within the Company	204
Actions taken to address these adverse impacts	Environmental responsibility	230, 238, 240, 243
	Social responsibility	249, 255
	Governance	260, 263
Monitoring the effectiveness of these efforts and communicating about them	ESRS 2 General disclosures	197
	Sustainability management within the Company	202

Integration of sustainability issues into the Company's risk management system

Sustainability risk management forms part of the integrated risk management system of the parent company, České dráhy, a.s., which is applied across the ČD Group. This system was established in 2024 and is considered to be operational. In 2025, it is being further developed on an ongoing basis with the targets of strengthening its consistency, scope of coverage and links to sustainability management and non-financial reporting processes.

Organizational responsibilities for sustainability risk management are aligned with the remits of individual members of the Board of Directors. Coordination of this area is ensured by the Sustainability Manager in cooperation with the Risk Management Department and other specialist departments of the Company. Sustainability-related risk management forms part of the agenda of the Company's Risk Management Committee, which focuses primarily on assessing material risks, proposing actions and monitoring their effectiveness.

The identification and assessment of sustainability risks and opportunities are based on the results of a double materiality assessment and the Company's regular risk management process. Risks are assessed in terms of their likelihood and potential impact on the Company's operations, financial performance and long-term sustainability. Material risks are recorded in a central risk register and are assigned responsible owners and appropriate actions to mitigate risks. The risk management system also includes an internal control system designed to ensure the accuracy, completeness and reliability of information disclosed in the area of sustainability. This system, established in 2024, is being further developed in 2025, particularly in the areas of data quality, standardisation of procedures and internal validation of non-financial information. It includes the definition of roles and responsibilities in the collection, consolidation and verification of non-financial data, the involvement of a specialised ESG data team and designated contact persons at the parent company and subsidiaries of the ČD Group.

Control mechanisms include ongoing data quality checks, internal validation of key non-financial metrics, and approval processes prior to the submission of information to the Company's management bodies. Information on material sustainability risks and opportunities, including actions taken and their progress, is regularly submitted to the Company's management bodies as part of risk management reporting.

Main identified risks relating to the Company's sustainability

As part of the double materiality assessment process, the results of which are set out in Chapter Double Materiality Assessment, the risk of energy intensity of non-traction operations was identified as a material risk. The risk was assessed as material primarily from the perspective of potential financial impacts and regulatory requirements. From the Company's perspective, this is primarily a regulatory risk related to the possible impacts of European legislation, in particular the RED III, EED, EPBD and ETS 2 directives, should they be transposed into Czech law. These regulations may lead to stricter requirements for the energy efficiency of buildings, the use of renewable energy sources and the charging of emissions in the buildings sector, which may increase the operating and investment costs of non-traction activities. The risk is managed within the Company's integrated risk management system. Should specific legislative impacts be confirmed, they will be addressed primarily through a review of the Company's existing energy strategy and related actions.

DOUBLE MATERIALITY ASSESSMENT

Approach, methodology and organisation of the double materiality assessment

The ČD Group conducts double materiality assessments aligned with the Double Materiality principle as required by the CSRD and ESRS standards. The targets of the process are to identify and assess significant impacts, risks and opportunities (IROs) in terms of their impact on society and the environment, as well as their potential financial impact on the ČD Group.

The assessment was carried out using a structured four-step process:

1. Understanding the business activities, business model, value chain and relevant stakeholders.
2. Identification of relevant impacts, risks and opportunities (IROs).
3. Assessment of materiality and financial significance.
4. Determination of material topics.

The identification of impacts, risks and opportunities was based on an analysis of internal documents, regulatory requirements, benchmarking and expert discussions with specialists from the ČD Group. Representatives of key departments, including the Risk Manager, were involved in the process, thereby ensuring that the double materiality assessment process was linked to the company's internal risk management system.

The materiality assessment was carried out using a four-point scale. For actual impacts, their severity (degree, scope and irreversibility) was assessed; for potential impacts, severity and likelihood of occurrence were assessed. For risks and opportunities, likelihood and potential financial impact were assessed. The final score was determined as a combination of individual assessment criteria, with a final score assigned to each topic. The materiality threshold was set at a level corresponding to a final score of 9 or higher, with topics that reached or exceeded this threshold being considered material and included within the scope of ČD Group's reporting.

The assessment methodology, including the scale and thresholds used, is based on the same internally validated approach as in the previous reporting period and was applied in 2025 without any significant changes. The prioritisation of sustainability-related risks is determined based on a combination of probability and severity of impact, similarly to other types of risks within the ČD Group's risk management system. The results of the materiality assessment are used as input for updating the Company's risk profile and for further risk management. The identified material risks and opportunities were also assessed in terms of their potential impact on the ČD Group's strategy and business model. Should they materialize, they may affect, in particular, the Group's investment priorities, cost structure, regulatory environment and long-term competitiveness. The assessment of the strategy's resilience is carried out in the short, medium and long term in line with the ČD Group's strategic plan. As part of the process, the views of relevant stakeholders were taken into account through communication with their representatives and expert assessments by internal specialists.

Update of the double materiality assessment in 2025

In 2025, a review and update of the materiality assessment was carried out, building on the previous assessment and using the same methodology. The review primarily reflected the update of the ČD 2030 corporate strategy, with which the wording of the individual material sustainability topics was aligned. The outcome of the materiality assessment itself did not change significantly as a result of this update. As part of the review, the materiality of topic S4 – Accessible Transport – was not confirmed; this topic continues to be considered a contextual issue related to the provision of services for personal rail transport but was not assessed as a material topic within the meaning of the ESRS standards. The other material topics identified in the previous period were confirmed by the review.

The outcome of the materiality assessment is a list of these material sustainability topics and the associated material impacts, risks and opportunities, which forms the basis for determining the scope and structure of the information to be disclosed in accordance with the ESRS standards for 2025.

Overview of the ČD Group's material topics and their IRO classification for 2025

ESRS category	Material topic 2025	IRO classification		
E1 – Climate Change	Development of rail transport	I	•	↓
	Opportunity for growth in demand for low-emission transport services	O	•	↓
	Energy intensity of non-traction operations	I/R	•	△
	Greenhouse gas emissions	I	•	↓
E2 – Pollution	Air pollution from the operation of diesel vehicles	I	•	↓
	Environmental pollution in the event of accidents	I	•	↓
E3 – Water and marine resources	Water consumption and responsible management of water resources	I	•	△
E5 – Resource use and circular economy	Waste management and increasing recyclability	I	•	△
S1 – Own workforce	Employee stability and satisfaction	I	•	△
	Employee development and skills	I	•	△
	Employee health and safety	I	•	△
S4 – Consumers and end-users	Quality and reliability of services	I	•	↓
	Customer satisfaction	I	•	↓
	Railway transport safety and passenger protection	I	•	↓
G1 – Business conduct	Ethical and anti-corruption conduct	I	•	△
	Sustainability and responsible value chain management	I	•	↑

I – impact, O – opportunity, R – risk, • – negative, • – positive, ↓ – downstream, ↑ – upstream, △ – own operations

Justification for the lack of materiality for selected topics

As part of the materiality assessment, certain sustainability topics were assessed as not material within the meaning of the ESRS standards, both in terms of impact and financial materiality. The assessment was based on the nature of the ČD Group's activities, the scope of its operations, the structure of the value chain, and the identified actual and potential impacts, risks and opportunities.

ESRS E4 – Biodiversity and Ecosystems was assessed as not material, particularly given that the ČD Group's activities are not associated with significant direct impacts on biodiversity or with operations within protected areas within the meaning of the ESRS standards. Rail transport operations take place predominantly on existing infrastructure and are not associated with extensive changes in land use, deforestation or other significant impacts on ecosystems. No significant financial risks or opportunities were identified that could have a material impact on the ČD Group's financial position.

ESRS S2 – Workers in the Value Chain was assessed as not material due to the ČD Group's limited exposure to risks of violations of labour and social rights of workers in the value chain. The nature of the ČD Group's activities does not require extensive use of upstream value chains with a high risk of negative social impacts. Relationships with suppliers are managed through standard contractual and control mechanisms, and no actual or potential negative impacts, nor any material risks or opportunities, have been identified in this area.

ESRS S3 – Affected Communities was assessed as not material based on an evaluation of the actual and potential impacts of the ČD Group's activities on local communities. The ČD Group's operational activities are carried out exclusively in locations and areas designated for this purpose aligned with the applicable spatial planning documentation. The ČD Group is not responsible for impacts related to the existence and operation of railway infrastructure, which fall under the remit of its owner and operator. The assessment identified one specific impact on the communities concerned; however, this was not of a systemic nature and did not constitute a long-term or recurring negative impact. This individual case was not assessed as material in terms of either impact or financial materiality.

Based on the assessment carried out, the above-mentioned topics were not identified as material sustainability topics according to ESRS standards. The ČD Group continues to monitor these topics within its standard operational and management framework, and their materiality will be reassessed as part of the regular update of the double materiality assessment in the event of changes in the ČD Group's activities or in the external environment.

CLIMATE RISKS

Approach to climate risk assessment and changes compared to 2024

In 2024, the ČD Group carried out a comprehensive analysis of climate risks, which covered both physical climate-related risks and transition climate risks associated with the transition to a low-carbon economy. The assessment was carried out across three time horizons – short-term (up to 2030), medium-term (up to 2040) and long-term (up to 2050) – and focused on the ČD Group's assets and activities that are directly under its control. During 2025, the validity of the conclusions of this 2024 initial analysis was reassessed. Given that, compared to 2024, there had been no change in the climate models and scenarios used, the input data or the assessment methodology, nor had there been any change in the structure of the assessed assets and their locations that would have a material impact on the ČD Group's exposure to physical climate risks, the ČD Group continues to regard the outputs of the 2024 climate risk analysis as valid.

The climate risk analysis primarily relates to companies ČD, a.s. and ČD Cargo, a.s., which account for the majority of the ČD Group's activities. The assessment focuses on owned and leased assets used for the ČD Group's core operational activities.

The ČD Group's climate risk analysis is conducted on a portion of the assets owned by ČD Group companies, excluding the railway infrastructure on which the ČD Group operates rail transport services. The railway infrastructure is not included in the climate risk analysis as it is not owned by the ČD Group but is owned and managed by Správa železnic, s. o. The climate risk analysis of the railway infrastructure was carried out by Správa železnic, s. o. in 2025, and its results were only made available to the ČD Group in 2026. For these reasons, it was not possible to carry out a comprehensive analysis of climate risks for the entire value chain in 2025. The deadline for completing this comprehensive analysis of the entire value chain will be announced during 2026.

In the area of climate risks in the upstream value chain, the ČD Group is currently relying on the application of a three-year exemption, which is aligned with the transitional provisions of the ESRS standards, with the deadline for completing this part of the analysis to be set in 2026.

Methodology and scenarios used for the assessment of climate risks

The climate risk analysis was conducted in alignment with the ESRS E1 requirements and the EU Taxonomy and covered both physical and transition climate risks in relation to the ČD Group's assets, operations and business model. The assessment was based on the IPCC (AR6) reference climate scenarios. The SSP5-8.5 emissions scenario was used to assess physical climate-related risks as a conservative approach enabling the testing of asset resilience under adverse climate developments. Transition risks were assessed with regard to scenarios corresponding to limiting warming to approximately 1.5°C and reflecting expected regulatory and technological developments in the EU. The analysis employed short-term (up to 2030), medium-term (up to 2040) and long-term (up to 2050) time horizons, which correspond to strategic planning, the investment cycle and the expected lifespan of key assets. For physical climate-related risks, the exposure of assets to identified climate hazards was assessed, taking into account their location and nature. For transition risks, the assessment focused primarily on regulatory changes, developments in energy and emissions allowance prices, technological progress and changes in the market environment. The materiality assessment was based on a combination of probability and magnitude of impact, including an estimate of the potential financial effect. For physical risks, the financial impact was assessed in relation to revenues and asset values, without exceeding the internal materiality threshold. For transition risks, the Company's ability to adapt to changes through contractual mechanisms, technological investments and operational adjustments was taken into account.

The analysis takes into account the inherent uncertainties associated with long-term climate projections, particularly in the areas of regulatory developments, technological progress and macroeconomic trends. The ČD Group therefore monitors these risks on an ongoing basis and updates their assessment in light of new information.

The results were assessed in relation to the ČD Group's strategy and investment plans. No climate risks were identified that would require a fundamental adjustment to the business model beyond the scope of already planned investments in modernisation, energy efficiency and low-emission technologies. The Company has the ability to continuously adapt its strategy and capital allocation to developments in the climate sector.

Physical climate-related risks

The assessment of physical climate-related risks carried out in 2024 focused on the impacts of extreme climate events on the ČD Group's assets and operations. In particular, risks related to extreme temperatures, precipitation events, wind and surface conditions that could affect the availability and operability of key assets were assessed.

The analysis was based on the internationally recognised IPCC climate scenarios, specifically the SSP5-8.5 scenario, which represents a high greenhouse gas emissions pathway and was chosen as a conservative approach to identifying the potentially most severe physical impacts of climate change on the ČD Group's assets and operations. The assessment considered

short-, medium- and long-term time horizons up to 2030, 2040 and 2050 and included an evaluation of the exposure and vulnerability of owned and leased assets used for the ČD Group's core activities. The scenario took into account key climate variables, in particular trends in temperature, precipitation patterns, extreme weather events and surface conditions that may affect the availability, operational capability and value of key assets. These factors were assessed as relevant given the nature of the infrastructure and rail transport operations. The selected time horizons correspond to the ČD Group's investment and strategic planning and enable the capture of both immediate and long-term impacts of climate change. The selected scope of the scenario is considered sufficient to cover the main physical climate-related risks and associated uncertainties.

During 2025, there were no changes to the climate scenarios, input data or the methodology for assessing physical climate-related risks. At the same time, there were no changes to the structure or location of assets that could have a material impact on the ČD Group's exposure to physical climate-related risks. For these reasons, the physical climate risk analysis for 2025 was not updated. As no material climate risks were identified, it was not necessary to prepare a separate adaptation strategy, and this area is therefore not linked to the financial statements.

Based on the assessment carried out and its review in 2025, physical climate-related risks were not assessed as material in terms of the ČD Group's financial performance, operational continuity or long-term sustainability.

Transitional climate risks

The assessment of transitional climate risks carried out in 2024 focused on the potential impacts arising primarily from changes to the regulatory framework, technological developments and developments in the market environment in connection with the transition to a low-carbon economy. Risks associated with future developments in requirements for reducing emissions, the availability of technologies and changes in customer preferences were assessed. The analysis was based on a scenario corresponding to limiting global warming to approximately 1.5 °C and considered time horizons up to 2030, 2040 and 2050. The assessment was carried out in relation to the business model and core activities of the ČD Group.

The analysis of transition climate risks considered key macroeconomic and regulatory assumptions related to the transition to a low-carbon economy. These include the gradual tightening of European Union climate legislation (e.g. the expansion of the EU ETS, the implementation of the RED III and EED directives), the development of emission allowance prices, changes in the energy mix, and technological developments in the field of low-emission transport. These assumptions reflect expected trends in the decarbonisation of the economy, including a gradual shift away from fossil fuels and increased energy efficiency. The key assumptions were assessed as relevant in view of the energy intensity of the ČD Group's operations and its dependence on developments in the regulatory and market environment.

In 2025, the regulatory and legislative context relating to transitional climate risks was updated, whilst a review of the input assumptions and conclusions of the 2024 analysis of transition climate risks was also carried out. This update did not confirm the need to change the methodology used or the basic assessment framework and had no impact on the identification or assessment of transition climate risks in terms of their materiality.

Based on the results of the climate risk analysis and the double materiality assessment (DMA), transition climate risks were not assessed as material within the meaning of the ESRS.

OVERVIEW OF DISCLOSURES INCLUDED IN THE STATEMENT

ESRS 2 General Information			
ESRS Requirement	Description	Chapter of the Statement	Page
BP-1	General basis for preparation of sustainability statements	General basis for the preparation of the sustainability statement	196
BP-2	Disclosures in relation to specific circumstances	General basis for the preparation of the sustainability statement	197
GOV-1	The role of the administrative, management and supervisory bodies	Corporate Governance	8
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Sustainability management within the Company	202
GOV-3	Integration of sustainability-related performance in incentive schemes	Sustainability management within the Company	203
GOV-4	Statement on due diligence	Sustainability management within the Company	204
GOV-5	Risk management and internal controls over sustainability reporting	Sustainability management within the Company	204
SBM-1	Strategy, business model and value chain	Strategy, business model and value chain	198
SBM-2	Interests and views of stakeholders	Double Materiality assessment	200, 201
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Double Materiality assessment	206
IRO-1	Description of procedures for identifying and assessing material IROs	Double Materiality assessment	205
IRO-2	Disclosure requirements under the ESRS relating to the undertaking's sustainability statement	Overview of disclosures included in the Statement	210

E1 Climate change			
ESRS requirement	Description	Chapter of the Statement	Page
EU Taxonomy	Taxonomy Regulation	EU Taxonomy	217
E1-1	Transition plan for climate change mitigation	Transition Plan for climate change mitigation	229
SBM-3	Material IROs and their relationship to the strategy and business model	Approach and material topics	228
IRO-1	Description of procedures for identifying and assessing material IROs	Approach and material topics	228
E1-2	Policies related to climate change mitigation and adaptation	Policies and management	229
E1-3	Actions and resources in relation to climate change policies	Actions	230
E1-4	Targets related to climate change mitigation and adaptation	Targets	230
E1-5	Energy consumption and mix	Metrics	233
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	GHG emissions	235
E1-7	GHG removals and GHG reduction projects financed through carbon credits	Not material for the Company	
E1-8	Internal carbon pricing	Not material for the Company	
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Omitted in accordance with Appendix C of ESRS 1	
E2 Pollution			
ESRS requirement	Description	Chapter of the Statement	Page
IRO-1	Procedures for identifying and assessing material IROs related to pollution	Approach and material topics	237
E2-1	Policies related to pollution	Policies and management	237
E2-2	Actions and resources related to pollution	Actions	238
E2-3	Targets related to pollution	Targets	238
E2-4	Pollution of air, water and soil	Metrics	239
E2-5	Substances of concern and substances of very high concern	Not material for the Company	
E2-6	Estimated financial consequences of pollution-related IROs	Omitted in accordance with Appendix C of ESRS 1	

E3 Water and marine resources			
ESRS requirement	Description	Chapter of the Statement	Page
IRO-1	Procedures for identifying and assessing material IROs related to water resources	Approach and material topics	240
E3-1	Policies related to water and marine resources	Policies and management	240
E3-2	Actions and resources related to water and marine resources	Actions	240
E3-3	Targets related to water and marine resources	Targets	240
E3-4	Water consumption	Metrics	241
E5 Resource use and circular economy			
ESRS requirement	Description	Chapter of the Statement	Page
IRO-1	Procedures for identifying and assessing material IROs related to resource use and the circular economy	Approach and material topics	242
E5-1	Policies related to resource use and circular economy	Policies and management	242
E5-2	Actions and resources related to resource use and circular economy	Actions	243
E5-3	Targets related to resource use and circular economy	Targets	242
E5-4	Resource inflows	Not material for the Company	
E5-5	Resource outflows	Metrics	244
E5-6	Estimated financial implications of material IROs related to resource use and circular economy	Omitted in accordance with Appendix C of ESRS 1	

S1 Own workforce			
ESRS requirement	Description	Chapter of the Statement	Page
SBM-2	Interests and views of stakeholders	Stakeholders	200, 201
SBM-3	Material IROs and their relationship to the strategy and business model	Approach and material topics	246
S1-1	Policies related to own workforce	Policies and management	247
S1-2	Processes for engaging with own workers and workers' representatives about impacts	Employee engagement	247
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Employee engagement	247
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Actions	249
S1-5	Targets relating to the management of material negative impacts, the promotion of positive impacts and risk management for material risks and opportunities	Targets	248
S1-6	Characteristics of the undertaking's employees	Metrics	250
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	Metrics	250
S1-8	Collective bargaining coverage and social dialogue	Policies and management	247
S1-9	Diversity metrics	Corporate Governance	10
S1-10	Adequate wages	Approach and material topics	246
S1-11	Social protection	Approach and material topics	246
S1-12	Persons with disabilities	Omitted in accordance with Annex C of ESRS 1	
S1-13	Training and skills development metrics	Metrics	251
S1-14	Health and safety metrics	Metrics	251
S1-15	Work-life balance metrics	Omitted in accordance with Appendix C of ESRS 1	
S1-16	Compensation metrics (pay gap and total compensation)	Not material for the Company	
S1-17	Incidents, complaints and severe human rights impacts	Metrics	251

S4 Consumers and end users

ESRS requirement	Description	Chapter of the Statement	Page
SBM-2	Interests and views of stakeholders	Stakeholders	200, 201
SBM-3	Material IROs and their relationship to the strategy and business model	Approach and material topics	252
S4-1	Policies related to consumers and end-users	Policies and management	253
S4-2	Processes for engaging with consumers and end-users about impacts	Engaging customers and end users	253
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Resolving customer issues and complaints	254
S4-4	Taking action regarding material impacts on consumers and end users and approaches to risk management and exploiting material opportunities	Actions	255
S4-5	Targets relating to the management of material negative impacts, the promotion of positive impacts and risk management of material risks and opportunities	Targets	254

G1 Business conduct

ESRS requirement	Description	Chapter of the Statement	Page
GOV-1	The role of the administrative, management and supervisory bodies	Corporate Governance	8
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Approach and material topics	259, 262
G1-1	Corporate culture and Business conduct policies and corporate culture	Policies and management	259
G1-2	Management of relationships with suppliers	Responsible value chain management	262
G1-3	Prevention and detection of corruption and bribery	Actions	260
G1-4	Confirmed incidents of corruption or bribery	Metrics	261
G1-5	Political influence and lobbying activities	Not material for the Company	
G1-6	Payment practices	Not material for the Company	

Links between the ČD Group's Sustainability Statement and other standards and regulatory frameworks

ESRS requirement	External framework ¹	Chapter of the Statement	Page
GOV-1	SFDR/BRR	Corporate Governance	8
GOV-4	SFDR	Sustainability management within the Company	204
SBM-1	SFDR/P3/BRR	Stakeholders	200, 201
SBM-3	SFDR	Double Materiality assessment	205
IRO-1	SFDR	Double Materiality assessment	205
E1-1	EUCL/P3/BRR	Transition Plan for climate change mitigation	229
E1-4	SFDR/P3/BRR	Targets	230
E1-5	SFDR	Metrics	233
E1-6	SFDR/P3/BRR	GHG emissions	235
E1-7	EUCL	Not material for the Company	
E1-9	BRR/P3	Omitted in accordance with Appendix C of ESRS 1	
E2-4	SFDR	Metrics	239
E3-1	SFDR	Policies and management	240
E3-4	SFDR	Metrics	241
E5-5	SFDR	Metrics	244
S1-1	SFDR/BRR	Policies and management	247
S1-3	SFDR	Employee engagement	247
S1-4	SFDR/BRR	Actions	249
S1-14	SFDR/BRR	Metrics	251
S1-16	SFDR/BRR	Not material for the Company	
S1-17	SFDR/BRR	Metrics	251
S4-1	SFDR/BRR	Policies and management	253
S4-4	SFDR	Actions	255
G1-1	SFDR	Policies and management	259
G1-4	SFDR/BRR	Metrics	261

Environmental responsibility

EU Taxonomy	217
Key metrics according to the EU Taxonomy	217
Eligibility assessment	218
Alignment assessment	219
Turnover KPI	220
Capital Expenditure KPI	222
OpEx KPI	225
ESRS E1 Climate change	228
Approach and material topics	228
Policies and management	229
Transition Plan for climate change mitigation	229
Targets	230
Actions	230
Metrics	232
GHG emissions	235
ESRS E2 Pollution	237
Approach and material topics	237
Policies and management	237
Targets	238
Actions	238
Metrics	239
ESRS E3 Water and marine resources	240
Approach and material topics	240
Policies and management	240
Targets	240
Actions	240
Metrics	241
ESRS E5 Resource use and circular economy	242
Approach and material topics	242
Policies and management	242
Targets	242
Actions	243
Metrics	244



Environmental responsibility

EU TAXONOMY

The Taxonomy Regulation is a key part of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving carbon neutrality by 2050 aligned with the EU's climate targets, as it establishes a classification system for environmentally sustainable economic activities.

The following text presents, for the reporting period of 2025, the share of economic activities in the ČD Group's key performance indicators (KPIs) related to the first two environmental objectives (climate change mitigation and climate change adaptation) in the ČD Group's total turnover (Turnover KPI), in the ČD Group's capital expenditure (CapEx KPI) and in the ČD Group's operating expenditure (OpEx KPI) in accordance with Article 8 of the Taxonomy Regulation and Article 10 (2) of Commission Delegated Regulation (EU) 2021/2178.

Key metrics according to the EU Taxonomy

Turnover KPI

2025



CapEx KPI

2025



OpEx KPI

2025



Year-on-year comparison of KPIs

	2025		2024		Δ		
	mil. CZK	%	mil. CZK	%	mil. CZK	%	
Turnover KPI	Aligned Turnover	26,326	45%	6,745	12%	19,582	32%
	Eligible Turnover	24,584	42%	41,141	75%	(16,556)	(33%)
	Non-eligible Turnover	7,991	13%*	6,812	12%	1,181	1%
	Total	58,901	100%	54,697	100%	4,206	-
Capital KPI	Aligned Capital Expenditure	11,335	61%	1,894	7%	9,441	55%
	Eligible Capital Expenditure	6,028	33%	25,975	90%	(19,947)	(58%)
	Non-eligible Capital Expenditure	1,146	6%	909	3%	236	3%
	Total	18,509	100%	28,778	100%	(10,270)	-
Operational KPI	Aligned Operating Expenditure	1,792	28%	637	8%	1,155	20%
	Eligible Operating Expenditure	3,846	61%	5,495	71%	(1,649)	(10%)
	Non-eligible Operating Expenditure	704	11%	1,603	21%	(899)	(10%)
	Total	6,342	100%	7,735	100%	(1,393)	-

*The value has been adjusted due to mathematical rounding.

The year-on-year comparison is positively influenced by an increase in the share of activities newly classified as aligned with the EU taxonomy, at the expense of taxonomy eligible activities. This trend stems from the nature of the business of the parent company, ČD, a.s., whose key activities in the field of rail transport inherently contribute to the fulfilment of the environmental objectives of the EU taxonomy. As a result, the required criteria were met for the majority of activities, which was reflected in an increase in the share of activities reported aligned.

Eligibility assessment

The ČD Group's eligible activities fall within the transport sector and relate to the first two environmental objectives (climate change mitigation and climate change adaptation). The ČD Group considers the contribution of activities to climate change adaptation to be less material, and the taxonomy does not allow for double counting (i.e. assigning a single activity to more than one climate objective).

Commission Delegated Regulation (EU) 2023/2486 (the remaining four environmental objectives) has been assessed; the ČD Group has not identified any further relevant eligible activities for 2025 that affect the reported KPIs. The list of eligible activities therefore remains unchanged from 2024. The ČD Group has mapped its eligible activities to economic activities in accordance with the annexes to the relevant delegated acts. An overview of eligible activities and their link to climate objectives is provided below:

Activity 6.1 Passenger interurban rail transport

One of the ČD Group's main activities is rail passenger transport. This category includes all activities carried out by ČD Group companies using rail vehicles operating on European rail infrastructure in connection with the transport of passengers. This category comprises revenue from passenger fares at both domestic and international levels, revenue from the state and individual regions paid for the purpose of strengthening or maintaining rail transport services in the regions, as well as revenue from the sale of seat reservations in our carriages.

Activity 6.2 Freight rail transport

Another material activity of the ČD Group is rail freight transport. This category includes all transport services provided by companies within the ČD Group using rail vehicles operating on the European rail infrastructure, relating to the transport of freight at both domestic and international levels.

Activity 6.14 Infrastructure for rail transport

As a contribution to the main activities 6.1 and 6.2, supporting activities are also carried out relating to the construction, modernisation and operation of selected parts of the railway infrastructure owned by the ČD Group (i.e. excluding railway infrastructure owned by Správa železnic, s. o.). This category includes activities such as equipping locomotives with ETCS safety equipment, the reconstruction of operational buildings, and the upgrading of operational software.

Economic activities	Codes	Turnover		Capital expenditures		Operating expenditures	
		mil. CZK	%	mil. CZK	%	mil. CZK	%
Passenger interurban rail transport	CCM 6.1.	18,468	31%	9,591	52%	956	15%
Freight rail transport	CCM 6.2.	7,858	13%	1,175	6%	836	13%
Infrastructure for rail transport	CCM 6.14.	-	-	569	3%	-	-
Taxonomy aligned activities		26,326	45%	11,335	61%	1,792	28%
Passenger interurban rail transport	CCM 6.1.	17,075	29%	3,483	19%	3,168	50%
Rail freight transport	CCM 6.2.	7,510	13%	1,276	7%	679	11%
Infrastructure for rail transport	CCM 6.14.	-	-	1,270	7%	-	-
Taxonomy eligible activities only		24,584	42%	6,028	33%	3,846	61%
Taxonomy non-eligible activities		7,991	14%	1,146	6%	704	11%
Total		58,901	100%	18,509	100%	6,342	100%

Alignment assessment

Assessment of technical screening criteria for substantial contribution

As a result of the technical screening criteria, all revenues, capital and operating expenditures related to the transport of fossil fuels and to transport performances provided using diesel traction or steam traction were excluded from the activities reported as compliant with the EU Taxonomy. Only services and related investments carried out using zero-emission traction, i.e. electric and battery traction, which meet the condition of zero direct CO₂ emissions, are included in aligned activities. For items that cannot be clearly assigned to a specific traction type or service type, an allocation key is used based on the share of transport performances provided using zero-emission traction, derived from the ČD Group's internal information systems. The same principle is applied to supporting investments in railway infrastructure (activity 6.14), particularly for technologies and systems directly related to the operation of zero-emission rail rolling stock. At the same time, all items intended for the transport or storage of fossil fuels are excluded from aligned activities.

Assessment of technical screening criteria for the principle of do no significant harm

No material risks to the ČD Group's real estate assets in the Czech Republic were identified during the transition climate risk analysis. The railway infrastructure not owned by the ČD Group but managed by the infrastructure manager was not analysed. However, the relevant goods loading and unloading points were analysed, and no material risk was identified there either. It can therefore be assumed that, in the event of disruption to the infrastructure, any restrictions would be temporary in nature and/or, given the density of the network, it would be possible to bypass them via an alternative route.

A waste management hierarchy system is in place within the ČD Group, and efforts to renovate and reuse materials during asset maintenance are maximised.

By modernising its locomotive fleet, the ČD Group reduces air pollution, as the engines of these new or modernised locomotives must already comply with current EU emission limits. Locomotives failing to meet these limits have already been excluded under the criterion of zero direct CO₂ emissions.

The other screening criteria relate to the construction of railway infrastructure, which the ČD Group neither carries out nor manages and are therefore not relevant. Through its activities, the ČD Group does not cause the aforementioned negative impacts on water quality, biodiversity or the population in connection with the construction, upgrading and repair of the infrastructure.

Within the ČD Group, only company ČD, a.s. and ČD Cargo, a.s. report aligned activities for 2025. Other companies within the ČD Group are preparing to report alignment in the 2026 reporting year.

Minimum social safeguards and respect for human rights

In accordance with Article 18 of Regulation (EU) 2020/852, the ČD Group assesses compliance with minimum safeguards as part of its evaluation of the alignment of economic activities with the requirements of the EU taxonomy. This approach is based on internationally recognised frameworks in the field of human rights and labour standards, in particular the OECD Guidelines for Multinational Companies, the UN Guiding Principles on Business and Human Rights (UNGPs) and the fundamental conventions of the International Labour Organisation (ILO). Respect for the labour and social rights of the Group's own workforce is ensured through an established system of internal policies and processes, in particular the ČD Group Human Resources Management Framework Policy, which is binding on both the parent company and the Group's subsidiaries and governs working conditions, equal treatment, collective bargaining, occupational health and safety, and employee development. These principles are further described in Chapter ESRS S1 – Own workforce.

The system of minimum social safeguards also includes mechanisms for ethical and responsible conduct, including whistleblower protection and procedures for addressing suspected unethical or unlawful conduct. The ČD Group ensures the availability of a confidential reporting mechanism for employees and third parties and applies procedures for investigating and rectifying identified issues, as described in Chapter ESRS G1-1 – Anti-corruption and Business Conduct.

Based on the policies and processes described above, the ČD Group states that the economic activities reported under the EU taxonomy are carried out in compliance with the minimum social safeguards within the meaning of Article 18 of Regulation (EU) 2020/852.

Turnover KPI

The share of taxonomy-eligible and aligned economic activities in the Group's total turnover was calculated as the portion of net turnover derived from products and services associated with taxonomy-eligible and aligned activities (numerator) divided by net turnover (denominator) in each case for the financial year from 1 January 2025 to 31 December 2025. Consolidated net turnover (denominator) can be reconciled with the consolidated financial statements, see the consolidated profit and loss account (Revenue and Other operating income lines).

The numerator of the turnover KPI is defined as net turnover derived from products and services associated with taxonomy-eligible economic activities, i.e.:

- 6.1 Intercity rail passenger transport generating revenue from fares and related services and revenue from the state and regions;
- 6.2 Rail freight transport generating revenue from freight transport and related services.

The ČD Group records in detail, within its internal IT systems, the allocation of individual revenues to activities 6.1 and 6.2. For this reason, there was no need to use allocation keys to allocate revenues to individual taxonomy eligible activities.

The share of aligned turnover is adjusted for revenue from the transport of fossil fuels and revenue from the transport of passengers and goods carried out using independent traction.

Detailed breakdown of revenues (in mil. CZK)	Eligible Turnover only	Eligible and aligned Turnover
Revenue from passenger transport - fares	7,241	4,719
Revenue from passenger transport – reimbursements from public service contractors	9,760	13,627
Revenue from freight transport	6,544	7,858
Other freight transport revenue	626	-
Other transport-related revenue	71	-
Revenue from special trains	24	29
Other	12	92
Revenue from leasing	305	-
Total	24,584	26,326

Financial year	2025			Substantial contribution criteria						Do no significant harm (DNSH) criteria						Minimum safeguards (17)	Proportion of Taxonomy aligned activities (A.1.) or Taxonomy eligible activities (A.2.) in turnover, 2024 (18)	Enabling activity category (19)	Transitional activity category (20)				
	Code (2)	Turnover (3)	Proportion of turnover, 2025 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)					Yes / No	Yes / No	Yes / No	Yes / No
Economic activities (1)		mil. CZK	%	%	%	%	%	%	%	Yes / No	Yes / No	Yes / No	Yes / No	Yes / No	Yes / No	Yes / No	Yes / No	%	E	T			
A. Taxonomy eligible activities																							
A.1 Environmentally sustainable activities (Taxonomy-aligned)																							
Passenger interurban rail transport	CCM 6.1	18,468	31%	100%						Yes	Yes	N/A	Yes	Yes	N/A	Yes		-					
Freight rail transport	CCM 6.2	7,858	13%	100%						Yes	Yes	N/A	Yes	Yes	N/A	Yes		12%					
Turnover from environmentally sustainable activities (taxonomy aligned) (A.1)		26,326	45%															12%					
of which enabling		-	-															-					
of which transitional		-	-															-					
A.2 Taxonomy-eligible but not environmentally sustainable activities (Taxonomy-non-aligned activities)																							
Passenger interurban rail transport	CCM 6.1	17,075	29%	EL														60%					
Freight rail transport	CCM 6.2	7,510	13%	EL														16%					
Turnover of activities that are Taxonomy-eligible but not environmentally sustainable (Taxonomy-non-aligned) (A.2)		24,584	42%															76%					
Turnover of Taxonomy-eligible activities (A.1+A.2)		50,910	86%															88%					
B. Taxonomy non-eligible activities																							
Turnover of Taxonomy-non-eligible activities		7,991	13%																				
Total (A.+B.)		58,901	100%																				

Capital Expenditure KPI

The CapEx KPI is defined as taxonomy-eligible and aligned capital expenditure (numerator) divided by total capital expenditure (denominator).

Total capital expenditures consist of additions to tangible and intangible fixed assets during the financial year before depreciation, amortisation and any revaluation. They include the acquisition of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38), Right-of-Use Assets (IFRS 16) and investment property (IAS 40). Additions arising from undertaking combinations are also included. The acquisition difference (goodwill) is not included in total capital expenditure, as it is not considered an intangible asset in accordance with IAS 38.

The numerator consists of the following categories of taxonomy-eligible CapEx:

a) Investments related to assets or processes associated with taxonomy-eligible activities ("category a"):

The ČD Group considers assets and processes to be related to economic activities eligible under the taxonomy if they are essential components necessary for the performance of economic activities. Consequently, all capital expenditure invested in the following areas is included in the numerator of the CapEx KPI:

- railway traction units, wagons and other railway vehicles;
- components, spare parts and batteries for rail vehicles;
- information systems used by end customers to purchase tickets and book capacity.

b) Taxonomy-eligible CapEx that forms part of investment plans to upgrade taxonomy-eligible activities to taxonomy-aligned activities, or to expand taxonomy-aligned economic activities ("category b"):

- the ČD Group has not recorded any capital expenditures in this category this year.

c) Capital expenditures related to the purchase of outputs from economic activities that are taxonomy-aligned and individual actions that enable certain target activities (usually non-eligible activities) to become low-carbon activities or to lead to a reduction in greenhouse gas emissions ("category c"). Taxonomy-eligible CapEx is also considered eligible if the purchased output meets the description of the relevant economic activity (see additional information below).

Within the framework of aligned capital expenditure, the share of services provided in the context of the transport of fossil fuels or the transport of passengers and goods by independent traction is excluded from taxonomy-eligible CapEx.

Structure of capital expenditures by asset type

Economic activities (in mil. CZK)	Codes	Land and buildings	Machinery, equipment and other	Vehicles	Assets under construction	Prepayments	Software	Right-of-Use Assets	Total
Passenger interurban rail transport	CCM 6.1	-	-	9,461	122	-	8	-	9,591
Rail freight transport	CCM 6.2	24	5	498	33	173	28	414	1,175
Infrastructure for rail transport	CCM 6.14	-	2	142	342	52	33	-	569
Capital expenditure of taxonomy-aligned activities		24	7	10,100	497	225	68	414	11,335
Passenger interurban rail transport	CCM 6.1	-	-	2,965	512	-	5	-	3,483
Rail freight transport	CCM 6.2	19	5	402	64	431	21	333	1,276
Infrastructure for rail transport	CCM 6.14	8	1	(53)	1,254	37	22	-	1,270
Capital expenditure of taxonomy-eligible activities		27	6	3,314	1,831	469	49	333	6,028
Capital expenditure of taxonomy non-eligible activities		88	203	25	301	39	123	367	1,146
Total for category		138	216	13,439	2,629	732	240	1,115	18,509

Reconciliation with the financial statements

The ČD Group's total capital expenditures can be reconciled with the consolidated financial statements, see Note 16. Land, buildings and equipment, Note 18. Intangible assets, goodwill and Right-of-Use Assets, Note 19. These represent the sum of all additions to tangible and intangible assets, considering the reversal of advances paid in previous years.

Additional information

In cases where the same asset is used to carry out economic activities that are both taxonomy-eligible and non-eligible (mixed cases), the portion of capital that is taxonomy-eligible is determined on the basis of the share of taxonomy-eligible activities carried out using these assets. Investments for eligible activities (i.e. activities related to both passenger and freight rail transport) are defined using an appropriate allocation key based on the distribution of transport performance shares in train-kilometres (tkm) and turnover.

Financial year	2025			Substantial contribution criteria						Do no significant harm (DNSH) criteria						Minimum safeguards (17)	Proportion of Taxonomy-aligned activities (A.1) or Taxonomy-eligible activities (A.2) in capital expenditures, 2024 (18)	Enabling activity category (19)	Transitional activity category (20)
	Code (2)	Capital expenditures (3)	Proportion of capital expenditures, 2025 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
Economic activities (1)		mil. CZK	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. Taxonomy eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Passenger interurban rail transport	CCM 6.1	9,591	52%	100%						Yes	Yes	N/A	Yes	Yes	N/A	Yes	-		
Freight rail transport	CCM 6.2	1,175	6%	100%						Yes	Yes	N/A	Yes	Yes	N/A	Yes	6%		
Infrastructure for rail transport	CCM 6.14	569	3%	100%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	1%		
CapEx of environmentally sustainable activities (Taxonomy aligned) (A.1)		11,335	61%														7%		
of which enabling		569	3%														7%	E	
of which transitional		-	-														-		
A.2 Taxonomy-eligible but not environmentally sustainable activities (Taxonomy-non-aligned activities)																			
Passenger interurban rail transport	CCM 6.1	3,483	19%	EL													72%		
Freight rail transport	CCM 6.2	1,276	7%	EL													9%		
Infrastructure for rail transport	CCM 6.14	1,270	7%														9%		
CapEx of activities that are Taxonomy-eligible but not environmentally sustainable (Taxonomy-non-aligned) (A.2)		6,028	33%														90%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		17,363	94%														97%		
B. Taxonomy non-eligible activities																			
CapEx of Taxonomy-non-eligible activities		1,146	6%																
TOTAL (A.+B.)		18,509	100%																

OpEx KPI

The OpEx KPI is defined as taxonomy-eligible and aligned operating expenditure (numerator) divided by total operating expenditure (denominator).

The denominator shall cover direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

This includes:

- The volume of non-capitalised leases determined in accordance with IFRS 16 and including the costs of short-term leases and low-value leases (see Note 19 to the Consolidated Financial Statements).
- Maintenance and repairs and other direct expenditures relating to the day-to-day maintenance of land, buildings and equipment were determined on the basis of maintenance and repair expenditures allocated to internal cost centres. Related cost items can be found in line items of the income statement, including production costs (operational maintenance), selling and distribution costs (maintenance logistics) and administrative costs (such as IT system maintenance). This also includes building refurbishment actions. Generally, this comprises costs for employees, service costs and material costs for day-to-day servicing, as well as for scheduled and unscheduled maintenance and repairs. These costs are directly allocated to the Group's property-plant and equipment.

This does not include expenditures related to the day-to-day operation of property-plant and equipment, such as: operating fluids and fuels, costs of employees operating the machinery, energy required to operate the assets, or any indirect costs.

Within aligned operating expenditure, the portion of eligible expenditure relating to transport activities carried out for the transportation of fossil fuels or for the transport of passengers and goods using non-electric (independent) traction is excluded.

Detailed breakdown of operating expenditures (in mil. CZK)	Non-eligible OPEX only	Eligible OPEX and aligned
Wage costs	1,136	562
Statutory social and health insurance	375	188
Material consumption	1,831	590
Repair and maintenance	288	121
Fee for RIC vehicles	-	-
Rent – leasing	179	330
Services related to the use of buildings	23	2
Operation, maintenance and other services related to ICT	12	-
Total	3,846	1,792

Financial year	2025			Substantial contribution criteria						Do no significant harm (DNSH) criteria						Minimum safeguards (17)	Proportion of Taxonomy aligned activities (A.1.) or Taxonomy eligible activities (A.2.) in operating expenditure, 2024 (18)	Enabling activity category (19)	Transitional activity category (20)								
	Code (2)	Operating expenditures (3)	Proportion of operating expenditures, 2025 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)					Yes / No	Yes / No	Yes / No	Yes / No	Yes / No	Yes / No	Yes / No	%
A. Taxonomy eligible activities																											
A.1 Environmentally sustainable activities (Taxonomy-aligned)																											
Passenger interurban rail transport	CCM 6.1	956	15%	100%						Yes	Yes	N/A	Yes	Yes	N/A	Yes		-									
Freight rail transport	CCM 6.2	836	13%	100%						Yes	Yes	N/A	Yes	Yes	N/A	Yes		8%									
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1,792	28%															8%									
of which enabling		-	-															8%									
of which transitional		-	-															-									
A.2 Taxonomy-eligible but not environmentally sustainable activities (Taxonomy-non-aligned activities)																											
Passenger interurban rail transport	CCM 6.1	3,168	50%	EL														55%									
Freight rail transport	CCM 6.2	679	11%	EL														9%									
Infrastructure for rail transport	CCM 6.14	-	-															6%									
OpEx of activities that are Taxonomy-eligible but not environmentally sustainable (Taxonomy-non-aligned) (A.2)		3,846	61%															71%									
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		5,638	89%															79%									
B. Taxonomy non-eligible activities																											
OpEx of Taxonomy-non-eligible activities		704	11%																								
Total (A.+B.)		6,342	100%																								

Additional information

With regard to the use of allocation keys, reference is made to the relevant paragraph in the chapter on CapEx KPI. The allocation key was also applied to personnel costs, whereby employees or departments of individual companies responsible for the day-to-day maintenance of assets were identified; the use of these assets enables the ČD Group to carry out both Taxonomy-eligible activities and those non-eligible under the taxonomy (mixed cases). For the purposes of determining operating expenses aligned with the EU Taxonomy, the ČD Group's controlling data was primarily used, which enabled the detailed identification and allocation of individual cost items based on their actual link to taxonomy-aligned, eligible and non-eligible economic activities.

In accordance with the EU Taxonomy, only passenger and freight transport services carried out using electric and battery traction are reported on the basis of the ČD Group's controlling data, excluding the transport of fossil fuels and related short-term leases and costs for external and internal repairs of rolling stock.

The use of allocation keys based on other metrics was limited solely to cases where it was not possible to clearly allocate cost items on the basis of available controlling data. Other operational personnel costs that do not meet the definition of operational expenditures within the meaning of the EU Taxonomy were not included in the OpEx KPI.

Activities related to nuclear energy and fossil gas

As part of the assessment of activities related to nuclear energy and fossil gas in accordance with the requirements of Delegated Regulation (EU) 2021/2178, it was determined that the ČD Group did not carry out, finance or have any exposure to any of the aforementioned activities during the reporting period of 2025. For this reason, all relevant items in the table are reported as 'no'.

#	Nuclear energy related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
#	Fossil gas related activities	YES/NO
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

ESRS E1 CLIMATE CHANGE

Approach and material topics

Aligned with its long-term strategy, the ČD Group regards the development of rail transport in the Czech Republic as its key contribution to climate change mitigation and climate change adaptation. In line with its role as the national carrier, it is prepared to continue supporting the fulfilment of the Czech Republic's future national targets for reducing emissions in the transport sector by 2030, with a view to 2050.

Based on the results of the double materiality assessment for ESRS E1, the ČD Group focuses on these three key areas of sustainability in its business:

- The development of rail transport and related opportunities linked to the growth in demand for low-emission transport services,
- The energy intensity of its own operations
- Future systemic reduction of greenhouse gas emissions

These areas reflect both the environmental impacts of the ČD Group's activities and the associated risks and opportunities linked to climate change, energy management and regulatory developments.

Development of rail transport

The systematic development of rail transport remains a key commercial and strategic priority for the ČD Group's rail operators, as it achieves the most favourable energy and emissions parameters of all available modes of transport. Provided there is sufficient railway infrastructure capacity, this development, together with the gradual shift of part of the transport load from road to rail transport, may represent a significant business opportunity for the ČD Group and, at the same time, an effective tool for reducing emissions and increasing the energy efficiency of the entire transport system in the Czech Republic. The development of rail transport in the Czech Republic is contingent upon the gradual development, modernisation and electrification of the railway infrastructure by the infrastructure owner, Správa železnic, s. o. Given the current level of track electrification (approximately 40%), the operations of ČD Group's rail transport operators must therefore be carried out using both electric units and vehicles with independent propulsion, including diesel-powered ones. Since 2025, the ČD Group has noted growing interest among rail transport customers in the wider use of low-emission vehicles and technologies for self-propelled traction services. This trend is reflected in particular by increased demand for battery-powered vehicles (BEMU units) and for the use of low-emission alternative fuels such as HVO in modern diesel units. The ČD Group actively supports this trend and, in 2025, became the first rail operator in the Czech Republic to launch full-scale operation of BEMU units and pilot operation of DMU diesel units using HVO fuel.

A key element of the ČD Group's strategy in this area is the ongoing systematic modernisation of its railway rolling stock fleet, which not only increases the energy efficiency of its own traction operations but also improves the quality of services provided and enhances passenger comfort. At the same time, the ČD Group is prepared to continue actively cooperating with key players in the transport market in the Czech Republic in introducing new low-emission solutions in line with the needs and priorities of customers and transport clients.

Energy efficiency of our own operations

In the area of primarily non-traction operations, it can be assumed that the ČD Group will face the impacts arising from the forthcoming changes to European and national energy legislation. These changes may represent a material factor influencing future operating costs, energy consumption management and long-term planning in the area of operational facilities. The ČD Group therefore continuously monitors this area and assesses the associated risks in terms of their potential impact on its own operations. For the purposes of its non-traction operations, the ČD Group utilises an extensive portfolio of operational facilities of various types, including administrative, technical and operational buildings located throughout the Czech Republic. A significant proportion of these facilities could be affected by new requirements regarding energy performance, operating methods or technical parameters of buildings should the new energy legislation be adopted.

In the area of non-traction operations, the ČD Group currently implements actions focused primarily on operational and tactical energy savings, carried out within the framework of the energy management system in accordance with the ČSN EN ISO 50001 standard. Following the possible adoption of new energy legislation, it will be necessary to assess whether and to what extent changes at a strategic level will need to be considered, particularly in relation to the ČD Group's overall energy strategy and its property portfolio.

Greenhouse gas emissions

The ČD Group reports on this material topic as a mandatory part of its Sustainability Statement aligned with ESRS specifications and the requirements of financing banks and investors as key stakeholders. The greenhouse gas (GHG) emissions monitoring and reporting system is implemented across the entire ČD Group for all scopes (Scope 1–3), and the published results are routinely verified by an authorised body. The ČD Group's approach to reducing greenhouse gas emissions depends on the extent to which the ČD Group can directly influence the sources and conditions giving rise to these emissions. The majority of the ČD Group's emissions, approximately 90%, are related to traction operations and the provision of rail transport services. In this area, the ČD Group is dependent on cooperation with Správa železnic, s. o. and other entities in the railway sector. Emissions from traction operations are influenced primarily by the emission factor of the Traction electricity supplied and the progress of railway infrastructure electrification, which enables the replacement of diesel units. The ČD Group cannot influence these factors independently, as their setting requires a sectoral agreement and alignment with national energy and climate policy. The ČD Group is therefore awaiting the adoption of legislation in line with the RED III Directive and the confirmation of national emissions reduction targets in the transport sector. Only then will it be possible to adopt the ČD Group's decarbonisation framework, draw up a binding transition plan and set specific climate targets. Until sectoral rules, national targets and its own decarbonisation framework are established, the ČD Group will implement only partial actions to reduce emissions in areas where it is not dependent on cooperation with other parties.

Policies and management

The ČD Group does not have a separate formal policy on climate change. Climate-related topics are managed within the ČD Group's existing strategic, operational and management processes, particularly in the areas of rail transport development, energy efficiency management and greenhouse gas emissions management. The management of these topics is based on the nature of the ČD Group's activities and relevant regulatory requirements. Responsibilities for individual areas are defined within the ČD Group's organisational structure, and the implementation of key activities is continuously monitored at senior management level. Specific approaches to managing material areas within ESRS E1 are further elaborated in the following thematic sections of this chapter.

Development of rail transport

The development of rail transport and the modernisation of the rolling stock fleet of the parent company ČD, a.s. are managed on the basis of the internal Passenger Transport Development Strategy 2035. This strategy defines the Company's long-term investment and development activities necessary to achieve the planned strategic objectives in this area and takes into account both the requirements of public transport contracting authorities and the targets of the Company's business strategy up to 2035. This strategy is implemented through annual investment plans, supplemented by further development activities aimed at increasing transport performance. Responsibility for implementing the strategy lies with the Director General for Passenger Transport, and the fulfilment of the set targets is continuously monitored at the level of the Company's Board of Directors.

Energy efficiency

Energy management within the ČD Group is governed by an energy management system based on the ČSN EN ISO 50001 standard, which is applied in all relevant companies within the ČD Group. This system provides a unified framework for managing energy consumption and related processes. At the parent company, ČD, a.s., following the implementation of the EnMS system, energy management is governed by the ČD, a.s. Energy Policy and the Energy Management Regulation at the company České dráhy, a.s. The functionality and configuration of the energy management system are regularly verified in all companies that have implemented the standard in accordance with ČSN EN ISO 50001 through surveillance and recertification audits. Responsibility for implementing the Energy Policy lies with the company's Board of Directors, whilst the day-to-day management of energy matters falls under the remit of the Board member responsible for the service sector. The parent company, ČD, a.s., considers this framework for energy management to be sufficient and does not deem it necessary to establish further separate policies for this area.

Greenhouse gas emissions

Greenhouse gas emissions management within the ČD Group is ensured through defined responsibilities and a unified process for the collection, calculation and reporting of carbon footprint data. Since 2024, a fully-fledged system for monitoring and reporting greenhouse gas emissions has been in place within the ČD Group across all relevant Scope 1, Scope 2 and Scope 3 categories. From 2025, the calculation of the carbon footprint within the ČD Group is carried out in accordance with a standardised methodology by the Central ESG Team of the parent company ČD, a.s., with the accuracy and completeness of the calculation verified by an accredited

external body. This approach enables the maintenance of a uniform methodology, strengthens control over the calculation process and ensures the comparability of reported data across ČD Group companies. Based on previous practice, in 2025 the method of managing and reporting the ČD Group's greenhouse gas emissions was standardised and formally established through an internal methodology binding on all Companies included in the ČD Group's consolidation. Responsibility for implementing the established procedures in the area of greenhouse gas emissions reporting for the ČD Group lies with the member of the Board of Directors responsible for finance and procurement.

Transition Plan for climate change mitigation

The ČD Group's transition plan provides a framework for a gradual transition to low-carbon operations aligned with long-term climate ambitions and applicable regulatory requirements. Given the high degree of dependence on external systemic, regulatory and infrastructural factors over which the ČD Group has no direct influence, the transition plan is designed as a gradual process divided into successive stages. It is therefore not a one-off document setting out specific investment or operational commitments. A key prerequisite for continuing the preparation of the transition plan is the discussion and approval of the ČD Group's Decarbonization Framework. This framework must be based on the transposition of relevant European legislation, in particular the RED III Directive, into Czech law and on the definition of national emissions reduction targets in the transport sector. Approval of this framework is currently expected during 2026. By 2025, the ČD Group will have completed the first step of the transition plan, which is to set climate ambitions for the period up to 2030 with a view to 2050. In 2025, discussions took place at the level of the parent company ČD, a.s. with Správa železnic, s. o. as the supplier of traction electricity. These discussions confirmed that, without the adoption of national legislation and without clarification of the impacts on the price level of Traction electricity, Správa železnic, s. o. cannot implement actions aimed at reducing the carbon intensity of the Traction electricity supplied. Based on an internal analysis carried out by the parent company ČD in 2025, it can be assumed that the expected reduction in greenhouse gas emissions from passenger rail transport operations in the period 2030–2050 will be achieved in alignment with the targets of the RED III Directive, provided that Traction electricity is supplied with an emission factor corresponding to the national energy mix in accordance with the up-to-date National Energy Policy and, at the same time, the plan for further electrification of the railway infrastructure is fulfilled. This development will enable the gradual replacement of diesel units with low-emission BEMU-type vehicles.

The ČD Group considers part of the emissions associated with the operation of diesel traction to be unavoidable, due to the need to ensure transport services in accordance with the requirements of public transport contractors, even on lines that are not yet electrified. At the same time, from the ČD Group's perspective, it will be necessary to maintain the ability to provide transport services to the state in the future, even in crisis situations – particularly in the event of power supply failures – through the use of independent diesel traction vehicles. The issue of the inevitability of this category of emissions will be addressed during 2026 as part of the definition of the ČD Group's decarbonization framework. The transition plan's timetable will be monitored on an ongoing basis, and its individual steps will be refined in line with the actual progress of the approval of national legislation and the adoption of the ČD Group's Decarbonisation Framework by the relevant authorities.

Targets

Climate change targets within the ČD Group are derived from the priorities of the Company's corporate strategy and are set only for those material topics where their achievement can be directly influenced through business, investment and operational decisions.

Development of rail transport

For the key issue of the Development of rail transport, the parent company ČD, a.s. has set the following quantified targets for 2030:

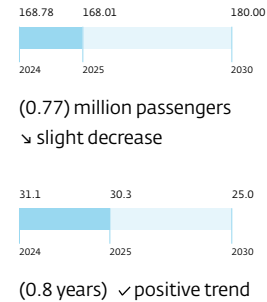
- to increase passenger rail transport volumes to 180 million passengers (baseline: 169 million passengers in 2024),
- to reduce the average age of the rolling stock to 25 years (baseline of 31 years in 2024).

The baseline values for both metrics are based on internal data for 2024. Progress towards these targets is monitored through internal operational and asset records and evaluated at least annually as part of the Company's strategic and investment management. The modernisation of the rolling stock contributes to increasing the energy efficiency of traction operations, enhancing the comfort and attractiveness of rail transport, and supports growth in transport performance. This has an indirect positive impact on reducing the carbon footprint of transport through the shift of freight to rail.

Progress towards 2025 targets

In 2025, there was no material shift towards the target value for the transport performance growth metric, with its development being influenced primarily by external factors, specifically the low price of fuel in private road transport. However, the ambition to meet the set targets remains unchanged.

In the area of rolling stock renewal, the average age of the rolling stock continues to decrease gradually, which corresponds to the investments made in the modernisation and renewal of rolling stock. The achievement of targets is expressed as the share of the change achieved compared to the total required change between the base year 2024 and the target year 2030.



Energy efficiency

In the area of energy efficiency of non-traction operations, the Company has not set specific quantified targets for 2025 in accordance with ERS E1. The reason for this is the ongoing development of national legislation following on from the European directives ETS 2, EED and EPBD, which will influence the future setting of binding parameters.

The effectiveness of actions in this area is monitored through the implemented energy management system in accordance with the ČSN EN ISO 50001 standard, which includes regular evaluation of energy consumption and identification of opportunities for improvement. The approach to setting any quantified targets will be reassessed once the legislative framework has stabilised.

Greenhouse gas emissions

No separate quantified targets for reducing greenhouse gas emissions are set out in this chapter, as they form part of the comprehensive Transition Plan described in section 2.2.2. The Company continuously monitors trends in greenhouse gas emissions and the effectiveness of the actions implemented through its internal emissions reporting system.

Actions

The ČD Group's actions in the area of climate change are primarily focused on climate change mitigation, i.e. reducing greenhouse gas emissions and the energy intensity of operations.

Based on the results of the climate risk analysis and the double materiality assessment, neither transitional nor physical climate-related risks were assessed as significant in terms of financial impacts or operational continuity within the monitored time horizons. For this reason, the ČD Group is not currently implementing separate adaptation actions at the strategic level, whilst aspects of resilience to climate impacts are taken into account within the framework of routine risk management and operational processes. Should the regulatory or climate context change, the need for adaptation actions will be assessed on an ongoing basis. This chapter summarises the key actions implemented in 2025 in the area of climate change at the parent company ČD. The actions focus primarily on the development of rail transport, increasing energy efficiency and reducing greenhouse gas emissions. The table provides an overview of the main actions and their specific results achieved in 2025. The quantitative impacts of these actions on energy consumption and greenhouse gas emissions are detailed in Chapters Energy Consumption and GHG Emissions.

Action	Timeframe	Outcome of the action in 2025
Modernisation and renewal of the rolling stock fleet	Ongoing	In 2025, a total of 140 carriages and units were put into service, including 80 ComfortJet carriages and 20 Siemens Vectron locomotives capable of speeds of 230 km/h. Regional transport was further expanded with 21 RegioFox low-floor units supporting operation on low-emission HVO fuel. This modernisation contributes to reducing the energy intensity of operations and to the development of rail transport as a low-emission mode of transport.
Introduction of BEMU battery-powered units into regular service	2025–2027	ČD, a.s. became the first transport operator in the Czech Republic to launch four new BEMU battery-powered units in the Moravian-Silesian Region. The deployment of these units has resulted in annual diesel savings of 233,000 litres and a reduction in direct emissions from their operation of 577 tonnes of CO ₂ equivalent. The expansion of battery-powered unit operations will continue in 2027, when a further 15 battery-powered trainsets are expected to be deployed.
Pilot operation of low-emission HVO fuel in diesel units	2025	In 2025, a pilot operation was carried out in the Central Bohemian Region with the targets of verifying the operational suitability of low-emission HVO fuel in regular rail operations. As part of the pilot operation, which involved three 847 RegioFox series units, a transport performance of 245,000 train-kilometres was achieved, resulting in a reduction in emissions of 89 tonnes of CO ₂ equivalent.
Implementation of the Energy Savings Programme	2025–2030	In 2025, two projects aimed at achieving energy savings were completed, achieving energy savings of 55 MWh/year. As part of the Energy Savings Programme, the Company is also preparing to implement a further 14 projects with an estimated total energy-saving potential of approximately 2,968 MWh by 2030. The growing use of traction electricity recovery is also contributing to the overall reduction in the energy intensity of operations, having increased by 14.48 GWh year-on-year in 2025. This energy represents effectively utilised braking energy that would otherwise be lost, thereby contributing to a reduction in total traction electricity consumption.
Installation of photovoltaic systems	2025–2030	In 2025, projects were implemented to construct photovoltaic power plants with a total installed capacity of 1.257 MWp. At the same time, preparations are underway for further projects with a planned installed capacity of approximately 1.025 MWp, scheduled for completion in 2026.
Renewal of the vehicle fleet towards low-emission vehicles	2025	In 2025, the Company acquired 79 new low-emission road vehicles, bringing the share of such vehicles in its fleet to 29.7%, aligned with the requirements of Act No. 360/2022 Coll. on the promotion of low-emission vehicles.
Gradual phase-out of coal-fired heating sources for the premises	2025–2030	The Česká Třebová site is the Company's last location still using a coal-fired source for heating. Its phased phase-out is underway, with targets for complete decommissioning by 2030 at the latest. In 2025, the conversion of part of the site to gas was completed, whilst the completion of new heat sources is planned for the period 2026–2027.

Total capital expenditures (CAPEX) on the implementation of climate change actions at the parent company ČD a.s. reached CZK 11,722 million in 2025. These expenditures are recorded under Chapter 15 Land, Buildings and Equipment in the individual financial statements². The vast majority of these investments were directed towards the modernisation and renewal of the rolling stock fleet, which represents a key tool for the decarbonisation of rail transport. A smaller portion of the investments was allocated to energy efficiency projects and to specific actions aimed at reducing emissions, particularly in the area of heating source transformation.

Metrics

Trends in transport and traffic performance

	2025	2024	Δ
Transport performance in million train-km	117.9	115.6	2.0%
Passenger-km in millions	8,002	8,280	(3.4%)
Number of passengers carried in thousands	168,010	168,787	(0.5%)
Transport volume in million tonnes	57.8	56.7	1.9%

Transport and passenger numbers are key metrics of the scope and utilisation of the ČD Group's services in the field of railway transport. Transport performance expresses the volume of transport carried out, whilst passenger numbers and the number of passengers carried reflect the demand for these services. In 2025, transport performance reached 117.9 million train-kilometres, representing a year-on-year increase of 2.0%. Conversely, passenger-kilometres and the number of passengers carried recorded a slight decline (–3.4% and –0.5% respectively). This trend is aligned with the market environment and reflects, in particular, the impact of low fuel prices, which increase the attractiveness of private car travel. The data are monitored on the basis of the ČD Group's internal operational systems. Transport performance is reported in millions of train-kilometres, passenger-kilometres in millions of passenger-kilometres, and the number of passengers carried in absolute terms. The data are aggregated for the entire consolidated group.

Structure of transport performance by propulsion type and emissions intensity

	2025	2024	Δ
Transport performance – total in million train-km	117.9	115.6	2.0%
Electrical units and vehicles	69.3	67.6	2.6%
Battery units	0.7	-	1,981.4%
Diesel units and vehicles with HVO support	12.7	7.2	76.1%
Diesel units and vehicles (standard diesel)	35.2	40.7	(13.6%)
Share of transport performance carried out by low-emission vehicles	70%	65%	5%

The structure of transport performance by propulsion type is a key indicator of the operational emissions profile and the ČD Group's gradual transition to low-emission mobility. In this respect, 2025 is a transitional period during which new technologies and fuels are being introduced. Battery-powered multiple units (BEMUs) are gradually being put into service, extending the possibilities for low-emission operations even on non-electrified lines. At the same time, pilot operations have commenced for diesel units using the alternative fuel HVO. These changes currently represent the initial phase of the transformation; however, they indicate an emerging trend towards the gradual decarbonisation of rail transport, which will continue to strengthen in the coming years. The data are based on internal operational records and are reported in millions of train-kilometres. Low-emission performance includes performance achieved by electric and battery-powered vehicles.

Structure of the railway rolling stock fleet by propulsion type

	2025	2024	Difference	Δ
Electrical units and vehicles	493	499	(6)	(1.2%)
Battery units	4	4	-	-
Diesel units and vehicles (standard diesel)	679	696	(17)	(2.4%)
Diesel units and vehicles with HVO support	141	120	21	17.5%
Share of low-emission vehicles (%)	48%	47%		1%

The structure of the rolling stock by propulsion type reflects the ČD Group's readiness for the transition to low-emission operations and complements the view of transport performance trends. The slight decline in the number of electric vehicles is due to the ongoing process of phasing out older units as part of the rolling stock modernisation (see ESRS E5). At the same time, the number of diesel units prepared for the use of the alternative fuel HVO is growing, representing potential for low-emission operations. In 2025, the use of HVO is currently limited to pilot operations. However, this part of the fleet is technically ready for wider deployment in low-emission operations, the scope of which will depend primarily on the decisions of public transport contracting authorities.

The data are based on the rolling stock register as at the balance sheet date and are reported in terms of the number of vehicles by propulsion type.

Energy consumption and mix (in MWh)

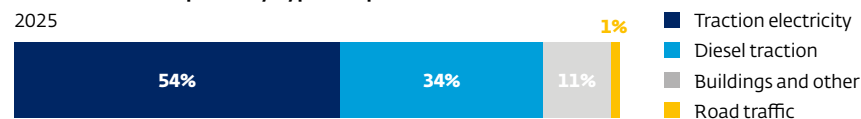
	2025	2024	Δ
Fossil energy consumption	1,209,940	1,215,509	(0.5%)
Share of fossil fuels in total energy consumption	70%	72%	(2.5%)
Fossil fuels			
Fuel consumption of crude oil and petroleum products	633,521	616,551	2.8%
Fuel consumption of coal and coal products	6,847	12,127	(43.5%)
Fuel consumption of natural gas	60,830	49,107	23.9%
Fuel consumption of other fossil fuels	-	-	-
Consumption of purchased or acquired electricity, heat, steam and cold from fossil source	508,743	537,725	(5.4%)
Nuclear power			
Consumption from nuclear sources	327,871	367,749	(10.8%)
Share of nuclear sources in total energy consumption	19%	22%	(3.0%)
Renewable sources			
Total renewable energy consumption	189,581	93,275	103.3%
Share of renewables in total energy consumption	11%	6%	5.4%
Consumption of fuels from renewable sources, including biomass	292	187	55.9%
Consumption of energy from non-fuel renewable sources that the Company has produced itself	131	21	522.5%
Consumption of purchased or acquired electricity, heat, steam and cold from renewable sources	189,159	93,067	103.3%
Total energy consumption (MWh) ³	1,727,392	1,676,534	3.0%
Energy intensity based on net revenue (MWh / million CZK) ³	29.3	32.5	(10%)

Energy consumption metrics include the ČD Group's total energy consumption and its structure by source, particularly fossil, nuclear and renewable energy sources. At the same time, the share of individual sources in total energy consumption and the breakdown by type of operation and organisational structure are monitored.

Total energy consumption in 2025 increased by 3% year-on-year, which is primarily linked to growth in transport performance and the volume of services provided. This increase is partially offset by improving operational efficiency, particularly due to greater use of Traction electricity recovery and the implementation of specific actions for energy savings, the impact of which is as yet limited. At the same time, the structure of the energy mix is changing. The share of fossil fuels has fallen; in 2025, energy consumption from coal fell by 43.5% due to ongoing actions aimed at the planned phase-out of the last coal-fired heating source at the Česká Třebová site. Conversely, the share of low-emission and renewable energy sources is growing, particularly as a result of increased use of purchased energy from renewable energy sources. However, this development is not the result of active actions by the ČD Group but reflects changes in the structure of the energy mix provided by Správa železnic, s. o., and the ČD Group is therefore unable to influence it directly.

The data are based on internal systems for recording energy consumption and include all relevant energy inputs within the ČD Group. Energy consumption is broken down by source type in alignment with ESRS requirements and includes both direct fuel consumption and purchased energy (electricity, heat, steam and cooling). The shares of individual sources are calculated as a relative proportion of total energy consumption. All reported energy consumption of the ČD Group relates to activities in the rail transport sector, which are classified as high climate impact activities (HICS). For this reason, energy consumption is not further broken down into HICS and other activities.

Share of consumption by type of operation



Share of companies in total energy consumption



Traction electricity recovery (in MWh)

	2025	2024	Δ
ČD	85,416	70,935	20.4%
ČD Cargo	15,979	12,058	32.5%
Total	101,395	82,993	22.2%

This metric expresses the amount of traction electricity that is recovered during vehicle braking and reused in the traction system. In 2025, there was a year-on-year increase in the volume of recovered energy of 22.2%. This development is primarily due to the ongoing modernisation of the rolling stock and the gradual introduction of new railway rolling stock equipped with energy recovery technology.

The data is based on measurements in the traction system and internal record-keeping systems. Recovered energy is reported on the basis of technical data on electricity fed back into the grid.

Energy savings (in MWh)

Savings achieved 2024	534
Savings achieved by 2025	55
Total savings achieved for the period 2024–25	589
Outlook for potential savings by 2030	2,968

This metric represents the volume of energy savings achieved as a result of implemented energy management actions. In 2025, two energy-saving projects were completed, yielding total annual energy savings of 55 MWh, with cumulative savings for the period 2024–2025 reaching 589 MWh. At the same time, a further 14 projects are currently being prepared, with an estimated total energy-saving potential of approximately 2,968 MWh by 2030. The increasing use of Traction electricity recovery also contributes to the overall reduction in the energy intensity of operations.

The data are based on internal records of projects for energy savings and their evaluation within the energy management system. Savings are reported as the cumulative benefit of the actions implemented.

Development of own photovoltaic sources (in MWp)

Installed capacity 2024	0.02
Installed capacity 2025	1.257
Total installed capacity in the period 2024–25	1.259
Under construction-expected in 2026	1.025
Potential outlook to 2030	13.406

This metric tracks the installed capacity of the ČD Group's own photovoltaic sources as part of the development of renewable energy sources.

In 2025, projects to construct photovoltaic power plants with a total installed capacity of 1.257 MWp were implemented, with the cumulative installed capacity for the period 2024–2025 reaching 1.259 MWp. The ČD Group is continuing its programme to develop its own photovoltaic sources; further projects with a planned installed capacity of 1.025 MWp are currently under implementation for 2026, and plans with a total potential of 13.406 MWp are in the investment preparation phase for completion by 2030. The data are based on internal records of investment projects and include the installed capacity of photovoltaic facilities that have been commissioned. The figures are aggregated for the entire ČD Group.

GHG emissions

Scope and methodological framework for emissions reporting

The ČD Group reports greenhouse gas emissions aligned with the requirements of the ESRS E1 standard – Climate Change, specifically in accordance with section E1-6, and in line with the GHG Protocol methodological framework. Emissions reporting covers Scope 1, Scope 2 and selected Scope 3 categories. The scope of emissions reporting corresponds to the ČD Group's consolidation scope for the purposes of the Sustainability Statement. The calculation includes all relevant ČD Group companies reporting emissions at 100% coverage, with no emission offsets, carbon credits or EU ETS allowances applied. Scope 2 emissions are reported using both the market-based and location-based methods, with the market-based approach being primarily used for management and presentation of results. The scope and selection of Scope 3 categories are based on an analysis of the materiality of individual emission categories within the ČD Group's value chain. The calculation of the ČD Group's greenhouse gas emissions is carried out aligned with an internal methodology based on the requirements of the ESRS standard and the GHG Protocol framework, which has been verified by the auditor of this Sustainability Statement.

Gross Scopes 1, 2, 3 and Total GHG emissions (in tCO₂e)

	2025	2024	Δ
Scope 1 emissions	179,062	174,268	3%
Scope 2 emissions – market-based	568,561	614,318	(7%)
Scope 2 emissions – location-based	474,043	534,643	(11%)
Scope 3 emissions – market-based	548,387	1,023,418	(46%)
Scope 3 emissions – location-based	547,108	1,024,263	(47%)
3.1 Purchased goods and services	156,648	229,867	(32%)
3.2 Capital goods	152,081	551,752	(72%)
3.3 Other fuel and energy consumption ⁴	180,221	175,938	2%
3.5 Waste generated in operations	1,754	2,508	(30%)
3.6 Business travel	2,055	1,805	14%
3.7 Employee commuting	17,035	16,994	-
3.11 Use of sold products	25,572	23,834	7%
3.13 Downstream leased assets – market-based	13,021	20,719	(37%)
3.13 Downstream leased assets – location-based	11,743	21,564	(46%)
Total gross Scope 1, 2 and 3 emissions – market-based	1,296,010	1,812,005	(28%)
Total gross Scope 1, 2 and 3 emissions – location-based	1,200,214	1,733,175	(31%)

The emissions structure reflects the nature of the ČD Group's business model in the field of rail transport and the provision of related services. The ČD Group publishes an overview of gross greenhouse gas emissions in absolute values for the individual Scope 1, Scope 2 and Scope 3 categories aligned with the requirements of the ESRS E1-6 standard. Emissions are reported in tonnes of CO₂e. Scope 3 emissions include selected categories of the value chain that were assessed as relevant based on a materiality analysis.

The development of the ČD Group's greenhouse gas emissions shows varying trends across the individual Scopes. Scope 1 emissions increased year-on-year, mainly due to higher transport performance in independent (diesel) traction. This development is also influenced by the deployment of modern vehicles with higher energy consumption, which are technologically ready for the use of alternative fuels (e.g. HVO), although their wider use is not yet in demand by transport customers.

⁴ Not included in Scope 1 or Scope 2



Conversely, Scope 2 emissions fell year-on-year, despite rising traction energy consumption linked to increased transport performance. The decline is primarily due to a more favourable emission factor for Traction electricity supplied by Správa železnic, s. o., a development over which the ČD Group has no direct influence.

The year-on-year decrease in Scope 3 emissions is mainly influenced by the updating of emission factors that are aligned with the GHG Protocol methodology, specifically the transition to a newer version of the ADEME database. This change reflects an update to input data and methodological assumptions, not a change in the actual structure or volume of the ČD Group's activities, and has led to a material reduction in reported emissions, particularly in Scope 3.1 and 3.2 categories.

Share of companies in the ČD Group's total emissions



The structure of emissions by organisation shows that the dominant share of emissions is generated by the parent company České dráhy, a.s., which provides the majority of personal rail transport. A material share is also attributable to ČD Cargo, a.s., whilst other companies within the ČD Group contribute only marginally to total emissions.

Emissions structure by type of operation and energy sources



In terms of type of operation, the largest share of emissions comes from Traction electricity, reflecting the electrified nature of rail transport within the ČD Group. The second most material source is emissions from diesel traction, particularly on non-electrified sections. Emissions associated with the operation of buildings and other activities account for a smaller share, and road transport has only a marginal impact on total emissions.

Scope 1 emissions by source type



In terms of structure, direct Scope 1 emissions consist predominantly of emissions from mobile sources, which corresponds to the nature of the ČD Group's activities. Emissions from stationary sources and fugitive emissions account for smaller shares. The structure of emissions is illustrated in the attached graph.

Gross GHG emission intensity

The ČD Group reports greenhouse gas emissions intensity in alignment with the requirements of the ESRS E1-6 standard. The intensity metric is related to a unit of the ČD Group's net revenue and is reported using both market-based and location-based methods. For the purposes of monitoring the development of the carbon intensity of the Group's activities, the emissions intensity is presented in a year-on-year comparison for the years 2024 and 2025, with the development of the metrics reflecting a combination of changes in absolute greenhouse gas emissions and changes in the volume of the Group's economic activity.

	2025	2024	Δ
Total greenhouse gas emissions (market-based) per unit of net revenue in tCO ₂ e/million CZK	22.0	35.1	(37%)
Total greenhouse gas emissions (location-based) per unit of net revenue in tCO ₂ e/million CZK	20.4	33.6	(39%)

Notes on the methodology for calculating greenhouse gas emissions

The calculation of the ČD Group's greenhouse gas emissions was carried out aligned with the GHG Protocol methodology and the requirements of the ESRS E1 standard. Emission factors from authorised and recognised sources were used for the calculation of emissions, in particular from the National Inventory Report (NIR) of the Czech Republic and other internationally recognised databases. Biogenic emissions were not included in the greenhouse gas emissions calculation due to their negligible share in the ČD Group's value chain. GWP coefficients from the latest IPCC statement (AR6) were used to convert all 7 greenhouse gases under the Kyoto Protocol (CO₂, CH₄, N₂O, PFCs, HFCs, SF₆, and NF₃) to CO₂ equivalents.

- Scope 1 emissions include direct emissions from the combustion of fuels in rail vehicles and road vehicles, buildings and technological facilities.
- Scope 2 emissions include indirect emissions from purchased energy (primarily electricity and heat) and are reported using a market-based and location-based approach, with the market-based approach being the primary method used.
- Scope 3 emissions include selected categories of indirect emissions in the value chain, the scope of which was determined on the basis of a materiality analysis. A combination of primary data and estimation methods (e.g. the monetary method) was used to calculate emissions.

Carbon offsets and credits were not included in the emissions calculation. The scope of reported emissions corresponds to the ČD Group's consolidated entity and includes all relevant Companies.

Uncertainties, limitations and further development of reporting

The calculation of the ČD Group's greenhouse gas emissions is based on a combination of measured input data and estimates, particularly in the case of certain Scope 3 categories where primary data from suppliers or partners in the value chain is not available. The estimates used are based on recognised emission factors and methodological approaches aligned with the GHG Protocol. The ČD Group is aware of the limitations on data availability, particularly in the Scope 3 area, and in the coming years plans to gradually refine its methodology, expand the coverage of emission categories and improve the quality of input data in line with the development of regulatory requirements and the availability of data in the value chain. The ČD Group does not currently use an internal carbon price as a management tool. The possibility of its future use will be assessed in the context of the further development of the Group's climate strategy and the evolution of the regulatory framework.

ESRS E2 POLLUTION

Approach and material topics

Rail transport is one of the most environmentally friendly modes of transport; however, its operation may, in certain situations, be associated with specific environmental impacts. Based on the updated Double Materiality assessment, the ČD Group confirms for the year 2025, aligned with the ESRS E2 standard, the materiality of the topics of air pollution from the operation of diesel rail vehicles and the risks of environmental pollution in the event of accidents in rail operations. As part of its analysis of impacts, risks and opportunities, the ČD Group also assessed the potential financial impacts associated with pollution. These impacts were not assessed as material in terms of the Group's financial position, performance or cash flows. For this reason, the ČD Group does not currently provide a quantification of the expected financial impacts as required by ESRS E2-6. The assessment is based on up-to-date information and will be updated on an ongoing basis in line with developments in the regulatory and operational environment.

Air pollution from the operation of diesel vehicles

The operation of diesel-powered rail vehicles is associated with emissions of pollutants into the air and represents a relevant environmental topic for the ČD Group's rail transport operators. This applies in particular to the activities of the parent company ČD, a.s., ČD Cargo, a.s. and the operation of Rail replacement bus services provided by the subsidiary ČD BUS, a.s. On lines without electrified railway infrastructure, the use of vehicles with independent (diesel) traction remains essential to ensure transport services. The possibilities for gradually reducing emissions from this operation depend to a large extent on the scope and pace of railway infrastructure electrification, which falls within the remit of Správa železnic, s. o. On sections where electrification has been implemented or where technical and operational conditions permit, the use of diesel vehicles is being phased out as planned. In these cases, the ČD Group plans to deploy vehicles with alternative propulsion systems, particularly battery-powered units, which enable a reduction in local emissions. Until electrification is expanded and alternative propulsion systems are more widely adopted, emissions reduction is primarily addressed through the renewal of the rolling stock. Newly acquired diesel units for passenger transport are fitted with engines that meet the strictest applicable emission standards for non-road vehicles, including Stage V.

Environmental pollution in the event of accidents

In connection with the operation of rail transport, it is not possible to completely rule out the occurrence of emergencies that may have a negative impact on the environment. These situations may involve both accidents involving rail vehicles and spills of oil or other hazardous substances related to the cargo being transported. Although it is not possible to effectively prevent such incidents in all cases, ČD Group companies focus primarily on prevention and on reducing the risks of their occurrence. This approach includes established internal procedures and the readiness of operational units to respond to emergency situations, including ensuring the rapid intervention of permanent emergency services.

Policies and management

The ČD Group applies uniform principles of environmental management, which are based on current legislation and integrated into the management of its activities. These principles are applied within the Group with due regard to the differing nature of individual Companies and their operational activities. At the parent company, ČD, a.s., environmental protection is managed on the basis of a dedicated Environmental Protection Policy, which was adopted in 2025 and is aligned with the principles of the ISO 14001 standard. In the relevant subsidiaries of the Group, environmental management is ensured through an environmental management system in accordance with the ISO 14001 standard. Environmental management is implemented through internal regulations, processes and control mechanisms that ensure compliance with legal Act obligations and the systematic management of environmental risks and impacts. Responsibility for establishing and implementing this management framework within the parent company, ČD, a.s., lies with the Director General for Service, whilst at Group level, individual environmental areas are managed through the defined responsibilities of the relevant specialist departments. For the area of pollution under ESRS category E2, the ČD Group has established the following system of policies and management:

Air pollutants from the operation of diesel vehicles

The ČD Group does not have a separate formal policy for air pollutants from the operation of diesel vehicles. The use of diesel vehicles is primarily determined by the extent of railway infrastructure electrification and the possibilities for the gradual renewal of the rolling stock, over which the Group has no full control. For this reason, the Group focuses primarily on the transparent monitoring and reporting of pollutant emissions associated with the operation of diesel vehicles. Emissions are calculated centrally by the ESG team of the parent company ČD, a.s., based on a uniform methodology developed by an external authorised body. Responsibility for managing the emissions reporting process and for the accuracy and completeness of the reported data lies with the parent company ČD, a.s., with input data provided by the relevant Group companies aligned with established procedures.

Environmental pollution in the event of accidents

In the event of accidents with a potential impact on the environment, the railway operators of the ČD Group act in accordance with applicable legislation and in cooperation with the relevant state authorities. Procedures for the prevention and management of emergency situations are set out in the internal implementing regulations of these companies, which define responsibilities, methods of intervention and follow-up actions to mitigate environmental impacts. Emergency response is ensured through the integrated rescue system. Responsibility for this area within the parent company ČD, a.s. lies with the Deputy Director General for Services.

The environmental protection policy of the parent company ČD, a.s. covers all relevant areas of pollution associated with rail transport operations, in particular emissions of pollutants into the air, the handling of hazardous substances, and the prevention of accidents with an environmental impact. The policy is not structured according to individual types of pollutants; their management is aligned with applicable legislation and related internal regulations and operational procedures, which define specific requirements for monitoring, recording and reducing emissions.

Targets

For the year 2025, the parent company ČD, a.s. has not set quantified targets in accordance with the ESRS E2 standard, due to the limited ability to directly influence key factors associated with pollution and the nature of the identified impacts.

Air pollutants

The potential for reducing emissions from the operation of diesel vehicles depends materially on the extent of railway infrastructure electrification by Správa železnic, s. o., and on the requirements of public transport contracting authorities when awarding contracts for services on non-electrified lines. These factors are not fully within the Company's control; therefore, it is not possible to set separate quantified targets beyond the scope of current legislative requirements. The Company continuously monitors the development of emissions from vehicle operations using internal operational data and evaluates the effectiveness of the technical and operational actions implemented, particularly in connection with the modernisation of the rolling stock.

Pollutants with an environmental impact in the event of accidents

The Company does not set quantified targets in the area of emergencies either, as the nature of such events does not allow for the realistic setting of numerical parameters. The Company's approach is based on compliance with legal obligations, the prevention of accidents and maintaining readiness to deal with them through internal procedures, training and regular review of emergency plans. The effectiveness of these actions is assessed on the basis of internal control mechanisms and analysis of emergencies that have occurred.

Actions

Air pollutants from the operation of diesel vehicles

Emissions of pollutants from the operation of diesel vehicles represent, for the Company, partly unavoidable emissions resulting from the obligation to provide transport services even on lines without electrified railway infrastructure. The extent of these emissions is therefore largely dependent on the pace of electrification of the railway network, which is not under the Company's direct control. The Company is therefore implementing actions aimed at minimising these emissions within the limits of available technical and operational capabilities. The main actions implemented include, in particular:

- the introduction of battery-powered units (BEMUs) where the infrastructure and transport customers' requirements permit,
- the procurement and modernisation of diesel vehicles meeting the strictest emission standards, including preparation for the use of low-emission fuels (e.g. HVO),
- renewal of the road traffic with an emphasis on compliance with Euro VI emission standards and a gradual transition to alternative propulsion systems.

These actions are predominantly ongoing in nature and are implemented in line with the renewal of the rolling stock and the pace of development of the railway infrastructure. The costs of these actions are not tracked separately, as they form part of the investments in the renewal and modernisation of the rolling stock reported under ESRS Chapter E1 – Climate Change.

Pollutants with an environmental impact in the event of accidents

Given the nature of railway operations, the risk of pollutant leaks in the event of emergencies cannot be entirely ruled out. Actions in this area are therefore focused on preventing accidents and ensuring an effective response to emergencies.

The actions implemented include, in particular:

- regular employee training in operational safety and environmental protection,
- systematic maintenance and inspection of the technical condition of rolling stock,
- the preparation and regular updating of emergency plans,
- ensuring cooperation with the relevant public authorities in dealing with emergencies.

Actions in this area are of a permanent nature and are implemented continuously as part of the Company's operational and safety processes. These actions are implemented as part of the Company's standard operational and safety processes and their costs are not reported separately.

Metrics

Breakdown of air pollutants from diesel vehicle emissions (in tonnes)

	2025	2024	Δ
Carbon monoxide (CO)	754	732	3.1%
Hydrocarbons (HC)	103	114	(9.6%)
Nitrogen oxides (NOx)	1,096	1,225	(10.5%)
Particulate matter (PM)	52	62	(15.3%)
Total	2,006	2,132	(5.9%)

Pollutants by Company within the ČD Group



Air pollutant emissions arise primarily from the operation of diesel rolling stock by companies ČD, a.s. and ČD Cargo, a.s., and from the operation of rail replacement bus services provided by the subsidiary ČD BUS, a.s. The main pollutant components are monitored, in particular carbon monoxide (CO), hydrocarbons (HC), nitrogen oxides (NOx) and particulate matter (PM), which represent key indicators of the environmental impact from the operation of diesel vehicles. In 2025, there was an overall decrease in pollutant emissions of 5.9%. A decrease was recorded for most of the monitored substances, particularly NOx (10.5%) and PM (15.3%), reflecting the gradual modernisation of the rolling stock and optimisation of operations. A slight increase was recorded only for CO emissions (+3.1%).

Emissions are calculated using a standard methodology developed by an external authorised body. The input data is based on internal records of fuel consumption and vehicle technical parameters. The figures are aggregated for the entire ČD Group and include the operation of diesel vehicles by individual Companies within the ČD Group.

Environmental pollution in the event of accidents

In 2025, two emergencies with an environmental impact occurred within the ČD Group, both related to the operation of rail vehicles. The first emergency involved a benzene leak following a railway accident at Hustopeče station. The train was operated by ODOS Cargo, whilst ČD Cargo arranged the transport and acted as the consignor. The incident was not related to the ČD Group's own operations. According to an investigation by the Czech Environmental Inspectorate, approximately 250 tonnes of benzene were released, with more than 130 tonnes of the substance having been removed to date as part of the remediation work. ČD Cargo bears no legal liability for the environmental damage caused. The incident is reported as part of the impacts in the value chain; more detailed information is provided in the ČD Cargo Sustainability Statement. The second emergency concerned an accident involving a railway locomotive during shunting at the Nymburk marshalling yard, during which approximately 500 litres of diesel fuel leaked onto the railway track bed. The incident was handled in accordance with internal emergency procedures and without material long-term environmental impacts. In both cases, the investigation into the emergencies is proceeding aligned with the Act and had not yet been concluded at the time of publication of this statement.

ESRS E3 WATER AND MARINE RESOURCES

Approach and material topics

Based on the updated double materiality assessment, the ČD Group confirms water consumption as a material topic in accordance with ESRS E3. As part of its analysis of impacts, risks and opportunities, the ČD Group also assessed the potential financial impacts associated with the use of water resources and water management. These impacts were not assessed as material in terms of the Group's financial position, performance or cash flows. For this reason, the ČD Group does not currently provide a quantification of the expected financial impacts as required by ESRS E3. The assessment is based on up-to-date information and will be updated on an ongoing basis in line with developments in the regulatory and operational environment. The companies of the ČD Group regard water as a key natural resource, the protection and responsible use of which will become increasingly important in the future in view of ongoing climate change. In the area of water management, the ČD Group focuses not only on monitoring total water consumption but also on controlling the quality of discharged wastewater in alignment with applicable legislation.

The highest water consumption occurs in the operation of passenger rail transport by the parent company ČD, a.s. For these operational purposes, the company is obliged, aligned with applicable legislation, particularly the requirements of legal regulations in the field of public health protection and hygiene requirements for water, to use exclusively drinking water sources. In light of this, the parent company ČD, a.s. launched preventive monitoring in 2025 to assess the potential risk of water shortages for its operational purposes across all its water intake points. At the same time, it was verified that these water intake points are not currently located in areas with significant water stress or in high-risk locations with limited availability of water sources. The risk of drought and limited water availability for operational purposes was not confirmed in the conclusions of Physical risk analysis either. Water scarcity is therefore not currently considered a material topic, but it is systematically monitored as a potential operational threat. In those parts of operations where the use of drinking water is not essential, the parent company ČD, a.s. focuses on increasing the share of recycled and rainwater used. The greatest potential for the use of alternative water sources has been identified particularly in the area of rolling stock washing and servicing.

Policies and management

Management of this area of environmental protection is based on the unified environmental management framework applied within the ČD Group, which is described in Chapter ESRS E2. The ČD Group does not apply a separate formal policy in the area of water management. Management in this area is based on the applicable legislative framework of the Czech Republic, in particular Act No. 254/2001 Coll., on Water, and Act No. 274/2001 Coll., on Water Supply and Sewerage, as well as related internal regulations and operational procedures. This framework sets out rules for the management of water resources, including requirements for water withdrawals, wastewater discharge and water protection, and ensures the management of relevant impacts, risks and opportunities in the area of water management. Water management within individual companies of the ČD Group is further governed in alignment with the conditions set out in the relevant water permits. Wastewater management is carried out aligned with applicable legislation and the technical and operational requirements set by the relevant state authorities. Responsibility for compliance with the established legislative requirements and related internal standards in the area of water management within the parent company ČD, a.s. is entrusted to the Director General for Services.

Targets

Water consumption and the responsible management of water resources have been identified by the parent company ČD, a.s. as a material topic in the area of environmental responsibility. For the year 2025, the parent company ČD, a.s. has not set quantified targets in accordance with the ESRS E3 standard, as, based on a Double Materiality assessment, this area is perceived as a potential negative impact, however, does not currently reach materiality in terms of financial impacts or operational continuity. Nevertheless, the company continuously monitors this area and tracks developments in water consumption and the availability of water sources in relation to its own operations. Should a threat to specific water intake points be confirmed or should an impact on the operation and refuelling of rolling stock arise, the company will reassess its approach and, where appropriate, set specific targets.

Actions

Actions relating to water resource management are implemented on an ongoing basis at České dráhy, a.s., in line with the nature of operations and applicable health and environmental requirements. At the same time, the scope for using alternative water sources is limited by legislative requirements regarding the use of drinking water in certain operational activities.

The company therefore implements actions aimed at more efficient water use and reducing water consumption in its operational activities. The main actions include, in particular:

- the use of rainwater in operational activities where legislation and the nature of operations permit, including the construction of retention tanks in newly built or modernised service and repair facilities; construction of a retention tank is currently underway at the Cheb service centre, with completion planned for 2026,
- increasing the share of recycled water through the modernisation and refurbishment of rolling stock wash facilities; the Company currently operates 11 wash facilities, 7 of which use recycled or rainwater for washing; in 2025, the refurbishment and modernisation of the wash facility at the Prague–South service centre commenced,
- developing water consumption monitoring in operational facilities with the aim of improving the overview of water withdrawals and creating the conditions for more efficient water management (targets will be specified following further development of the system).

These actions address the identified potential negative impact in the area of water consumption and water resource management; they are predominantly ongoing and operational in nature and are being implemented on an ongoing basis as part of the modernisation of the Company's service facilities and operational processes. The actions build on activities carried out in the previous period, and their implementation continued in 2025 without any significant changes to their focus. Costs associated with the implementation of these actions are not tracked separately, as they form part of the investment costs for the modernisation of the Company's service and operational facilities.

Metrics

Water withdrawals and wastewater discharge (in m³)

	2025	2024	Δ
Total volume of water withdrawn ⁵	530,894	522,695	2%
Total volume of wastewater discharged to third parties ⁵	510,552	500,545	2%
Own WWTP - quantity of treated water	98,561	114,195	(14%)

Water management metrics include the total volume of water withdrawn, the volume of wastewater discharged, and the quantity of treated water from the ČD Group's own wastewater treatment plants. At the same time, total water consumption within the ČD Group's operational activities and the volume of recycled and reused water are monitored. In 2025, there was a slight year-on-year increase in the volume of water abstracted (+2%) and wastewater discharged (+2%). Conversely, total water consumption fell by 8%, reflecting the optimization of operational processes and more efficient use of water resources. A material decrease was recorded in the quantity of treated water from the Group's own wastewater treatment plants (14%) and the volume of recycled water, which is linked to changes in the structure of operational activities at individual sites.

Water consumption (in m³)

	2025	2024	Δ
Total water consumption from all areas ⁶	20,342	22,151	(8%)
Total water consumption from all water-stressed areas	-	-	
Number of sites with potentially risky access to drinking water sources	-	-	
Total water storage and changes in storage	-	-	
Total volume of recycled and reused water	6,566	8,659	(24%)
Total water consumption in m ³ per net revenue from own operating activities (m ³ /mil. CZK) ⁶	0.35	0.43	(19%)

The ČD Group does not report water reserves within the meaning of the ESRS; therefore, the value of this metric is zero. Retention reservoirs under construction are not considered water reserves, as they serve primarily to capture and regulate rainwater and for non-technological purposes, rather than as a source of water for operations.

The data are based on the internal record-keeping systems of individual organisational units and include water abstraction, water consumption and discharge within the ČD Group. Data on treated water reflect the operation of the Group's own wastewater treatment plants. The volume of recycled and reused water is reported on the basis of available operational measurements. In 2025, the ČD Group did not identify any areas with water shortages or locations with risky access to drinking water sources.

Structure of water withdrawals within the ČD Group

2025



⁵ The total volume of water withdrawn in 2024 before correction amounted to 585,670 m³, and the total volume of wastewater discharged to third parties amounted to 563,448 m³.

⁶ The total water consumption across all areas in 2024 before correction amounted to 582,451 m³, and total water consumption per net revenue from own operating activities amounted to 11.28 m³/CZK million.

ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY

Approach and material topics

Based on the update of its double materiality assessment for 2025, the ČD Group confirms waste management and increasing recyclability as a material topic. As part of its analysis of impacts, risks and opportunities, the ČD Group also assessed the potential financial impacts related to the circular economy and waste management. These impacts were not assessed as material in terms of the Group's financial position, performance or cash flows. For this reason, the ČD Group does not currently provide a quantification of the expected financial impacts in accordance with ESRS E5 requirements. The assessment is based on up-to-date information and will be updated on an ongoing basis in line with developments in the regulatory and operational environment.

Waste management is understood within the ČD Group as part of a broader circular economy framework, with a focus on reducing environmental impacts and the efficient use of material flows. In this area, ČD Group companies focus primarily on improving waste management and increasing the share of sorted waste intended for waste recycling and further material use. The ČD Group applies these principles particularly in the areas of modernisation, maintenance and disposal of railway rolling stock, where the largest volume of potential waste is generated. Where possible, rolling stock is modernised and technically upgraded with the aim of extending its service life and, where appropriate, improving the level of service provided aligned with customer requirements. In selected cases, older units are also acquired, which subsequently undergo complete modernisation. In cases where vehicles can no longer be operated or otherwise utilised, the ČD Group proceeds with their sale and/or their environmentally sound disposal. Before dismantling, usable spare parts are removed from the vehicles for further use in the maintenance of vehicles of the same type. The dismantling itself takes place at specialised sites, where the resulting materials are sorted and sent for waste recycling or further processing aligned with the requirements of the Waste Act (No. 541/2020 Coll.). The targets of this process are to maximise the share of material recovery and minimise negative environmental impacts aligned with the principles of the Circular economy and the ESRS E5 standard.

Waste data is recorded within the ČD Group in alignment with applicable legislation and reported on the basis of internal record-keeping systems compatible with the ISPOP state information system. All waste is handed over to authorised entities for further processing in accordance with the Waste Act. The classification of waste into individual categories is based on the Waste Catalogue and takes into account the method of its further management. Metrics related to the circular economy, including the share of waste intended for recycling, are determined on the basis of available information on the sorting and handover of waste for further use. As the ČD Group does not always have information available on the final method of processing after waste has been handed over to authorised entities, part of the waste is conservatively reported as disposed of by an authorised entity. This approach may lead to an underestimation of the actual waste recycling rate; however, it ensures consistent and prudent reporting aligned with ESRS requirements.

Policies and management

Management of this area of environmental protection is based on the unified environmental management framework applied within the ČD Group, which is described in Chapter E2 of the ESRS. In the area of waste management, the ČD Group is governed by the binding legislative framework of the Czech Republic, in particular Act No. 541/2020 Coll., on waste, as amended, and related implementing regulations, including Decree No. 273/2021 Coll., on details of waste management. This legislative framework constitutes the Group's fundamental policy in the field of waste management. Waste management within the individual companies of the ČD Group is ensured through internal processes that regulate sorting, record-keeping and adherence to the waste management hierarchy, all aligned with applicable legislation. Given the high level of regulation in this area and the established internal procedures, the Group does not consider it necessary to establish a separate formal policy beyond the scope of applicable legislation.

Responsibility for ensuring compliance with legislative requirements and for the application of established internal procedures in the area of waste management within the parent company, ČD, a.s., is entrusted to the Director General for Service.

Targets

The parent company, ČD, a.s., has not set any quantified targets for 2025 in accordance with the ESRS E5 standard, as it does not currently have a unified system in place that would enable the reliable monitoring and verification of actual waste recycling rates for all waste streams to the extent required by the ESRS. However, waste management and increasing recyclability are identified as material topics in the area of the Company's environmental responsibility. The Company is therefore focusing on gradually increasing the share of recycled waste, particularly in connection with the growing volume of decommissioned railway rolling stock intended for resale or disposal. The effectiveness of this approach is monitored through internal waste records, evaluation of waste treatment methods, and refinement of information on the actual waste recycling performed on waste handed over. Should a reliable data set be established or the materiality of this topic change, the Company will reassess the possibility of setting specific quantified targets. At the same time, the Company complies with all Acts in the field of waste management.

Actions

Actions in the area of waste management and circular economy are implemented on an ongoing basis at České dráhy, a.s. in line with operational needs and applicable legislation. They focus primarily on managing material flows associated with the renewal, maintenance and disposal of railway rolling stock and on ensuring the effective management of waste generated during the provision of transport services.

The Company therefore implements actions aimed at increasing the rate of waste sorting, promoting material reuse and extending the life cycle of assets. The main actions include, in particular:

- strengthening the waste sorting system in the Company's operational and administrative premises through ongoing actions within the waste management system,
- the controlled decommissioning of railway rolling stock and its disposal with an emphasis on material recovery, including the sorting and separation of individual waste components,
- modernisation of railway rolling stock and technical upgrading, which contributes to extending its service life and reducing the need for premature decommissioning,
- ensuring the collection, sorting and handover of municipal waste generated during the provision of passenger transport services, including the gradual expansion of sorting options under operational conditions.

Actions in this area are ongoing and are implemented as part of the Company's asset management and waste management system. Costs associated with the implementation of these actions are not tracked separately, as they form part of the investment and operating costs associated with the management and renewal of the Company's assets.

Metrics

Waste management (in tonnes)

	2025	2024	Δ
Total amount of waste produced	19,267	16,302	18%
Total amount of recycled waste	12,986	10,147	28%
Share of recyclable waste	67%	62%	5%
of which:			
Hazardous waste for recycling: batteries and other	714	24	2,844%
Other waste for waste recycling: paper, glass, plastic, etc.	12,272	10,123	21%
Total amount of non-recyclable waste	6,281	6,155	2%
Share of non-recyclable waste	33%	38%	(5%)
of which:			
Hazardous waste: incineration	5	616	(99%)
Hazardous waste: landfill	285	710	(60%)
Hazardous waste: other disposal methods	729	771	(5%)
Other waste: incineration	22	1,206	(98%)
Other waste: landfill	3,417	2,784	23%
Other waste: other disposal methods	1,823	69	2,552%
Total amount of hazardous waste	1,733	2,122	(18%)
Total amount of radioactive waste	-	-	-

Scope of disposal rail vehicles

	2025	2024	Δ
Number of decommissioned rolling stock	279	118	136%
Million tonnes of recycled waste	9,081	3,636	150%

Waste management indicators include the total amount of waste generated, its composition by category, and waste disposal methods, particularly the proportion of waste destined for recycling and disposal. The amount of hazardous waste is also tracked separately. In 2025, there was a year-over-year increase of 18% in the total amount of waste generated, which is primarily related to higher maintenance intensity and a greater scale of disposal of decommissioned railway rolling stock. At the same time, there was a significant increase in the amount of waste destined for recycling (+28%) and an increase in its share of total waste to 67%. A positive trend is also evident in the decrease in the amount of hazardous waste (18%).

The composition of generated waste has long been influenced primarily by metal waste from maintenance, repairs, and the disposal of decommissioned rail vehicles, which is linked to the gradual modernization of the fleet. The disposal process is designed to maximize material recovery and the recyclability of the generated waste.

The data are based on waste records maintained in accordance with applicable waste management legislation. Waste categorization and disposal methods are determined in accordance with relevant legal regulations and the ČD Group's internal procedures. The data are aggregated across all relevant operating units and include all waste generated in the course of the ČD Group's activities.

Structure of waste produced by organization



Social responsibility

ESRS S1 Own workforce	246
Approach and material topics	246
Policies and management	247
Employee engagement	247
Reporting and remediation	248
Targets	248
Actions	249
Metrics	250
ESRS S4 Consumers and end-users	252
Approach and material topics	252
Policies and management	253
Involvement of customers and end users	253
Resolving customer issues and complaints	254
Targets	254
Actions	255
Metrics	256



Social responsibility

ESRS S1 OWN WORKFORCE

Approach and material topics

The ČD Group is one of the largest employers in the Czech Republic and has long provided employment for more than 20,000 employees. In the area of workforce management, it focuses primarily on job stability, occupational health and safety and the development of professional competencies across the ČD Group's operations. The targets of this approach are to create conditions for long-term employee satisfaction whilst ensuring sufficient staffing levels for the safe and reliable performance of the ČD Group's activities, including rail transport and related specialist and support areas. Based on the updated materiality assessment for the ČD Group for 2025, the following material topics have been confirmed.

Employee stability and employee satisfaction

Employee stability is a key prerequisite for the ČD Group to ensure the safe and reliable operation of the Group's core activities, particularly in the field of rail transport. Given the high share of specialized professions, the long-term retention of qualified employees is essential for operational continuity and overall operational reliability. The ČD Group supports employment stability through secure job prospects, a transparent pay policy and well-defined social benefits. Pay conditions and other remuneration components are regularly discussed as part of social dialogue with trade unions. ČD Group employees receive adequate wages aligned with applicable legislation and collective agreements. The Company is convinced that the current pay system is appropriately structured within individual comparable job groups, that employees receive comparable pay, and that there are no unjustified pay differences within these groups or between genders. This system will be reviewed and, where necessary, amended in alignment with future legislation on equal pay, in particular the European Union Directive on pay transparency and relevant amendments to the Labour Code, by 2027 at the latest. Open social dialogue with employee representatives is an important tool for supporting staff stability and employee satisfaction. It relates in particular to working conditions, work organisation, occupational health and safety at work, and other factors influencing the working environment within the ČD Group.

Workforce stability is complemented by targeted recruitment into key professions across the ČD Group, which responds to demographic trends, generational change and growing demands for technical, digital and professional skills.

In 2025, the ČD Group launched a process of systematically measuring employee satisfaction. The survey results confirmed an overall very high level of employee satisfaction and the stabilising role of the working environment, particularly in the areas of teamwork and relationships with line managers. The suggestions identified mainly

concerned internal communication and the sharing of information across the organisational structure. Based on these findings, actions are gradually being implemented, focusing in particular on strengthening communication, transparency in decision-making and feedback to employees.

Employee development and skills

The development of employees' professional skills is an essential prerequisite for the ČD Group to ensure the safe and high-quality performance of the Group's activities, particularly in areas with high demands on expertise, technical knowledge and responsibility. Requirements for employee qualifications are influenced by technological modernisation, the digitalization of processes, and the growing complexity of operational and support activities. The ČD Group ensures employee development through a systematic training system focused primarily on meeting qualification and legislative requirements. This includes mandatory professional training as well as targeted educational activities responding to technological changes and new working procedures. Cooperation with the Dopravní vzdělávací institut a.s. (DVI) plays a significant role in the field of training; the DVI provides professional training, particularly for key operational roles, including the use of specialised training and simulation tools.

Employee health and safety

Occupational health and safety is a fundamental area of workforce management for the ČD Group, having a direct impact on both employee health and Railway transport safety. The nature of activities in rail transport is associated with increased risks; therefore, the prevention of occupational injuries and risk management are long-term priorities.

The ČD Group applies a systematic approach to OHS management that is aligned with applicable legislation and internal procedures. Emphasis is placed on risk identification and assessment, preventive actions, regular employee training and ongoing monitoring of compliance with established rules. This approach also includes monitoring and evaluating occupational injuries and hazardous situations and taking appropriate corrective actions. Occupational health and safety is viewed as an integral part of the day-to-day management of operations and work activities, particularly in rail transport. The established occupational health and safety system covers all employees of ČD Group companies. ČD Group employees are also covered by a social protection system through the ČD Group Foundation – ŽELEZNICE SRDCEM, which assists them and their family members in difficult life situations.

Policies and management

The ČD Group manages human resources on the basis of a formal document, the Framework Policy for Human Resources Management in the ČD Group, which sets out uniform principles, standards and rules for all Companies within the ČD Group. This document provides the basic framework for the management of employment relations, employee development, remuneration, working conditions and occupational health and safety, including the assurance of equal treatment, the prohibition of discrimination and the prevention of any form of harassment. The principles contained in this policy are based on internationally recognised standards in the field of human rights and working conditions, in particular the OECD Guidelines for Multinational Companies, the UN Guiding Principles on Business and Human Rights (UNGPs) and the fundamental conventions of the International Labour Organisation (ILO). The framework policy is binding on the parent company ČD, a.s. and on the ČD Group's subsidiaries, and is implemented through related internal regulations, procedures and processes of the individual companies. The policy is closely linked to the provisions of the Company Collective Agreement, which annually regulates key areas of working conditions, remuneration and employee benefits and applies to all Company employees, including those who are not members of any trade union. The day-to-day management of human resources is carried out independently within each ČD Group's subsidiary, aligned with their organisational structure and operational needs. At the level of the parent company, ČD, a.s., the Deputy Director General for Human Resources responsible for human resources is accountable for the implementation of the ČD Group's framework human resources policy.

Employee engagement

Approach to employee engagement

The ČD Group considers the involvement of employees in matters that directly concern them to be an important element of responsible management and the long-term stability of the company. Employee engagement is understood as a systematic process based on open communication, partnership-based dialogue and regular feedback. The targets of this approach are to create a working environment in which employees have the opportunity to express their views, highlight issues and share in improving working conditions, work processes and the organisation of work. From the ČD Group's perspective, employee engagement forms part of a broader concept of employee care. This approach also creates a framework for the timely identification, prevention and resolution of any negative impacts on employees, aligned with the principles of responsible management and sustainability as set out in the ESRs S1 standard.

Forms of dialogue and communication with employees

Employee engagement takes place through direct communication between employees and company management, but also through employee representatives and trade unions. The ČD Group utilises various forms of dialogue that correspond to the nature of individual companies and job roles. The main tools include regular meetings between management and employees, meetings with trade union representatives, collective bargaining and other forms of institutional dialogue. At the same time, internal communication channels are utilised, including the intranet and digital tools, which support two-way communication and also serve to make internal policies and rules accessible to employees and to communicate them.

Cooperation between Company management and employees takes place regularly throughout the year through the following forms of dialogue and communication:

Activity	Frequency	Form of cooperation
Company's Management meetings with employees	Once a quarter	In person / online
Meetings between Company management and trade union representatives	Once a month	In person / online
Collective bargaining	Once a year	In-person
In-house training and development	Ongoing	In person / online courses
Resolving employee complaints	Ongoing	As required

Feedback, suggestions and complaint resolution

The ČD Group places emphasis on systematically gathering feedback from employees and creating secure channels for sharing suggestions and resolving complaints. Employees can raise issues relating to working conditions, work organisation or behaviour in the workplace through internal communication channels, including ethical tools designed for reporting unethical or inappropriate conduct. Feedback is also gathered through dialogue with management and employee representatives and serves as a basis for evaluating working conditions and identifying areas for improvement.

Feedback evaluation and follow-up actions

Employee suggestions and feedback are evaluated with the aim of identifying recurring topics and potential risks that may impact employees or the Company's operations. The feedback received is taken into account in the management of working conditions, internal communication and the development of the working environment, and serves as a basis for establishing specific actions in the areas of human resources management and work organisation. Suggestions are evaluated at management level, and employee involvement is ensured through the ČD Group's existing HR and communication resources, particularly the human resources and internal communications departments, without the allocation of separate dedicated resources. Actions are subsequently implemented taking into account their significance and impact on employees and the Company's operations.

Employee performance evaluation

Employee performance evaluation is implemented across the ČD Group as part of performance management, with its form and degree of formalisation varying according to the nature of the job roles. For tariff employees covered by a collective agreement, evaluation takes place on an ongoing basis at the level of line managers within the framework of the standard employment relationship and is not uniformly quantified at ČD Group level. For managerial staff and selected employee groups of strategic importance, a structured performance evaluation system based on the setting of individual targets (KPIs) and their regular evaluation was introduced in 2025. Given the varying degrees of formalisation of individual approaches, there is currently no uniform metric for the share of employees participating in regular performance appraisals and career development.

Reporting and remediation

The ČD Group has a whistleblowing system in place for reporting unlawful and unethical conduct, which is primarily described in Chapter Ethical and Anti-Corruption Conduct. This system forms part of a broader compliance framework and applies to both employees and third parties. The system's design reflects the principles of internationally recognised standards in the field of human rights, in particular the UN Guiding Principles on Business and Human Rights (UNGPs), including requirements for accessibility, confidentiality and the protection of whistleblowers. From the employees' perspective, this system serves as a tool for the safe and confidential reporting of cases that may constitute a breach of labour law, ethical principles or other employee rights. Employees may submit reports via the Ethics Hotline or other internal channels without fear of retaliation. Reports submitted are assessed independently and aligned with the Company's internal regulations. Where a breach is identified, appropriate corrective actions are taken to minimise or eliminate any negative impact on employees and to prevent similar situations from recurring.

Targets

Targets relating to the own workforce are derived from the company's HR strategy and are set at the level of the parent company ČD, a.s., in relation to identified material topics. Proposed targets are prepared by the relevant departments and approved by the company's management.

Employee satisfaction

The Company has set quantified targets to maintain the employee satisfaction index in Band 1 (1.00–2.50), corresponding to a very good rating, or not to worsen the baseline index value of 2.37. The baseline value is based on the first company-wide anonymous electronic employee survey conducted in 2025. The satisfaction index (sINDEX) is the arithmetic mean of responses recorded on a five-point Likert scale, where a value of 1 represents the best rating and 5 the worst rating. The range 1.00–2.50 is internally defined as the level corresponding to the required standard of high employee satisfaction. Achievement of the targets is assessed on the basis of regular measurements carried out in accordance with the Company's internal needs. The results are presented to the Company's management and serve as a basis for updating actions in the area of human resources management.

Social dialogue

In the area of social dialogue, the Company has set itself the target of actively managing social dialogue and concluding a company collective agreement (PKS) by the planned deadline, on an annual basis. Achievement of this target is assessed by Company management as part of the regular management of labour relations.

Health and Safety at Work

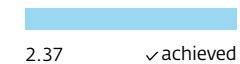
In the area of occupational health and safety (OHS), the Company has set itself the goal of reducing employee accident rates in the long term and preventing serious occupational injuries through systematic OHS management, preventive actions and regular evaluation of emergencies. This goal is monitored using internal accident rate metrics and evaluated by the Company's management.

Progress towards 2025 targets

Based on the results of an internal employee survey conducted in 2025, the Employee Satisfaction Index (sINDEX) reached a value of 2.37, which corresponds to a very good rating. The metric value falls within the target range of 1.00–2.50, which represents the required standard of high employee satisfaction, and the set targets for 2025 were thus met.

Employee satisfaction index

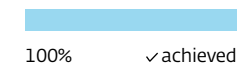
Target: rating in the 1st band 1.00–2.50



In the area of social dialogue, company-level collective agreements were concluded within the planned deadlines for 2025 in all relevant companies of the ČD Group. Furthermore, there were no disruptions to social dialogue during 2025, and stable relations between the employer and employee representatives were maintained.

Social dialogue

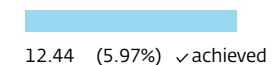
Target: conclude company collective agreements on time



In the area of occupational health and safety, the target for 2025 focused on maintaining or improving the accident rate, as expressed by the LTIFR metric, relative to the 2024 baseline. In 2025, the LTIFR fell by 5.97%, representing an improvement on the baseline. At the same time, no fatal occupational injuries were recorded.

Health and Safety at Work

Target: maintain or prevent a deterioration in the injury rate (LTIFR)



Actions

Human resources management actions within the parent company ČD, a.s. in 2025 focused on enhancing transparency, stabilising employment relationships and developing tools for the systematic management of employee performance and satisfaction. An overview of key actions and their results in 2025 is provided in the table below.

Action	Timeframe	Outcome of the action in 2025
Establishment of an employee satisfaction measurement system	2025	A system for regularly measuring employee satisfaction has been introduced; the first survey was carried out in 2025, including an evaluation of the results and the identification of key areas for improvement.
Establishment of a transparent remuneration system	2025–2026	Preparation of a transparent remuneration system has begun; an analysis of the current situation has been carried out and proposals for changes to remuneration processes have been drafted. The implementation of the system is planned in connection with the transposition of the European directive on pay transparency into Czech legislation, with its effectiveness expected in 2026.
Establishment of a performance measurement system for selected employee groups	2025	A performance measurement system was established and implemented in 2025 for all managers and employees of strategic importance to the Company. The system includes the setting of individual targets (KPIs) in line with the Company's strategic priorities and their regular evaluation throughout the year.
Social dialogue and conclusion of a company collective agreement	2025–2026	Company collective agreements for the period 2025–2026 were concluded within the planned deadlines, without disrupting the continuity of social dialogue.
Operational actions in the areas of training, recruitment and OHS	2025	Ongoing actions in the areas of training, recruitment and occupational health and safety were implemented in line with the Company's up-to-date needs, including the launch of changes to the benefits scheme, the pilot use of digital tools in training, and the development of selected employee benefits.

Costs associated with the implementation of these actions form part of the operating costs of the Human Resources division and are not reported separately.

Metrics

All data on employment are derived from the internal human resources record-keeping systems of the individual companies within the ČD Group. The number of employees includes all persons employed on a full-time basis. Workers employed under agreements (agreement on work activity and agreement on the performance of work) are listed as employees with non-guaranteed working hours. Agency workers are recorded separately as workers who are not employees of the ČD Group. The data are consolidated at the ČD Group level based on a uniform methodology and include all material companies included in the consolidation. The Company currently records data on gender only in the categories of male and female. Data on other gender identities are not systematically tracked and are therefore not reported in this Statement. The structure and numbers of ČD Group staff are reported as of 31 December 2025. The metrics are tracked on an annual basis based on internal records of personnel changes. The total full-time equivalent (FTE) headcount is reported in the ČD Group's consolidated annual report under the section Key Performance Indicators for the ČD Group.

Employee structure

	2025	2024	Δ
Number of employees	20,458	21,513	(4.9%)
Women	5,238	5,553	(5.7%)
Men	15,220	15,960	(4.6%)
Number of fixed-term employees	846	791	7.0%
Women	290	301	(3.7%)
Men	556	490	13.5%
Number of permanent employees	19,612	20,722	(5.4%)
Women	4,948	5,260	(5.9%)
Men	14,664	15,462	(5.2%)
Number of employees with non-guaranteed working time	2,337	2,382	(1.9%)
Women	495	504	(1.8%)
Men	1,842	1,878	(1.9%)
Number of non-employees	272	310	(12.3%)
Women	5	6	(16.7%)
Men	267	304	(12.2%)

This metric captures the total number of ČD Group employees as of 31 December 2025 and their structure by type of employment contract, gender and organisational structure. In 2025, there was a year-on-year decrease in the number of employees of 4.9%, across most categories of employment contracts. The proportion of women has remained stable over the long term and corresponds to the technical and operational nature of the ČD Group's activities. A decline was also recorded among external staff.

Breakdown of employees by gender

2025



Employee structure by company

2025



Number of departing employees and employee turnover rate

	2025	2024	Δ
Number of departures	2,646	1,943	36.2%
Turnover rate	12.75%	8.93%	3.8%

In 2025, the turnover rate increased by 3.8% in connection with restructuring at the subsidiaries ČD Cargo, a.s. and ČD Telematika, a.s. The ČD Group considers this situation to be temporary.

Employee training and skill development

	2025	2024	Δ
Absolute number of training hours per employee	680,658	683,197	(0.4%)
Average number of training hours per employee	33.3	31.8	4.8%

The metric includes the absolute number of training hours delivered and the average number of training hours per employee. The absolute volume of training remained stable year-on-year, whilst the average number of training hours per employee increased, reflecting a greater emphasis on employee development. The data are based on internal records of completed training and educational activities.

Occupational Health and Safety (OHS)

		2025	2024	Δ
Hours worked (number)		22,030,906	22,302,515	(1.22%)
Fatal accidents	number	-	1	(100%)
	frequency ¹	-	0.04	(100%)
Reported occupational injuries resulting in more than 3 days' absence	number	274	295	(7.12%)
	frequency (LTIFR) ²	12.44	13.23	(5.97%)

In 2025, no incidents relating to human rights violations were identified within the ČD Group. No financial impacts or liabilities arose in connection with these areas.

OHS metrics include the number of occupational injuries, their frequency and the lost-time injury frequency rate (LTIFR), relative to hours worked. In 2025, OHS metrics improved, including a decrease in the number of occupational injuries and a reduction in the LTIFR. No fatal occupational injuries were recorded. The metrics are reported on the basis of internal records of occupational injuries in alignment with applicable legislation. The LTIFR is calculated as the number of occupational injuries resulting in incapacity for work per 1 million hours worked. The OHS management system applies to all employees of the ČD Group, i.e. coverage is 100% of employees.

¹ Frequency calculated per 1 million hours worked

² Lost-time injury frequency rate (LTIFR) – number of occupational injuries resulting in employee absence * 1,000,000 / total number of hours worked by employees

ESRS S4 CONSUMERS AND END-USERS

Approach and material topics

Customers and end users represent a key stakeholder of the ČD Group. As the individual companies of the ČD Group operate within different business models and customer segments, this section of the Statement focuses primarily on the parent company, ČD, a.s., which accounts for the dominant share of the ČD Group's activities. ČD Cargo, a.s. is addressed separately in terms of consumers and end users through its own sustainability statement. In the field of passenger transport, the parent company ČD, a.s. plays a dual role – as a service provider to end users and, at the same time, as a contractual partner to public service contracting authorities, in particular the state and regions. Responsibility towards customers therefore relates both to the fulfilment of contractually agreed requirements regarding the scope, quality and reliability of services, and to passengers' day-to-day experience of the services provided.

Based on the updated Double Materiality assessment, the parent company ČD, a.s. focuses, within the framework of the ESRS S4 standard, on selected material topics relating to service quality and reliability, customer satisfaction, and Railway transport safety and passenger protection.

Quality and reliability of services

The quality and reliability of the services provided are among the main factors influencing passenger satisfaction and confidence in public rail transport. Adherence to the timetable, the ability to manage operational incidents and the stability of operations have a direct impact on both the daily experience of passengers and the fulfilment of obligations towards public transport contracting authorities. The parent company, company ČD, a.s., focuses on systematically improving operational reliability through the management of operational processes, preventive vehicle maintenance and the gradual modernisation of the rolling stock. Emphasis is placed on the timely identification of technical faults, their effective rectification and the minimization of impacts on the services provided. From the perspective of public transport clients, the quality and scope of services are monitored on the basis of contractually agreed performance metrics. Compliance with these metrics is regularly assessed and serves as a basis for managing the quality of services provided and for communication with clients regarding operations, closures and Emergencies. From the passengers' perspective, the reliability of services is reflected primarily in the regularity of operations and the availability of up-to-date information on their progress. The approach of the parent company, ČD, a.s., is aimed at reducing the frequency of operational complications and improving passenger information in cases where restrictions occur.

Customer satisfaction

For the parent company ČD, a.s., customer satisfaction is a key prerequisite for the long-term sustainability of the services provided and for trust in public rail transport. The approach to customer satisfaction relates both to the fulfilment of contractual obligations towards public transport contracting authorities and to the quality of services provided to end users – passengers. From the perspective of public transport contracting authorities, customer satisfaction is closely linked to the fulfilment of contractually agreed parameters regarding the quality, scope and availability of services. These parameters are continuously monitored through defined metrics and serve as a basis for quality management and for communication with contracting authorities regarding operations, changes to timetables, service suspensions and emergencies. From the passengers' perspective,

their satisfaction is influenced primarily by the level of travel comfort, the attractiveness of the services offered, the availability of information and the quality of customer service. As part of its strategy, the parent company ČD, a.s. therefore systematically focuses on actions that influence these factors affecting passenger satisfaction, particularly the modernisation of the rolling stock, the digitalisation of service and communication channels, and the improvement of customer processes throughout the entire journey. Ensuring equal access to services is also part of the approach to customer satisfaction. The parent company ČD, a.s. focuses on developing barrier-free travel and adapting services for people with reduced mobility and orientation and cooperates with specialist organisations in this development. Customer satisfaction is systematically monitored through customer satisfaction measurement tools and passenger feedback. The results of these surveys serve as a basis for identifying areas for improvement and for the further development of customer services.

Railway transport safety and passenger protection

Railway transport safety and passenger protection represent one of the key areas of responsibility towards customers and end-users for the parent company ČD, a.s. The nature of rail transport places high demands on operational safety management, the prevention of emergencies, and the protection of passengers' health and lives.

The parent company ČD, a.s. applies a systematic approach to ensuring Railway transport safety aligned with applicable legislation and technical standards. Emphasis is placed on operational safety management, employee training in safety matters, and the ongoing assessment of risks associated with rail transport operations. The approach to passenger protection also includes the use of technical and organisational actions that contribute to enhancing safety and the sense of security during transport. These include, in particular, the introduction of modern security systems, the use of CCTV systems and surveillance systems on trains, and cooperation with other entities in the field of emergency prevention. The targets of this approach are to minimise the risks associated with rail transport operations and to ensure a high level of passenger protection throughout the journey. A material element of this approach is also the gradual introduction of the European Train Control System (ETCS) aligned with the National ERTMS Implementation Plan. This system represents a key tool for enhancing Railway transport safety, particularly through continuous monitoring of train movements, automatic speed control and the elimination of human error risks. The implementation of ETCS by ČD Group, i.e. the parent company ČD, a.s., and the subsidiary ČD Cargo, a.s., contributes to the systematic reduction of the risk of emergencies and to improving passenger protection and operational safety.

Protection of customers' and end-users' rights

When providing services to customers, the Company respects their fundamental rights, in particular the right to safety, equal access to services and the protection of personal data. These principles are enshrined in internal regulations and processes relating to the provision of services and are based on internationally recognised standards in the field of human rights, in particular the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Companies and relevant international conventions. In 2025, no breaches of these principles were recorded within the ČD Group in relation to consumers and end users, including within the downstream parts of the value chain.

Policies and management

The parent company, company ČD, a.s., manages customer relations through a set of internal operating regulations, standardised processes and contractual obligations. These obligations arise both from contractual relationships with public rail transport contracting authorities and from obligations towards passengers set out in ČD's Contractual Conditions of Carriage for Public Rail Transport, which are made available to passengers via the parent company's customer website. This management approach constitutes the fundamental framework of the Company's policy regarding the quality, reliability and safety of the services provided. Responsibility for implementing this policy lies with the member of the Board of Directors and Director General for Passenger Transport. Sub-areas of material topics within the ESRS S4 are managed as follows.

Quality and reliability of services

The management of the quality and reliability of rail transport services by the parent company ČD, a.s. is carried out aligned with internal regulations and processes, with the targets being the coordination of operations, monitoring of performance and resolution of any operational deviations. The key document in this area is internal directive ČD SR 14 (KC) – Directive on Passenger Transport, which sets out procedures for identifying, reporting and evaluating operational faults and for taking corrective action in situations where the reliability of services is affected. The Company is also implementing an internal strategy for the modernisation of service facilities and repair infrastructure, which is carried out aligned with the relevant internal development and investment plans.

Customer satisfaction

The requirements for measuring passenger satisfaction are based on the internal quality standards of České dráhy, a.s., which define the required level of quality of services provided to passengers and transport clients. These quality standards are derived from Annex III, Minimum Service Quality Standards, of Regulation No. 782/2021 of the European Parliament and of the Council on rail passenger rights and obligations. Customer satisfaction measurement is also required by selected transport contracting authorities on the basis of the relevant provisions of public service contracts for passenger transport. The handling of customer feedback and complaints at ČD, a.s. is carried out in alignment with the internal directive 'Guidelines for the Handling of Complaints and Other Submissions at Company ČD, a.s.'. Compliance with the established procedures is regularly verified on an annual basis as part of a review conducted through an ISO audit. Information and findings arising from complaints are also utilised by the ČD Internal Audit and Control Department in its control activities carried out within the Company. The company is committed to upholding the principles of equal treatment and non-discrimination in relation to all passengers. These principles are enshrined in the ČD Code of Ethics and the Transport Regulations and ensure equal access to transport services regardless of gender, age, health, nationality or other personal characteristics.

Railway transport safety and passenger protection

Railway transport safety in the Czech Republic is ensured through a comprehensive legislative framework that defines procedures for dealing with emergencies in rail transport operations. The primary legislation is Act No. 266/1994 Coll., on Railways, which sets out the obligations of the railway and rail transport operator when

dealing with emergencies. More detailed procedures are set out in Decree No. 376/2006 Coll., on the safety system for railway operations and rail transport and procedures in the event of emergencies. Given the high level of regulation in this area and the established internal procedures, the ČD Group does not consider it necessary to establish a separate formal policy beyond the scope of the applicable legislation. The monitoring and management of emergencies in rail transport at ČD, a.s. is carried out aligned with applicable legal regulations and internal safety standards. Internal guidelines, rules and control mechanisms are applied, enabling a timely response to crisis situations and helping to minimise risks to both passengers and employees. Responsibility for compliance with internal standards in the area of Railway transport safety management lies with the Head of the Internal Audit Department, whilst the implementation of corrective and preventive actions is ensured by the relevant specialist departments of the Company.

Involvement of customers and end users

Customers and end users represent a key stakeholder for the ČD Group. Engaging customers in dialogue regarding the quality, scope and manner of service provision is viewed as an important tool for ensuring an appropriate level of service and for the continuous improvement of rail transport.

Engaging public transport contracting authorities

Public rail transport contracting authorities, in particular the state and individual regions, are key partners in ensuring transport services. The involvement of contracting authorities takes place through regular contractual and operational dialogue, which encompasses not only the fulfilment of contractually agreed conditions but also ongoing communication regarding the quality of services provided and the resolution of operational challenges. As part of this dialogue, České dráhy, a.s. regularly assesses the scope and quality of transport services using contractually agreed key performance indicators (KPI). Active communication with commissioning authorities takes place via dedicated contact persons, particularly in connection with operational changes, closures and emergencies. Feedback from clients is used as one of the bases for optimising operations and the further development of public rail transport, aligned with the needs of clients and passengers.

Passenger (end-user) engagement

Passenger engagement takes place through customer service and digitalised customer processes, which enable ongoing communication and the collection of feedback at all stages of the journey. Passengers have access to a wide range of service channels, including online tools, mobile apps, self-service machines and traditional ticket offices, which are used not only to purchase tickets but also to share information and resolve issues. Passenger feedback is systematically monitored through customer satisfaction measurement tools and other communication channels. The information gathered serves as input for identifying strengths and areas for improvement and is taken into account when optimising services and introducing innovations aimed at enhancing travel comfort, the availability of information and the quality of customer service.

Resolving customer issues and complaints

Resolving customer issues and complaints is viewed by the parent company, company ČD, a.s., as an important tool for ensuring the quality of services provided, enhancing travel comfort and strengthening passenger confidence. At the same time, complaint processes represent one of the key mechanisms through which customers can raise their suggestions and draw attention to shortcomings in the services provided. ČD, a.s. enables customers to resolve issues and submit complaints via several communication channels to ensure accessibility for different groups of passengers. In addition to direct communication with on-board staff, passengers can contact us by telephone via the Central Customer Service or use online tools, in particular email, web contact forms and the Můj Vlak app. Customer suggestions and complaints are assessed within established customer processes and serve as one of the bases for taking corrective action and further improving the services provided.

Targets

Customer-related targets are derived from the company's strategic priorities and are set at the level of the parent company, ČD, a.s., in relation to material topics such as service quality and reliability, customer satisfaction and Railway transport safety.

Quality and reliability of services

In the area of service quality and reliability, the Company has set itself the target of meeting the specified timetable reliability metric on an annual basis. This limit is defined in the contractual documentation with public rail transport contracting authorities. Compliance is continuously monitored via internal operational systems and evaluated at least annually as part of the Company's performance management.

Customer satisfaction

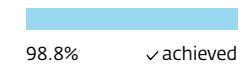
The Company has set a quantified target to increase the level of customer satisfaction, measured using the Net Promoter Score (NPS), to 40% by 2030. The baseline value for the customer satisfaction metric corresponds to an NPS of 33.7%, measured in 2024. The metric is monitored through regular customer surveys and evaluated at least annually. The results are presented to the Company's management and serve as a basis for updating actions aimed at improving service quality and customer experience.

Railway transport safety and passenger protection

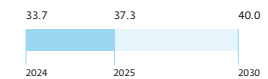
In the area of railway transport safety, the company has set itself the target of ensuring the rolling stock's readiness for the planned exclusive operation of the ETCS system aligned with the 2024 National ERTMS Implementation Plan. Progress towards this target is monitored through investment and technical management of the rolling stock modernisation programme and is regularly evaluated by the company's management. At the same time, the Company applies a systematic approach to safety, focusing on the prevention of emergencies and the enhancement of safety actions through technical, operational and organisational tools and the regular evaluation of safety metrics.

Progress towards targets in 2025

The required timetable reliability threshold (98%) was met, with the actual figure for 2025 reaching 98.8%.



In the area of customer satisfaction, the Net Promoter Score (NPS) increased to 37.3%, meaning that the targets of 40% by 2030 are being progressively met.



+ 3.6 points ✓ positive

In the area of ETCS system implementation, a higher number of fitted vehicles was achieved than stipulated in the National ERTMS Implementation Plan, and the targets are thus being met beyond the set level.



Actions

In 2025, actions in the S4 area focused on improving the quality and reliability of services, customer satisfaction and passenger safety. In this context, the Company continued, in particular, with the modernisation of vehicles and service facilities, the development of digital customer services and the implementation of actions in the area of operational safety. An overview of the main actions implemented during the period under review and their results is provided in the table below.

Action	Timeframe	Outcome of the action in 2025
Modernisation and expansion of service facilities	2024–2030	This is a strategic priority for the parent company, ČD, a.s. The targets of these actions are to ensure sufficient capacity and efficient servicing of railway rolling stock, thereby increasing the reliability and quality of rail transport services. The company is currently implementing a total of 8 projects for the modernisation and construction of service workshops in this strategic area. The modernisation of the workshop in Šumperk was completed in 2025; the construction of new workshops in Cheb and Havlíčkův Brod is scheduled for completion in 2026, and gradual modernisation is planned at five other locations between 2027 and 2030.
Digitisation of service operations	2024–2030	These actions are aimed at increasing the efficiency of maintenance and the reliability of the vehicle fleet through the digitalisation of service processes. In 2025, 308 vehicles were fitted with a diagnostic system, which now enables the real-time monitoring of the fault and operational statuses of these vehicles. The process of digitising servicing and maintenance will continue in the coming years, with approximately 1,000 new and prospective units expected to be fitted with advanced diagnostic systems by 2030 to support predictive maintenance and the automation of repairs.
Modernisation and vehicle upgrades to enhance customer standards	Ongoing	In 2025, 140 new train units were put into service and 15 existing carriages were modernised to meet the up-to-date customer standards of company ČD, a.s. As a result of this modernisation, Wi-Fi connectivity was increased by 798 connections, i.e. a total of 10% compared to 2024, furthermore, in 2025, selected trainsets were fitted with mobile signal repeaters (151 long-distance carriages) and windows were laser-treated to improve mobile signal quality on a total of 209 long-distance carriages.
Digitisation of customer channels and services	Ongoing	In 2025, the Company continued to develop digital sales and communication channels with targets to simplify the purchase of tickets, make travel information clearer and improve the customer experience. The Můj Vlak app was further developed as an integration platform enabling the sale and combination of tickets from various transport systems, including cooperation with integrated transport systems (IDS). At the same time, features supporting passenger navigation during the journey and more efficient digital communication were expanded. As a result of these actions, there was a 5% year-on-year increase in ČD's digital customer service in 2025 compared to 2024.
Ensuring the transition to the new European Train Control System (ETCS)	2024–2035	In 2025, there was a further planned increase of 680 vehicles equipped with the ETCS system, bringing the rolling stock's readiness to 107% – i.e. exceeding the requirements set out in the National ERTMS Implementation Plan for 2025.

The total costs of implementing actions in the S4 area in 2025 included investments in improving the quality and reliability of services, developing digital customer channels, and implementing actions relating to customer health and safety associated with the roll-out of the ETCS system. The costs of modernising service depots amounted to CZK 874 million in 2025, and the costs of ETCS to CZK 1,655 million. The expenditures are linked to Chapter 15 Land, Buildings and Equipment of the separate financial statements,⁷

Metrics

Quality and reliability of services

	Target limit	Actual performance 2025	Actual performance 2024	Δ
Timetable reliability	98%	98.8%	98.7%	0.1%
Quality of handling of exceptional circumstances	75%	72.9%	75.0%	(2.1%)
Compliance with planned requirements and planned train capacity	92%	92.5%	94.4%	(1.9%)
Train punctuality (within 5 mins)	98.9%	99.0%	99.1%	(0.1%)

The metrics monitor the quality and reliability of public rail transport services provided, in particular timetable adherence, the quality of handling incidents, compliance with planned train capacity and the punctuality of services. Service quality and reliability metrics remain at a stable level. Timetable reliability reflects the degree to which the timetable is adhered to, taking into account only factors attributable to ČD, a.s. The foreword to the ČD Group's consolidated annual report cites a figure of 88.2%, which also includes factors attributable to other entities. A slight improvement in timetable reliability confirms the long-term high quality of operations, whilst other metrics show only minor year-on-year changes. The decline in the planned capacity compliance metric is related to operational factors and the structure of the trainsets deployed. The metrics are based on internal operational systems and are defined aligned with the contractual requirements of public transport contracting authorities. The assessment is carried out on an annual basis.

Resolving customer requests and complaints

	2025	2024	Δ
Number of complaints	11,458	10,480	9.3%
Number of complaints per 100,000 passengers	6.82	6.21	9.8%
Share of complaints resolved within 30 days (%)	95.9%	96.4%	(0.5%)

These metrics track the number of customer complaints, their relative frequency and the share of cases resolved on time. In 2025, there was an increase in the number of complaints, reflecting both higher service usage and rising customer expectations. The share of cases resolved on time remains high, despite a slight year-on-year decrease. The data is based on internal records of customer complaints and is monitored on an annual basis. The metrics include all recorded complaints across distribution channels.

Customer satisfaction

	2025	2024	Δ
Trip satisfaction rating in the Můj Vlak app	4.21	4.16	1.2%
Satisfaction index	4.01	3.93	2.0%
Net Promoter Score	37.30	33.70	10.7%

The metrics assess customer satisfaction based on internal surveys, including trip evaluations, the overall satisfaction index and the Net Promoter Score (NPS). In 2025, there was an improvement in all monitored customer satisfaction metrics. The growth in both the NPS and the overall satisfaction index reflects the positive impact of actions implemented to improve service quality, digitise customer channels and enhance travel comfort. The metrics are based on regular customer surveys conducted on a representative sample of passengers. The results are evaluated on an annual basis.

Availability of digital and supplementary services

	2025	2024	Δ
Share of trains equipped with Wi-Fi	56%	46%	9.9%
Share of passengers checking in digitally	69%	64%	5.0%

The metrics track the level of service digitalisation, particularly the share of trains equipped with Wi-Fi and the share of passengers checking in digitally. In 2025, the share of trains equipped with Wi-Fi and the share of passengers checking in digitally continued to grow, confirming the trend towards the gradual digitalisation of the customer experience. The data is derived from internal operational and business systems and is monitored on an annual basis.

Service Accessibility

	2025	2024	Δ
Share of train services supporting barrier-free travel	83%	77%	6.2%
Total number of PRM transport orders	12,860	11,825	8.8%

The metrics track the availability of services for persons with reduced mobility (PRM), particularly the share of barrier-free services and the volume of assisted travel. The share of barrier-free services increased year-on-year following the modernisation and renewal of the rolling stock. At the same time, the number of assisted journeys provided is also rising. The data is derived from internal operational and customer service records, including the assistance booking system.

Railway incidents caused by the operator with an impact on railway safety

	2025	2024	Δ
Total number of railway incidents	189	179	5.6%
Category A (serious accident)	1	1	-
Category B (accident)	17	13	30.8%
Category C (incident)	171	165	3.6%

The metrics track the number of railway incidents in rail transport caused by the carrier, classified by severity. The total number of railway incidents rose slightly, which is mainly related to the volume of traffic and external factors. The number of the most serious railway incidents remains stable. In 2025, one Class A railway incidents (serious accident) was recorded, which occurred on 20 November 2025 at Zliv station. The incident involved a head-on collision between passenger trains, resulting in injuries and significant material damage. The causes of the incident are the subject of an investigation by the relevant authorities, which has not yet been concluded; preliminary findings point to human error. In addition to the preventive actions taken, a systemic solution involves the gradual introduction of ETCS, which has not yet been implemented on this line. The data is derived from internal systems for recording railway incidents and rolling stock management. The categorisation of railway incidents correspond to both internal and regulatory definitions.

Fleet Readiness for ETCS Implementation

Year	Required vehicles	Vehicle readiness	Δ
2024	469	625	133%
2025	635	680	107%

The metric tracks the vehicle readiness for operation within the European Train Control System (ETCS). In 2025, there was a further planned increase in the number of vehicles equipped with the ETCS system, with rolling stock readiness reaching 107% – i.e. exceeding the requirements set out in the National ERTMS Implementation Plan for 2025. The data is based on internal records of rolling stock modernisation and investment planning. The metrics relate to the required number of vehicles according to the National ERTMS Implementation Plan and include vehicles ready for operation in the ETCS system.

Governance

ESRS G1-1 Anti-corruption and business conduct	259
Approach and material topics	259
Policies and management	259
Targets	260
Actions	260
Metrics	261
ESRS G1-2 Responsible value chain management	262
Approach and material topics	262
Policies and management	262
Targets	262
Actions	263
Metrics	263



Governance

ESRS G1-1 ANTI-CORRUPTION AND BUSINESS CONDUCT

Approach and material topics

Business and anti-corruption conduct is a key element of responsible management and the long-term stability of the ČD Group. Given the scope of its activities, its presence in the public sphere and its cooperation with a wide range of business partners, the area of ethics, corruption prevention and transparent decision-making is considered a material topic from the perspective of risk management and the protection of public trust. Following an update of its Double Materiality assessment, the ČD Group confirms business and anti-corruption conduct as a material topic in accordance with ESRS G1.

The ČD Group applies a uniform approach to ethical and responsible management across the Group, based on the principles of good corporate governance, applicable legislation and internal ethical rules. The targets of this approach are to ensure transparent decision-making, prevent conflicts of interest and minimize the risks of unethical or unlawful conduct. The prevention of corruption and bribery is an integral part of the ČD Group's risk management system. ČD Group companies apply established control mechanisms and internal procedures aimed at the timely identification and mitigation of corruption risks within their operations. The ČD Group has long applied a zero-tolerance policy towards corrupt conduct. The ethical framework also includes whistleblower protection, which enables the safe reporting of suspected unethical or unlawful conduct. This approach strengthens accountability, transparency and the trust of employees and other stakeholders in the established management system. The ČD Group continuously assesses the effectiveness of the actions in place and adapts its internal procedures to developments in regulatory requirements and identified risks, with the targets of ensuring responsible and long-term sustainable business operations.

Policies and management

The ČD Group has a formally established ČD Group Compliance Policy, which creates the basic framework for the application of the principles of responsible and transparent conduct across the ČD Group. This policy is further elaborated through a system of compliance standards within the individual Companies of the ČD Group. Compliance documents are drawn up at parent company level and are subsequently shared with subsidiaries in the form of recommendations, primarily through regular meetings of representatives responsible for the compliance agenda. The compliance policy is available to employees via the internal information system, and its content is regularly communicated during compliance, ethics and anti-corruption training sessions. As part of its compliance risk management system, the ČD Group identifies job roles which, due to the nature of their work, are exposed to an increased risk of corrupt conduct, particularly in the areas of procurement,

public procurement, business relations and corporate governance. These employees are classified as high-risk individuals and are subject to regular training and other preventive actions in the areas of ethics, compliance and the fight against corruption.

The principles of responsible management are enshrined in the Code of Ethics, which defines the Company's key values, particularly fairness, transparency, accountability and zero tolerance for unethical conduct. Ethical behaviour is mandatory for all employees in their dealings with colleagues, customers and business partners. Another management tool is the internal Compliance Programme, which is based on applicable legislation, international standards, contractual obligations and internal regulations, and applies to both the Company's internal and external relations. The programme emphasises the prevention of conflicts of interest, their reporting, and the protection of the objectivity of decision-making processes. The Company applies strict rules in the fight against money laundering, the financing of illegal activities and corruption, and cooperates exclusively with partners whose financial resources have a demonstrably legal and transparent origin.

The area of anti-corruption conduct and whistleblower protection is governed by a separate directive – the Regulation on the Reporting and Investigation of Unlawful and Unethical Conduct at České dráhy, a.s. A confidential and secure Ethics Hotline, available to both employees and third parties, is provided for reporting concerns. The whistleblowing system is aligned with Act No. 171/2023 Coll., on the protection of whistleblowers. Reports are received and assessed by designated independent persons who ensure the confidentiality of the reports submitted and the protection of whistleblowers against any retaliatory actions. Reports may also be handled via the Email Management system or by the Fraud Investigation Committee, which is organisationally independent of the Company's executive structure.

Compliance management is ensured through the Compliance Management System (CMS). The Compliance Officer is responsible for its operation and development, ensuring the systematic management of compliance risks and supporting responsible business conduct. The Compliance Officer has access to the Company's senior management, is kept informed of strategic and organisational changes, and acts as a point of contact for employees, management and third parties. The Compliance Officer regularly informs the Company's management of the status of the CMS through ad hoc statements and an annual report addressed to the Board of Directors, Supervisory Board and the Audit Committee.

Targets


Targets in the area of business conduct and anti-corruption actions are set at the level of the parent company, ČD, a.s., in relation to the internal compliance framework and identified risks in the area of business ethics and integrity. Proposed targets are prepared by the relevant departments responsible for compliance and approved by the company's management. The Company has set itself the target of maintaining an environment of zero tolerance towards unethical and corrupt conduct, through the ongoing updating of internal rules, control mechanisms and oversight processes. The fulfilment of this target is monitored primarily through the evaluation of reports, internal audits and compliance reporting. At the same time, the Company has set a quantified target to ensure 100% training of all designated high-risk individuals in the area of ethical conduct and anti-corruption rules on an annual basis. The baseline figure is derived from internal training records for the previous period. Achievement of the target is monitored via the internal training records system and regularly evaluated by the responsible department.

When setting and updating targets, account is taken of findings arising from internal controls, compliance investigations and relevant reports from employees via internal reporting mechanisms.


Progress towards the 2025 targets

The Company applies a zero-tolerance policy towards unethical conduct, which means that every suspected breach is investigated and, if confirmed, appropriate corrective actions are taken.

In 2025, 141 reports were recorded via the Ethics Hotline, of which 9 were assessed as confirmed breaches of internal rules. All cases were properly investigated and resolved aligned with internal procedures. No critical breaches were identified that would indicate a systemic failure, and the ethical whistleblowing system is therefore assessed as functional.

 ✓ system assessed as functional (141 reports / 9 confirmed breaches / 0 critical cases)

In the area of training, full coverage of designated at-risk individuals with ethics and compliance training was achieved in 2025, with the share of trained employees reaching 100%. The targets set for 2025 were met.

 100% ✓ achieved

Actions

The ČD Group assesses the compliance management system as functional and aligned with applicable legislation. Consequently, no fundamental systemic actions were adopted nor were any material changes made to its configuration during the assessed period of 2025. Actions in the area of ethical and anti-corruption conduct were implemented on an ongoing basis in 2025 within the framework of the established Compliance Management System (CMS) and were focused on the prevention, detection and resolution of unethical and corrupt conduct.

The key actions implemented included, in particular:

- regular employee training sessions focusing on ethical principles, compliance rules, and the prevention of conflicts of interest and corrupt practices,
- operating the Ethics Hotline as a confidential reporting mechanism, including the assessment and resolution of reports received aligned with internal rules,
- conducting internal audits and checks focused on compliance with ethical standards, legal regulations and established compliance procedures,
- updating the Company's Code of Ethics, including the addition of rules for the responsible use of artificial intelligence,
- establishing transparent procurement processes and value chain management that are aligned with relevant legislation, which represent a material tool for preventing anti-competitive behaviour and are regularly verified by internal and external audits.

These actions contribute to the ongoing reduction of risks of unethical and corrupt conduct and to strengthening the transparency of decision-making processes within the Company. The actions are implemented on an ongoing basis without a fixed timeframe, with regular annual assessments of their effectiveness as part of internal control mechanisms and compliance reporting. The implementation of these actions has not involved any separately tracked material costs and is carried out as part of the Company's routine compliance management and standard internal processes.

The parent company ČD, a.s., has recorded an ongoing legal dispute relating to the European Commission's decision concerning an alleged cartel agreement from the period 2012–2016. The parent company ČD, a.s. has lodged an appeal against this decision with the Court of Justice of the European Union seeking its annulment, and these proceedings have not yet been finally concluded. The parent company ČD, a.s. has a long-established compliance governance framework in place, based on the Code of Ethics, internal regulations and appropriate control mechanisms. At the same time, it ensures ongoing monitoring and due diligence through regular employee training, control activities and a confidential whistleblowing system with whistleblower protection. Compliance actions have been in place for a long time, are effective and are continuously updated in response to identified risks and feedback received. The effectiveness of this system is demonstrated by the fact that, since the period in question, the parent company ČD, a.s. has not recorded any further cases of breaches of competition rules, which supports the conclusion that, should a breach be established by the Court of Justice of the European Union, it was an isolated incident rather than a systemic failure. The parent company ČD, a.s., applies a risk-based approach when assessing minimum safeguards and is convinced that its risk management system meets the requirements for ethical and transparent business conduct.

Metrics

Ethical reporting and handling of reports

	2025	2024	Δ
Number of reports submitted via the Ethics Hotline	141	150	(6%)
Number of confirmed breaches of internal rules	9	4	125%
Number of proven corruption incidents per year	-	-	-

The parent company ČD, a.s. monitors the effectiveness of the ethical whistleblowing system through the number of reports received and their evaluation. These metrics provide information on the use of reporting mechanisms and the effectiveness of internal control processes. Yearly changes in the number of reports may be influenced by both the extent to which employees use the system and changes in the parent company's internal environment. An increase in the number of confirmed breaches of internal rules reflects more rigorous investigation of reports and the strengthening of control mechanisms.

In 2025, no proven incidents of corruption were identified within the ČD Group. This result reflects the implementation of preventive actions in the areas of compliance and ethics, including a functional whistleblowing system and regular training of employees.

Compliance and ethics training

	2025	2024	Δ
Total number of persons to be trained in the given year	2,565	2,145	20%
% of persons trained in compliance, anti-corruption practices and the Code of Ethics	100%	100%	-

In the area of prevention, the parent company ČD, a.s. monitors the extent of employee training in ethics, compliance and anti-corruption practices. In 2025, full coverage of all designated employees was achieved, which corresponds to the set targets.

The metrics for the number of reports include all submissions received via the Ethics Hotline in the given year. The number of confirmed breaches of internal rules represents cases where an internal investigation has established a breach of ethical or legal regulations. Training metrics cover employees who, under internal rules, are required to undergo mandatory training in ethics, compliance and anti-corruption. The share of trained employees is calculated as a percentage of the total number of such designated individuals.

ESRS G1-2 RESPONSIBLE VALUE CHAIN MANAGEMENT

Approach and material topics

Value chain management represents a key area for the parent company ČD, a.s. in ensuring operational continuity, the quality of services provided and the ability to fulfil contractual obligations. Given the nature of rail transport and the high dependence on selected strategic supplies, the area of responsible management and resilience of the value chain is considered a material topic under the ESRS G1 standard. Based on the updated Double Materiality assessment, this chapter focuses on responsible value chain management and on strengthening its resilience to external factors that may affect the stability of supplies and the parent company's operational performance. The parent company regards compliance with fundamental environmental, social and ethical principles within the value chain as a standard component of contractual relationships. These principles are enshrined in the ČD Code of Ethics, and compliance with them is required of suppliers in newly concluded contractual relationships. Since 2025, active communication and cooperation in the area of value chain management has been primarily focused on a limited group of key partners whose activities have a demonstrable impact on the operational performance and stability of rail transport. With regard to these entities, the ČD Group focuses in particular on addressing risks that may affect the continuity of supplies, the smooth running of operations and the ability to fulfil obligations towards public transport contracting authorities and passengers. Further development of the approach to value chain management will be determined following the decision on how to implement the CSDDD Directive. Until this framework is adopted, the ČD Group does not apply a blanket extension of ESG requirements beyond the scope of existing contractual obligations.

Policies and management

Sustainability in the value chain is managed within the ČD Group through an established management system based on applicable legislation and the Company's purchasing and contractual practices. Given the ongoing development of European and national legislation in the area of value chain sustainability management, a provisional management model is currently being applied, which will be further developed once the legislative environment has stabilised, particularly with regard to the future transposition of the CSDDD Directive. The interim management of sustainability and ESG topics in relation to the value chain falls under the remit of the sustainability manager at the parent company, ČD, a.s. This model focuses primarily on dialogue with selected suppliers and is implemented through targeted face-to-face meetings and questionnaire surveys, which enable the gradual mapping of ESG risks and expectations within the value chain. The fundamental elements of sustainability and responsible business in the area of governance (G1), in particular transparency and compliance with competition and public procurement rules, are integrated into the standard procurement processes of the parent company ČD, a.s. These principles are aligned with Act No. 134/2016 Coll., on Public Procurement, and with the Company's related internal regulations, which govern the organisation and implementation of procurement processes and set out binding rules for procurement management. Compliance with statutory and internal procurement rules is regularly verified through internal and external audits. Responsibility for procurement processes and their compliance with the established management framework lies with the member of the Board of Directors responsible for sustainability.

The ČD Group applies rules to prevent late payments through internal financial and contractual regulations, which set out uniform requirements for establishing contractual relationships with business partners. The standard payment term for invoices is set at 30 calendar days, and an extension is only possible in justified cases and aligned with applicable legislation. The contractual terms and conditions also include an obligation for suppliers to issue and deliver an invoice without undue delay following the performance of the service, thereby preventing delays in the payment process. These rules are applied non-discriminatorily to all business partners, including small and medium-sized undertakings, and their targets are to ensure transparent and predictable payment terms within the value chain.

Targets

In the area of value chain sustainability, the ČD Group is operating in a transitional period, given the as yet unstable and unresolved legislative framework at both European and national levels, particularly in relation to the forthcoming CSDDD Directive and the associated requirements for value chain sustainability management. As of the date of this Statement, the parent company has not identified any negative material impacts or significant risks arising from its value chain. For this reason, the parent company has not set quantified targets for 2025 in accordance with ESRS G1-2. The parent company continuously monitors developments in legislative requirements and the readiness of key suppliers through internal procurement and control processes. The effectiveness of this approach is assessed by the relevant departments within the procurement and compliance management functions. The parent company's targets in the area of procurement and supplier relationship management are to act aligned with the Public Procurement Act and to apply the principles of transparency, equal treatment, non-discrimination and responsible use of resources. The parent company will review its approach to setting specific targets in this area once the legislative framework has stabilized and the obligations arising from the CSDDD have been clarified.

Actions

Until the impacts of the forthcoming CSDDD Directive, which is expected to come into force around 2027, have been clarified, the ČD Group is focusing solely on the gradual strengthening of the principles of responsible value chain management in selected areas. The actions have been implemented on an ongoing basis since 2025, with a view to their further development following the stabilisation of the regulatory framework.

During the period under review, the following actions were implemented in particular:

- the gradual implementation of ESG principles into new contractual relationships with suppliers, including the incorporation of requirements for compliance with environmental, social and ethical standards,
- monitoring of suppliers' readiness to disclose non-financial information, in particular through the analysis of available Sustainability Statements (SSs) and ESG reports,
- targeted communication with key suppliers, focused on identifying and performing risk management activities to ensure supply continuity and operational stability (in 2025, particularly in the area of climate risks and the emission profile of the Traction electricity supplied),
- verifying the readiness of selected suppliers to measure and report metrics of value chain resilience to external influences (e.g. through questionnaires and individual meetings),
- continuous monitoring of developments in regulatory requirements (particularly the CSDDD) and preparation for their implementation into internal procurement and supplier management processes.

The implementation of these actions is integrated into existing procurement, risk management and sustainability processes. The costs associated with their implementation are not tracked separately and form part of the normal operating costs of the relevant departments.

Metrics

In the area of responsible value chain management, the parent company currently monitors the share of suppliers who have confirmed their adherence to responsible business principles regarding environmental, social and ethical standards. This metric is directly linked to the actions implemented to gradually incorporate ESG principles into contractual relationships and to ensure systematic communication with suppliers.

	2025	2024	Δ
Suppliers with confirmed ESG principles	67%	46%	21%

The year-on-year increase in the share of suppliers with confirmed ESG principles reflects the gradual extension of these requirements to a wider range of suppliers and the strengthening of the Company's approach to responsible value chain management. The calculation includes the Company's active suppliers in the given year. Suppliers with confirmed ESG principles are those who have these principles enshrined in their contractual documentation or have formally accepted them in some other way.

OTHER

- 265** Report on Relations
- 272** Definition of Used Alternative Performance Measures
- 275** Provision of Information Pursuant to Act No. 106/1999 Coll.,
on Free Access to Information for 2025
- 276** Information on Persons Responsible
for the Annual Report of the ČD Group
- 277** List of Used Abbreviations
- 280** Identification and Contact Information



The list of subsidiaries that entered into contracts with České dráhy, a.s., valid in 2025:

CR-City a.s.	Dopravní vzdělávací institut, a.s.
ČD – Informační Systémy, a.s.	DPOV, a.s.
ČD – Telematika a.s.	JLV, a.s.
ČD Bus a.s.	RailReal a.s.
ČD Cargo, a.s.	Výzkumný Ústav Železniční, a.s.
ČD Restaurant, a.s.	Žižkov Station Development, a.s.
ČD travel, s.r.o.	

Relations between ČD and each of the subsidiaries listed above are presented individually in the Reports on Relations between the Controlling Party and the Controlled Party and between the Controlled Party and Parties Controlled by the Same Controlling Party for 2025 submitted separately by each of these subsidiaries.

IV. CONTRACTS BETWEEN THE COMPANY AND THE STATE OR THE COMPANY AND PARTIES INDIRECTLY CONTROLLED BY THE SAME CONTROLLING PARTY (THE CZECH REPUBLIC)

The list below outlines the contracts valid in 2025, concluded between the Company and the State and the Company and parties indirectly controlled by the same controlling party.

ČEPRO, a.s.	
Contract reference no.	Contract description
4600021505	Extra-light fuel oil LTO-E 2023-2026
4600022172	Supply of diesel 2023-2026
4501443486	Removal of hazardous waste
2657020017	Lease of land plot under a siding Zeleneč
2927202209	Equipment of the siding
2937706306	Lease of land plot no. 855/20
2967271207	Lease of siding – land plot no. 12, Nová Víska cadastral area
2977408603	Lease of land plot Veselí nad Lužnicí
2977735207	Lease of land plot no. 3203/22, cadastral area no. 722120

ČEZ Distribuce, a. s.	
Contract reference no.	Contract description
4600019630	Electricity distribution in Louny depot area
4600020939	Vehicle washer connection installation in Plzeň depot area
2927402414	1S44 power wiring Olomouc
2927852807	Lease of land plot Ostrava
2947012007	Lease of siding Všeřtary
2667106923	Krásná Lípa construction
2657012621	Příbram overhead line
2647019520	Lease of land plot no. 1968/2 Chlumec nad Cidlinou
4501428302	Connection of the Říkovice metering point
4501450906	Connection of the Choceň, Nádražní 536 metering point

ČEZ ESCO, a. s.	
Contract reference no.	Contract description
4500899568	Electricity Borová u Poličky
4600019582	Contract on connection of metering point Karlovy Vary
4600020554	Contract on joint electricity supplies Karlovy Vary
4600022446	Contract on electricity supplies Karlovy Vary lodging house
4501311470	Electricity supply
4501424789	Electricity Žlutice

ČEZ Prodej, a.s.	
Contract reference no.	Contract description
4600008450	Electricity supply – Ústí nad Labem
4600008487	Electricity supply Borová u Poličky
4600010444	Contract on joint electricity supplies
4600011357	Connection of metering point
4600013585	Electricity supply Svojšín 412061
4600013586	Electricity supply Svojšín 412062
4600010443	Electricity supply – Hlinsko
4600013835	Electricity supply – Hlinsko, Nádražní 545
4600013836	Contract on joint electricity supplies
4501471824	Electricity supply – Hlinsko, Nádražní 501
4501471818	Electricity supply – Česká Třebová

ČEZ Teplárenská, a.s.	
Contract reference no.	Contract description
4600009554	Heat energy – Chomutov
4600009597	Heat energy – Hradiště UNL
4600009767	Heat energy – no. 68141501_1
4600010292	Heat energy – no. 68050003_1
4600013797	Heat energy – Trutnov
4600019493	Heat energy – no. 68050003_2
E296-OS-0015/12-A	Water and sewerage fees

ČEZ, a. s.	
Contract reference no.	Contract description
4600008825	Water and sewerage fees
4600015237	Sales of drinking water ČD Kadaň Pruněřov
2937105107	Lease of land plot under siding no. 2864/610
2937302207	Lease of land plot no. 4515/20 and 4177/23
2947007207	Lease of land plot no. 311/21 siding Dvůr Kr./L.
2947007307	Lease of land plot no. 1529 siding Poříčí u Trutnova
2667105020	Lease of siding Trmice land plot no. 1493/1
2667105120	Lease of siding Bílina land plot no. 2795
2977100708	Lease of land plot under siding
4501446592	Demineralised water supply

MARTIA a.s.	
Contract reference no.	Contract description
4600012865	Management and maintenance of the heat source – Chomutov

Ministry of Transport	
Contract reference no.	Contract description
4501249980	Contract for the lease of commercial space
E060-59346/2015-O16	Provision of transport services on the Brno-Břeclav-Olomouc line
E057-55108/2019-O16	Provision of transport services on the SVS-Ex2, R18 line
E057-58507/2019-O16	Provision of transport services for the nation-wide transportation
E060-58572/2024-O16	Provision of transport services on the R9 line
E060-57545/2021-O16	Provision of transport services on the R10 line
E060-57597/2022-O16	Provision of transport services on the R27 line
E060-56657/2023-O16	Provision of transport services on the R33 Cheb-Germany line
E060-57956/2023-O16	Provision of transport services on the Ex32 Pha-Ú.n.O-Lichkov line
E060-57412/2024-O16	Provision of transport services on the Ex7, R11, R17, R31 line

SD – Kolejová doprava, a.s.	
Contract reference no.	Contract description
E296-OS-0022/13-T	Heat and hot process water supply
E296-OS-0026/13-A	Water, sewerage, rainwater
2967105113	Lease of building no. 351 in Březno
2967346907	Lease of siding in Chotějovice, land plot no. 224/6

Severočeské doly a.s.	
Contract reference no.	Contract description
2667100215	Lease of siding in Bílina, land plots nos. 2251/1 and 2386

ENESA a.s.	
Contract reference no.	Contract description
4600017272	Lighting renovation
4600020139	Heat energy and hot process water supply Railway vehicle depot
4501260367	Heat H. Brod commercial building

AZ KLIMA a.s.	
Contract reference no.	Contract description
4501435213	Servicing of the air-conditioning Olomouc
4501433452	Servicing of the filtration Plzeň
4501432037	Servicing of the air-conditioning Plzeň
4501427538	Servicing of a motor for air-conditioning Plzeň

ČEZ Energo, s.r.o.	
Contract reference no.	Contract description
2637700119	Lease of the 222 building in Havlíčkův Brod

AirPlus, spol. s r.o.	
Contract reference no.	Contract description
4501466531	Air-conditioning Turnov

V. OTHER RELATIONS

The Company received payments from the Ministry of Transport for the operation of long-distance rail transport and compensation of discount fares in the amount of CZK 7,868 million in 2025. The Company made no other legal acts in the interest or at the instigation of the controlling party or its indirectly controlled parties that would involve assets exceeding in value 10% of the Company's equity, which is in the amount of CZK 3,796 million according to the most recent financial statements as at 31 December 2024.

VI. OTHER INFORMATION

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

VII. DECLARATION

All the above-specified contracts and amendments were concluded, and the performance and counter-performance were provided under arm's length conditions. No detriment occurred to the Company in the accounting period from the relations described in this Report on Relations nor other legal acts made in the interest or at the instigation of the controlling party or its controlled parties.

The statutory body states that the Company benefits notably from the relations described in this Report on Relations due to the market position of the Company as a leading carrier in the passenger transport segment in the Czech Republic and that it is not aware of any disadvantages or significant risks arising to the Company from the relations described in this Report on Relations.

VIII. CONCLUSION

The Company's statutory body ensured the preparation of the Report on Relations within the deadline stipulated by law. The Report on Relations was prepared to the best of the preparer's knowledge and belief, using available data and documents and making all reasonable efforts. The scope of the Czech Republic's controlling relations was identified using the data provided by the shareholder. The Report on Relations was submitted for review to the Supervisory Board which will provide its statement to the Company's Steering Committee.

In Prague on 17 March 2026



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



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

ATTACHMENT 1

The list of the directly and indirectly controlled parties from 1 January 2025 to 31 December 2025

Name of related party	Identification Number	Share of state in %	Means of control
MUFIS a.s.	60196696	49	Related party directly controlled by the State
Národní rozvojová banka, a.s.	44848943	100	Related party directly controlled by the State
ČEZ, a.s.	45274649	69.78	Related party directly controlled by the State
ČEZ Distribuce, a. s.	24729035	100	Related party indirectly controlled by the State through ČEZ, a. s.
ČEZ ESCO, a.s.	3592880	100	Related party indirectly controlled by the State through ČEZ, a. s.
ČEZ Prodej, a.s.	27232433	100	Related party indirectly controlled by the State through ČEZ, a. s.
ČEZ Teplárenská, a.s.	27309941	100	Related party indirectly controlled by the State through ČEZ, a. s.
ČEZ Energo, s.r.o.	29060109	100	Related party indirectly controlled by the State through ČEZ ESCO, a.s.
MARTIA a.s.	25006754	100	Party indirectly controlled by the State through ČEZ Teplárenská, a.s.
SD - Kolejová doprava, a.s.	25438107	100	Related party indirectly controlled by the State through Severočeské doly a.s.
Severočeské doly a.s.	49901982	100	Related party indirectly controlled by the State through ČEZ, a. s.
AirPlus, spol. s r.o.	25441931	100	Related party indirectly controlled by the State through ČEZ ESCO, a.s.
ENESA a.s.	27382052	100	Related party indirectly controlled by the State through ČEZ ESCO, a.s.
AZ KLIMA a.s.	24772631	100	Related party indirectly controlled by the State through ČEZ ESCO, a.s.
Česká exportní banka, a.s.	63078333	84	Related party directly controlled by the State
HOLDING Kladno, a.s. v likvidaci	45144419	96.85	Related party directly controlled by the State
Exportní garanční a pojišťovací společnost, a. s.	45279314	100	Related party directly controlled by the State
ČEPRO, a.s.	60193531	100	Related party directly controlled by the State
Letiště Praha, a.s.	28244532	100	Related party directly controlled by the State
GALILEO REAL, k.s.	26175291	100	Related party directly controlled by the State
IMOB a.s.	60197901	100	Related party directly controlled by the State
MERO ČR, a.s.	60193468	100	Related party directly controlled by the State
PRISKO a.s.	46355901	100	Related party directly controlled by the State

Name of related party	Identification Number	Share of state in %	Means of control
THERMAL – F, a.s.	25401726	100	Related party directly controlled by the State
VZLU AEROSPACE, a.s.	10669	100	Related party directly controlled by the State
Ministerstvo dopravy	66003008	100	Related party directly controlled by the State
Elektrárna Dukovany II, a.s.	4669207	79.97	Related party directly controlled by the State
ČD – Telematika a.s.	61459445	100	Related party indirectly controlled by the State through ČD, a.s.
Výzkumný Ústav Železniční, a.s.	27257258	100	Related party indirectly controlled by the State through ČD, a.s.
DPOV, a.s.	27786331	100	Related party indirectly controlled by the State through ČD, a.s.
ČD Cargo, a.s.	28196678	100	Related party indirectly controlled by the State through ČD, a.s.
ČD – Informační Systémy, a.s.	24829871	100	Related party indirectly controlled by the State through ČD, a.s.
Dopravní vzdělávací institut, a.s.	27378225	100	Related party indirectly controlled by the State through ČD, a.s.
ČD travel, s.r.o.	27364976	51.72	Related party indirectly controlled by the State through ČD, a.s.
Žižkov Station Development, a.s.	28209915	51	Related party indirectly controlled by the State through ČD, a.s.
JLV, a.s.	45272298	38.79	Related party indirectly controlled by the State through ČD, a.s.
CR-City a.s.	26705427	34	Related party indirectly controlled by the State through ČD, a.s.
ČD Restaurant, a.s.	27881415	100	Related party indirectly controlled by the State through ČD, a.s.
RailReal a.s.	26416581	66	Related party indirectly controlled by the State through ČD, a.s.
ČD Bus a.s.	17377404	100	Related party indirectly controlled by the State through ČD, a.s.

Definition of Used Alternative Performance Measures

This annual report uses the following alternative performance measures:

EBIT is defined as operating profit/loss for the period from continuing operations before financial income and expenses, share in profits of associates and joint ventures and taxes.

EBITDA is defined as operating profit/loss for the period from continuing operations before financial income and expenses, share in profits of associates and joint ventures, taxes, depreciation and amortisation.

Management uses EBIT and EBITDA to assess and compare the underlying profitability of the ČD Group after eliminating potential differences in performance caused by variations in capital structure, tax positions and depreciation and amortisation.

Reconciliation of EBIT and EBITDA calculation:

(CZK million)

	Year ended 31 Dec 2025	Year ended 31 Dec 2024
Profit for the period (from continuing operations)	1,633	1,365
Income tax	(204)	103
Finance income	1,249	579
Finance costs	(3,962)	(3,436)
Share in the profit of associates and joint ventures	-	16
EBIT	4,550	4,103
Depreciation, amortisation and impairment	(14,010)	(11,551)
EBITDA	18,560	15,654

Capital expenditure (CAPEX) is defined as payments for property, plant and equipment, investment property and intangible assets as reported in the cash flow statement.

The ČD Group presents capital expenditure as management uses it as an indicator of total investment in property, plant and equipment, investment property and intangible assets to enhance the scale and economic benefit of its operations.

Reconciliation of CAPEX calculation:

(CZK million)

	Year ended 31 Dec 2025	Year ended 31 Dec 2024
Payments for property, plant and equipment	(16,440)	(22,365)
Payments for investment property	(3)	(16)
Payments for intangible assets	(225)	(327)
Acquisition of subsidiaries and joint ventures	-	-
Acquisition of joint ventures	-	-
CAPEX	(16,668)	(22,708)

Total gross debt is defined as the total of interest-bearing payables composed of short-term and long-term loans, borrowings and lease liabilities.

Total gross debt / EBITDA is defined as the total debt divided by EBITDA.

The ČD Group sees the Total gross debt / EBITDA as a useful indicator to evaluate the ČD Group's liquidity, which makes it easier to compare with similar entities in the same industry segment.

Reconciliation of the Total gross debt / EBITDA ratio calculation:

	(CZK million)	
	Year ended 31 Dec 2025	Year ended 31 Dec 2024
Short-term loans, borrowings and lease liabilities	20,507	7,899
Long-term loans, borrowings and lease liabilities	76,142	79,527
Total gross debt	96,649	87,426
EBITDA	18,560	15,654
Total gross debt / EBITDA	5.2	5.6

Total net debt is defined as the total gross debt minus cash and cash equivalents.

Total net debt / EBITDA is defined as the total net debt divided by EBITDA.

Reconciliation of the Total net debt / EBITDA ratio calculation:

	(CZK million)	
	Year ended 31 Dec 2025	Year ended 31 Dec 2024
Total gross debt	96,649	87,426
Cash and cash equivalents	15,231	9,338
Total net debt	81,418	78,088
EBITDA	18,560	15,654
Total net debt / EBITDA	4.4	5.0

EBITDA margin is defined as the ratio of EBITDA divided by income (net of finance income).

Reconciliation of EBITDA margin calculation:

	(CZK million)	
	Year ended 31 Dec 2025	Year ended 31 Dec 2024
EBITDA	18,560	15,654
Income	54,307	51,644
Other operating income	4,594	3,054
EBITDA margin (EBITDA / Income)	31.5%	28.6%

EBIT margin is defined as the ratio of EBIT divided by income (net of finance income).

Reconciliation of EBIT margin calculation:

	(CZK million)	
	Year ended 31 Dec 2025	Year ended 31 Dec 2024
EBIT	4,550	4,103
Income	54,307	51,644
Other operating income	4,594	3,054
EBIT margin (EBIT / Income)	7.7%	7.5%

EBT margin is defined as the ratio of EBT (earnings before taxes) and income (including finance income).

Reconciliation of EBT margin calculation:

	(CZK million)	
	Year ended 31 Dec 2025	Year ended 31 Dec 2024
EBT (earnings before taxes)	1,837	1,262
Income	54,307	51,644
Other operating income	4,594	3,054
Finance income and share in the profit using the equity method	1,249	595
EBT margin (EBT / Income)	3.1%	2.3%

The ČD Group presents these alternative performance measures (APMs) as used by its management to monitor its financial position in terms of outstanding debt and available operating liquidity. These measures are similar to metrics used by certain investors, securities analysts and other stakeholders as supplemental information on financial position, financial performance and liquidity. The ČD Group believes that these measures will help investors understand its performance, level of indebtedness, and current ability to finance its ongoing operations.

None of these APMs is a performance measure as defined under IFRS and should not be considered by investors as equivalent to profit/loss for the period, profit/loss from operating activities, profit/loss before tax, net cash flow from operating activities, investing activities or financing activities or other measures determined in accordance with IFRS. These APMs have limitations as analytical tools, and investors should not rely on them in isolation.

Provision of Information Pursuant to Act No. 106/1999 Coll.,

ON FREE ACCESS TO INFORMATION, AS AMENDED, FOR 2025

Pursuant to Section 18 of Act No. 106/1999 Coll., on Free Access to Information, as amended (the "**Act**"), České dráhy, a.s. ("**ČD**" or the "**Obligated Entity**") hereby publishes its annual report on its activities related to the provision of information pursuant to the Act in 2025.

Statistics of the agenda pursuant to the Act in the period between 1 January and 31 December 2025:

1. In relation to the provision of Section 18 (1) (a) of the Act:
In the relevant period, a total of 66 requests for information were handled by ČD.
In 12 requests, a resolution on rejection was issued pursuant to Section 15 of the Act in the period.
In 14 requests, a resolution on rejection of a part of the request was issued pursuant to Section 15 of the Act in the period.
2. In relation to the provision of Section 18 (1) (b) of the Act:
In six cases, an appeal was filed against the resolution of ČD pursuant to Section 16 of the Act that was decided by the Office for Personal Data Protection (the "Office").
3. In relation to the provision of Section 18 (1) (c) of the Act:
In 2025, ČD records no court ruling regarding a review of the legality of the Obligated Entity on a rejection of the request for information.
During the period, the Obligated Entity incurred costs in relation to legal proceedings regarding the rights and obligations under the Act: CZK 0.
4. In relation to the provision of Section 18 (1) (d) of the Act:
In the period, no request was handled according to the provision on licence or sub-licence agreement in the provision of information.
5. In relation to the provision of Section 18 (1) (e) of the Act:
In the period, one complaint was filed against the manner of handling the request under Section 16a of the Act.
Brief content of the complaint: The requester contested the non-compliance with the period for handling the request. In addition, he complained that the conditions for the extended period for request handling were not met. In the end, he requested additional details about the information provided.
Manner of handling: The requester was provided with an explanation stating that the statutory time period for handling the request had been met. In addition, the requester was provided with an explanation regarding the conditions for extending the period, and, within the ČD's competences, with additional information in accordance with his specified request in the complaint.

Information on Persons Responsible for the Annual Report of the ČD Group

AFFIDAVIT

Having taken all reasonable care, the consolidated annual report gives, to the best of our knowledge, a true and fair view of the financial position, business activities, and profit or loss of the Company and its consolidation group for the year ended 31 December 2025 and of the prospects of future development of the financial position, business activities, and profit or loss of the Company and its consolidation group, and no facts have been concealed in this report that could change its meaning.

In Prague, on 21 April 2026

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



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



List of Used Abbreviations

APM	Alternative Performance Measures	ČD	České dráhy, a.s.
APS	Application – Automated machinist's workstation	ČDC	ČD Cargo, a.s.
AR6	Sixth Assessment Report of the IPCC	ČD-IS	ČD – Informační Systémy, a.s.
BEMU	Battery Electric Multiple Unit	ČD-T	ČD – Telematika a.s.
BNSD	Brno New Station Development, a.s.	ČNB	Czech National Bank
BRR	Regulation on Climate Benchmarks	ČR	Czech Republic
CAPEX	Investment (capital) expenditure	ČSN	Czech Technical Standard
CAPM	Capital Asset Pricing Model	DISOD	Dispatcher information system
CCA	Company Collective Agreement	DMA	Double Materiality Assessment
CCM	Climate Change Mitigation	DMU	Diesel Multiple Unit
CEO	Chief Executive Officer	DPOV	Dílny pro opravy vozidel (DPOV, a.s.)
CER	Community of European Railway and Infrastructure Companies	DVI	Dopravní vzdělávací institut, a.s.
CH4	Methane	EBIT	Earnings before Interest and Taxes
CIT	International Rail Transport Committee	EBITDA	Earnings before Interest, Taxes, Depreciation and Amortisation
CMS	Compliance Management System	EBT	Earnings before Taxes
CO ₂	Carbon Dioxide	ECM	Certification – Entity in Charge of Maintenance
CO ₂ e	Carbon Dioxide equivalent	EED	Energy Efficiency Directive
CSAT	Customer Satisfaction Score	EIS	Enterprise Information System
CSDDD	Corporate Sustainability Due Diligence	EMU	Electric Multiple Unit
CSI	Customer Satisfaction Index	EN	European Norm
CSR	Corporate Social Responsibility	EPBD	Energy Performance of Buildings Directive
CSRD	Corporate Sustainability Reporting Directive	ERTMS	European Rail Traffic Management System

ESG	Environmental, Social, Governance
ESRS	European Sustainability Reporting Standards
ETCS	European Train Control System
ETD	Electronic Timetable Display
ETS 2	Emissions Trading System 2
EU	European Union
EU Taxonomie	Regulation on the Establishment of a Framework to Facilitate Sustainable Investment
EUCL	European Climate Law
EUROFIMA	European Company for the Financing of Railroad Rolling Stock
Ex	Express Long-distance Passenger Train
FTE	Forum Train Europe
GHG	Greenhouse Gas
GSM-R	Global System for Mobile Communication - Railways
GWh	Gigawatthour
GWP	Global Warming Potential
HFCs	Hydrofluorocarbons
HVO	Hydrogenated Vegetable Oil
IAS	International Accounting Standard
ICT	Information and Communication Technology
IDM	Identity Management
IDS	Integrated Transport System
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IPCC	Intergovernmental Panel on Climate Change
IROs	Impacts, Risks and Opportunities
IS	Information System

IS OPT	Information System for Transport Revenue Clearing
ISO	International Organization for Standardization
ISPOP	Integrated Reporting Compliance System
IT	Information Technology
KASO	Comprehensive Application for Turnaround Configuration
KC	Competence Centres for Prospective Lines of Rolling Stock
KPI	Key Performance Indicators
LTIFR	Lost Time Injury Frequency Rate) (number of lost-time injuries per 1 million hours worked)
LTO	Light Fuel Oils
MD	Ministry of Defence
MF	Ministry of Finance
MIT	Ministry of Industry and Trade
MRD	Ministry of Regional Development
MT	Ministry of Transport
MWh	Megawatthour
MWp	Megawattpeak
N2O	Nitrous oxide
NACE	Classification of Economic Activities (Nomenclature statistique des activités économiques)
NF3	Nitrogen Trifluoride
NPS	Net Promoter Score
OECD	Organisation for Economic Cooperation and Development
OHS	Occupational Health and Safety
OPEX	Operating Expenses (OpEx)
OSN	United Nations
P3	Disclosure Requirements under Pillar 3 of the EBA
PARIS	Sales and Reservation Information System

PFCs	Perfluorocarbons
Pkm	Passenger Kilometer (Product of the number of passengers transported and the distance travelled)
PM	Particulate Matter
PRIBOR	Prague Inter Bank Offered Rate
PRM	Persons with Reduced Mobility
PUE	Power Usage Effectiveness
REDIII	Renewable Energy Directive III
RIC	Regolamento Internazionale delle Carrozze
ROP	Regional Operational Programme
SAP	Accounting system
SC	Category of the Highest Quality Train (SuperCity)
Scope 1, 2, 3	Category of Greenhouse gas Emissions According to GHG Protocol
SF6	Sulfur Hexafluoride
SFDR	Sustainable Finance Disclosure Regulation
SOC	Security Operation Centre
SSP5-8.5	Very high emissions scenario
SSs	Sustainability Statements
Stage V	EU Emission Standard for Non-road Mobile Machinery
SŽ	Správa železnic, state organisation (former SŽDC)
TAČR	Technology Agency of the Czech Republic
TCFD	Task Force on Climate-related Financial Disclosures
Train-km	Train-kilometers
TSI OPE	Technical Specifications for Interoperability – Operations and Traffic
TTR	Timetable Redesign Project
UIC	International Union of Railways
UNGPs	UN Guiding Principles on Business and Human Rights

UNIPOK	Czech Passenger Transport Cash System
ÚOHS	Office for the Protection of Competition
UPPS	Enforcement of Rights under a Transport Contract
VUZ	Výzkumný Ústav Železniční, a.s.
WACC	Weighted Average Cost of Capital
ŽZ	Railway healthcare

Identification and Contact Information

Business name: **České dráhy, a.s.**

Registered office: **nábřeží L. Svobody 1222, Prague 1, 110 15**

Corporate ID: **70994226**

Tax ID: **CZ70994226**

Court keeping the Register of Companies: **Praha**

File No.: **File B, Insert 8039**

Telephone: 972 111 111

e-mail: **info@cd.cz, info@cdcargo.cz**

www.cd.cz, www.ceskedrahy.cz, www.cdcargo.cz, www.cdvuz.cz

www.dpov.cz, www.cdt.cz, www.jlv.cz, www.cdbus.cz