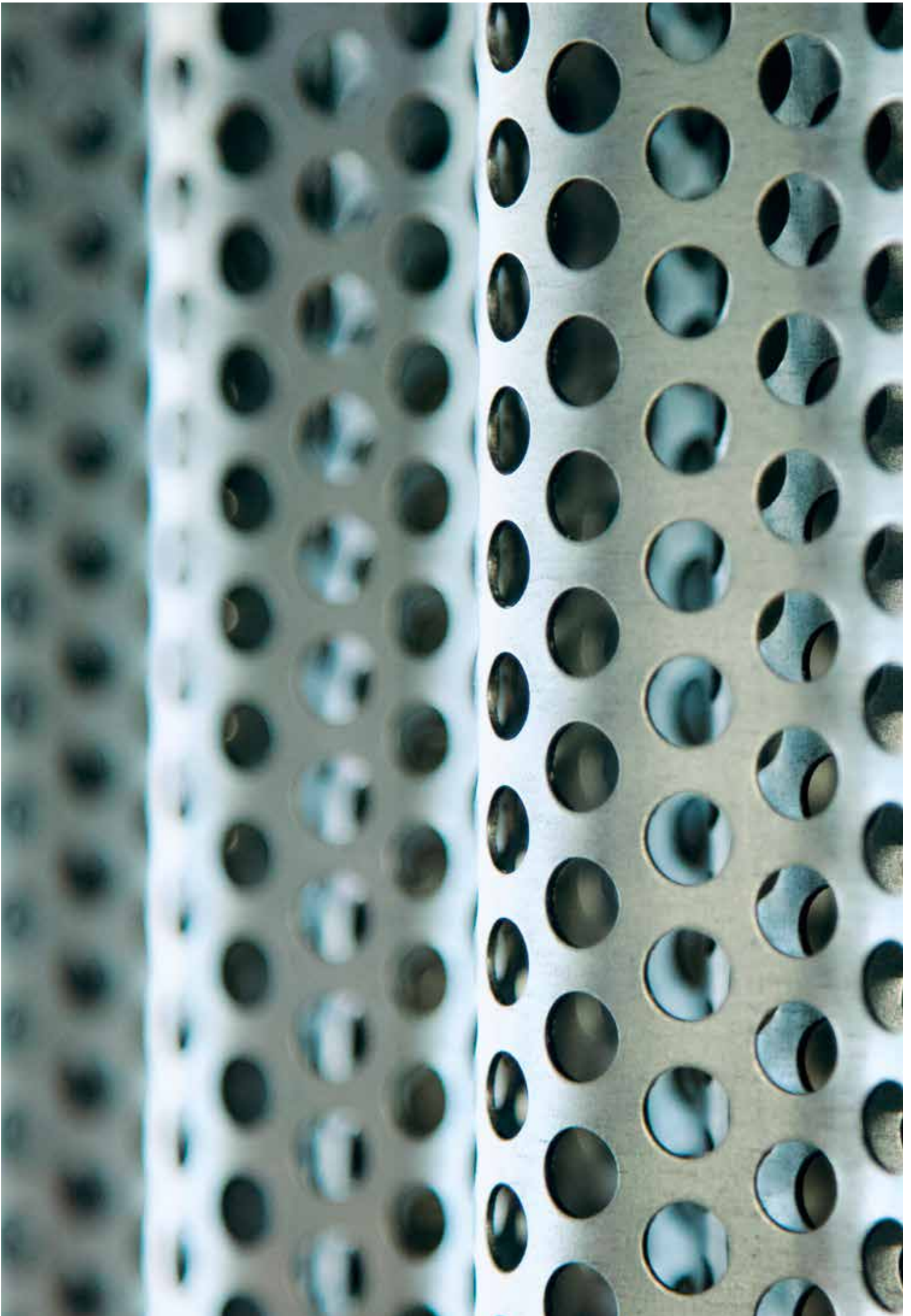


**metrostav DIZ**

**Annual  
Report  
2023**



**Dear colleagues and business partners,**

In 2023, we witnessed significant growth and dynamism in our company. Thanks to the dedication, professionalism and commitment of our colleagues, we have achieved somewhat dynamic levels of growth. The company's turnover exceeded CZK 8 billion in 2023, which shows the strength and competitiveness of our business within the market.

We are a modern, fast-growing construction company with more than twenty-five years of history in the Czech construction market. From the beginning we have set high standards for ethics and quality of work, which makes us a trusted and respected partner.

In 2023, we were successful in winning new business and managed to conclude new contracts with a total value of over CZK 22 billion. This has enabled the company to secure its production programme for 2023 and beyond. This supply of work thus creates good conditions for the company's activities in the coming years.

I think we can be proud of our achievements in the construction sector, which include not only energy projects but also buildings that add value to the community and support its development. Together with our partners and customers, we contribute to creating an environment in which people enjoy living, working and spending their leisure time.

We place emphasis on innovation, occupational health and safety and being environmentally friendly. We have implemented an anti-corruption compliance system that has been verified by an independent certification auditor and meets the international ISO standard.

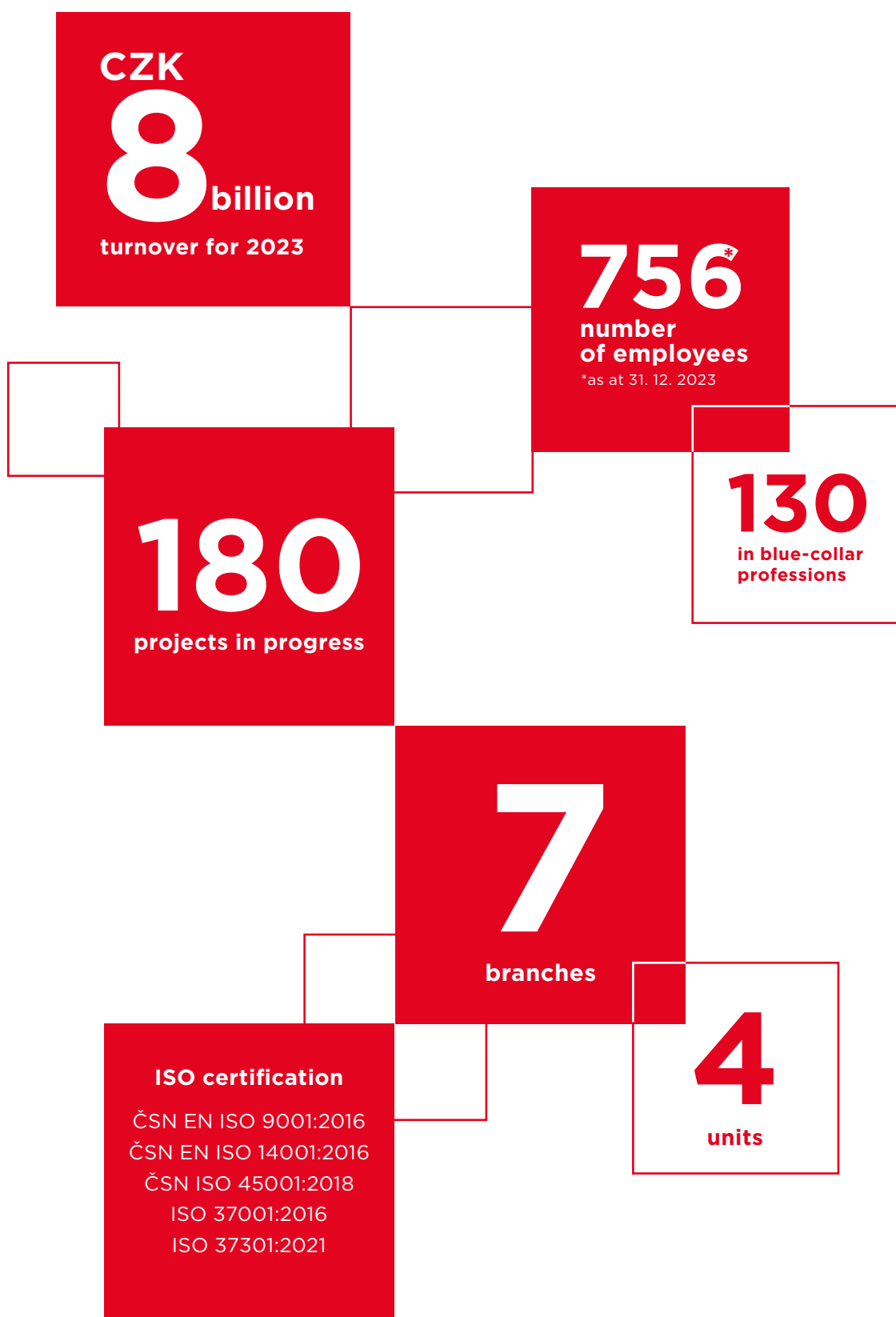
An important part of our activities is also active cooperation with apprenticeships, technical and industrial secondary schools and universities. We organise internships, lectures and excursions for students at our construction sites. We also support student competitions, clubs and school social activities.

I believe that our activities create a stable foundation for the future success of our company and contribute to the development of the construction industry in the Czech Republic.

Yours sincerely,  
Ing. Karel Volf, MBA  
CEO

# Metrostav DIZ

general building contractor





# Company Bodies

## Executive Officers

- Ing. Karel VOLF, MBA
- Ing. Jiří VÍCH
- Ing. Tomáš ERHARD

## Supervisory Board

- Ing. Jaroslav HERAN
- Ing. Ladislav PROFOTA
- Ing. Renáta ZAVŘELOVÁ

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## Significant events after the balance sheet date

- There have been no significant events in the Company after the balance sheet date.

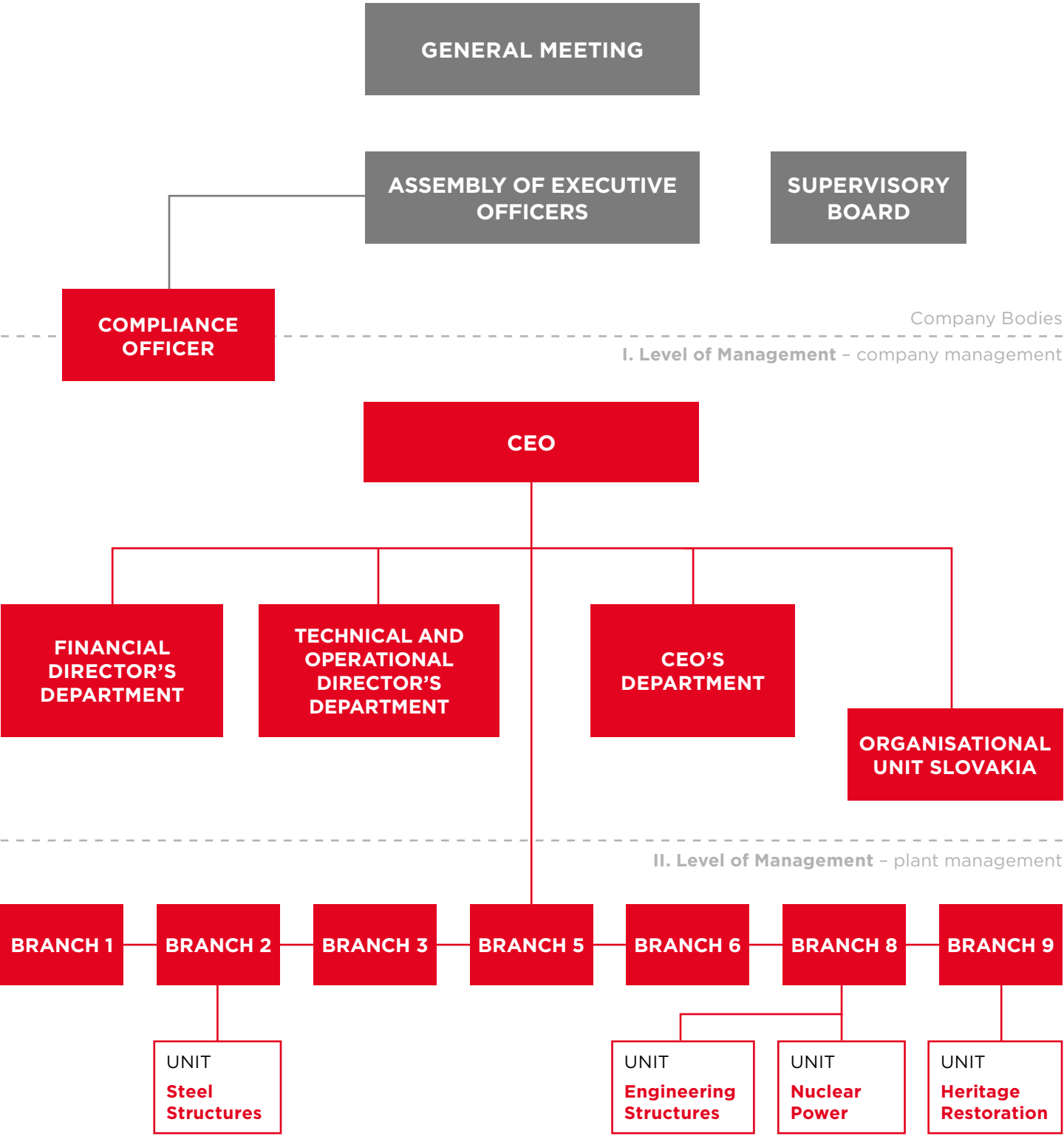
## Assumption of further development

- The company has been successful in securing new orders in 2023 and has managed to secure a production programme for 2024 and beyond. This fact creates good preconditions for the functioning of the company in the following period.

## Information about branches abroad

- The company has an organisational component in Slovakia.

# Organisational Structure



# Projects



1



2

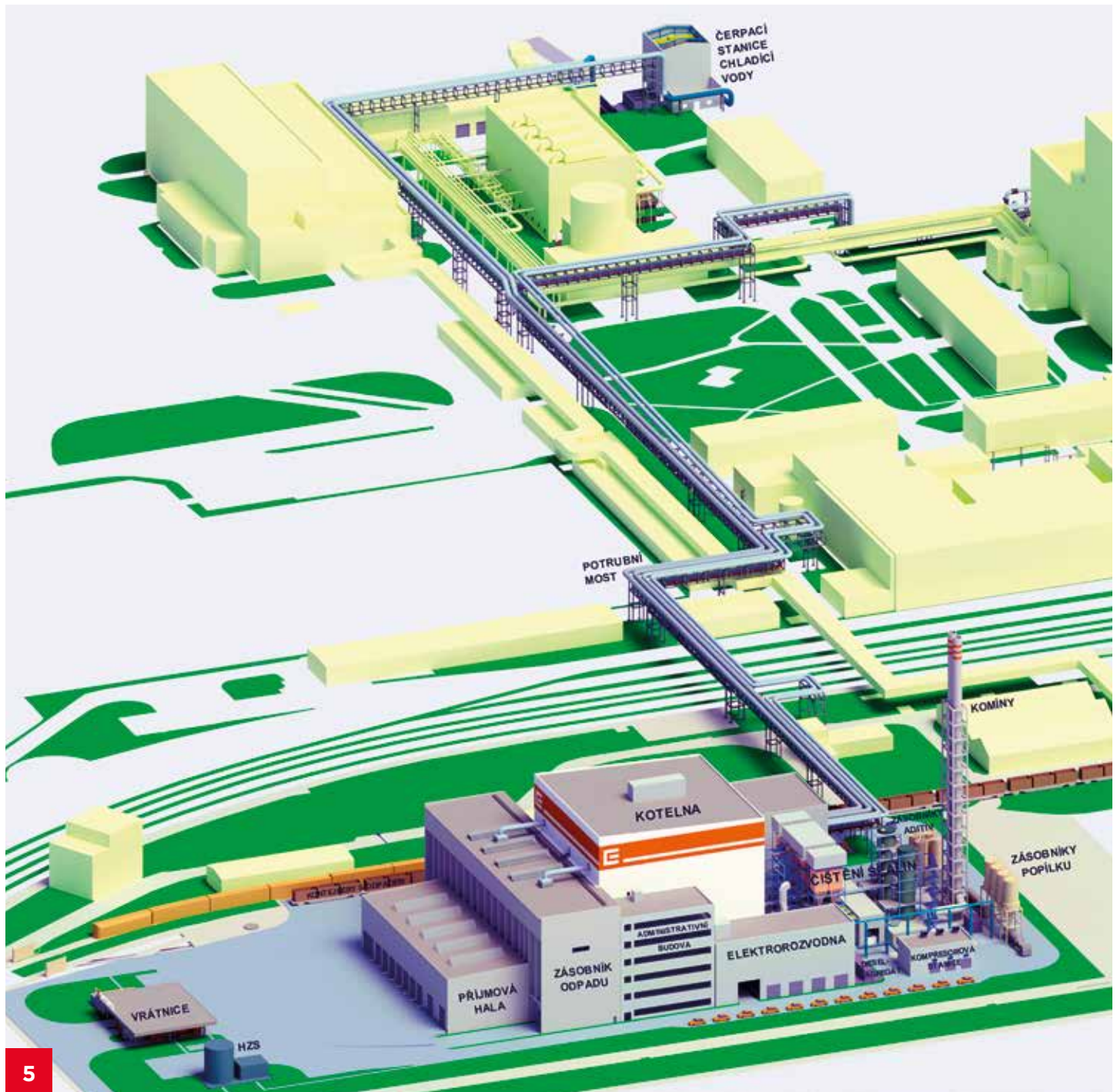
1. BioPharma Hub,  
Masaryk University,  
Brno (*visualisation*  
© Masaryk University,  
Brno)
2. Construction of  
Emergency Medicine  
Centre, Liberec  
Hospital  
(*visualisation*  
© Krajská nemocnice  
Liberec, a.s.)





- 3. Construction of Rohatec lock near Hodonín (*visualization © RVC ČR*)
- 4. Renovation of the Čepro PH warehouse - Hněvice





5

5. Construction of ZEO in the Mělník power plant site (*visualization © Metrostav DIZ*)
6. Reconstruction of the Pilsen main station building, (*foto © J. Zahradník - GardenCinema.cz*)
7. Reconstruction of the ceiling slab of Florenc metro station, Prague - Replacement of beams, underpasses





8



9



10

8. Reconstruction of the Slávie House of Culture, České Budějovice (*visualization*)
9. Construction of Pavilion with Operating Theatres and ICU, Masaryk Hospital Ústí nad Labem
10. Reconstruction and extension of Industrial Palace, Prague 7 (*foto © Jiří Šebek, Výstaviště Praha*)

# Nuclear Power

This specialised unit focuses on the implementation of projects at nuclear power plant sites and has experts on the preparation of construction of new nuclear power plants.

The unit executes contracts of various natures at the Temelín, Dukovany, Jaslovské Bohunice and Mochovce nuclear power plants. It offers a wide range of services from the preparation, design, construction and equipping of nuclear power facilities through operation and maintenance, including the handling and management of radioactive waste, to demolition and decommissioning.



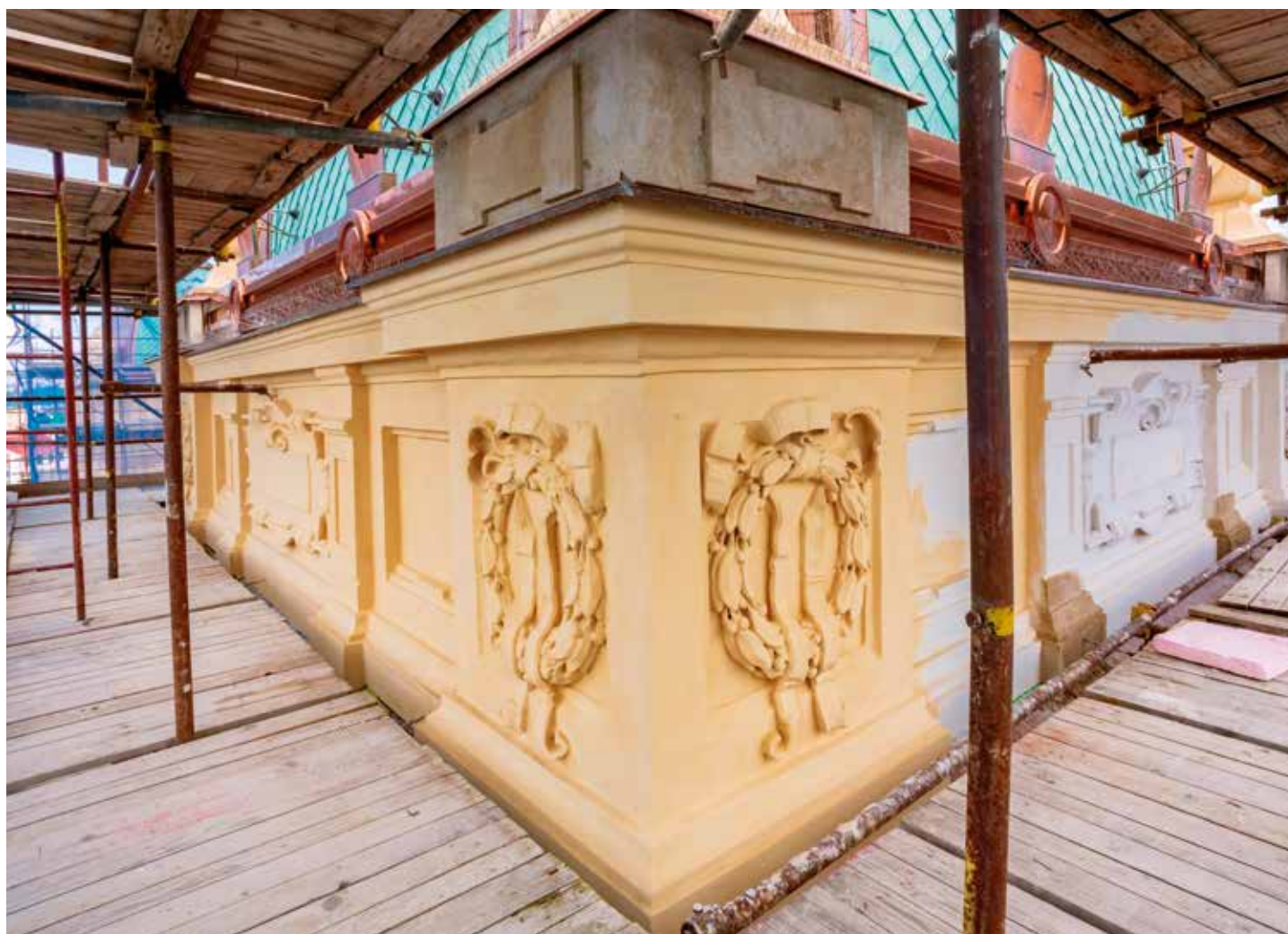
# Manufacture and Assembly of Steel Structures

A strong manufacturing entity that can handle large-scale steel construction contracts from design to delivery and installation. They are usually medium and heavy structures up to class EXC3 for bridges/ footbridges, the energy sector, civil engineering, pipelines, pipework and storage tanks. The orders are carried out by qualified and certified personnel in a comprehensive range, including documentation in all stages up to production documentation.



# Heritage Restoration

A unit that has a wide range of skills and services for the restoration, reconditioning and replica production of historical monuments. It prepares restoration surveys and plans, building-historical surveys and workshop documentation. It designs and manufactures new pieces for historical buildings. It also does painting work, including the application of historical technologies (graining, shellac polish) and related arts and crafts work. They include, for example, glass restoration, gilding, replicas of fittings, restoration of ironmongery and other elements, attestation of products (fire resistance), specialist restoration of furnishings including marquetry and inlaying, as well as passporting of arts and crafts elements. The unit also provides expert evaluations in the fields of furniture making, construction joinery, restoration and arts and crafts woodwork.





# Engineering Structures Unit

The unit is focused on the implementation of civil engineering structures mainly in the built-up areas of municipalities in Central Bohemia and Prague. Its main focus is the construction and reconstruction of water mains, sewers, cable lines and heating pipelines. It provides complete street reconstruction including construction readiness for asphalt overlays and cement-concrete covers. The unit is certified to work in non-public airport areas.



# Corporate social responsibility, sustainable business and others

At Metrostav DIZ, we place great emphasis on the social aspects of our activities. We promote diversity, inclusion and equal employment opportunities. We are committed to ethical and environmental standards in our supply chain and strive to build strong, long-term relationships based on mutual trust, respect and cooperation. We recognise that our success depends on our employees, suppliers, customers and local communities. We opt for policies that aim at a safe, creative and stable working environment. Our company and its employees are involved in volunteer and philanthropic activities, which among other things helps to promote the reputation of the construction industry as a whole.

Equally important are activities to support the long-term sustainability of our business. Our vision and policies are guided by the UN goals and in addition we strive to meet our commitments under the Green Deal for Europe. During our work we focus on mitigating the negative environmental impacts of industrial and construction production. One of our most important environmental goals is to reduce our carbon footprint. We believe that developing sustainability principles in our technologies and projects is essential for the future.

## **Investment policy and investments made**

In 2023, investments of a productive nature were made with a total value of more than EUR 5.5 million.

## **Research and development including costs incurred**

In the area of research and development, the proven cooperation with universities and specialised research institutes continues. The jointly solved development tasks are focused, among other things, on the application of new technologies and materials, including products made from recycled raw materials, and the use of digital technologies to make construction processes more efficient.

ECOCRETE concrete mixes with up to 100% use of recycled aggregates obtained from the processing of construction rubble, developed by the Metrostav Group, become a natural part of the technical solution of our buildings. In 2023, nearly 600 m<sup>3</sup> of these mixtures of different strength classes were used on our construction sites.

In terms of the requirements for digitalisation in the field of production, one of the most important achievements was the cooperation on the implementation of internal tools for the digitalisation of construction processes. The main objective of their development was to reduce the company's dependence (vendor lock-in) on external suppliers, as well as to meet specific national requirements imposed on these tools. In October 2023, MetApp, designed for members of the Metrostav Group, was launched. This should make a significant contribution to the digitalisation of processes in the preparation and implementation of construction, with particular emphasis on record keeping and making digital models available. The MetApp is available on Google Play or App Store and access to the app can be set up for both internal Metrostav Group users and external partners.

An integral part of the skilled implementation of our technologies and buildings is the mastery of digital tools for the creation and control of design documentation, digitalisation of construction processes, and BIM issues.

In 2023, no technological research/development was carried out, instead the company focused on applying the results of research and development from previous periods.

## **Quality management, certification of activities**

Metrostav DIZ s.r.o. fulfils the requirements of the ČSN EN ISO 9001 standard for certification of the quality management system for:

- general contracting of civil engineering construction;
- repair, reconstruction and supply of technological equipment and products and related project activities;
- supply and management of installation of steam and hot water boilers and their parts;
- supply of steel structures.

The company continuously strives for high quality standards in the implementation of risk management, development of process-oriented management, active involvement in the process of digitalisation of the construction industry and consistent application of quality control.

The functionality of the quality management system is verified annually by an accredited certification company.

## **Occupational safety**

In 2023, the company also achieved a lower than predicted rate of occupational injuries. The main credit for these results goes to our employees' responsible approach to occupational health and safety. Workplaces that particularly excel in their professional care for occupational safety are now awarded the title of Safe Workplace. In 2023, 5 project teams were awarded in this way. The OHS management system is based on the requirements of the certification standard ČSN ISO 45001:2018 and is regularly audited by an accredited certification company.

## **Environmental policy and its implementation**

Protecting the environment along with promoting sustainable principles within our business is a top priority for us. We manage the environmental impact of our activities using the ČSN EN ISO 14 001 standard.

We consistently set environmental targets in the areas of decarbonisation and the circular economy, which are the areas where we can have the greatest impact. Our goal, in the spirit of the Fit for 55 package, is to significantly reduce the carbon footprint of our operations by 2030.

In the field of waste, we strive to make the most of the potential of individual sources of waste. We use concrete with recycled aggregate, which is the result of our own technological development within the Group. We are also actively participating in an independent Metrostav Group project in the field of the circular economy.

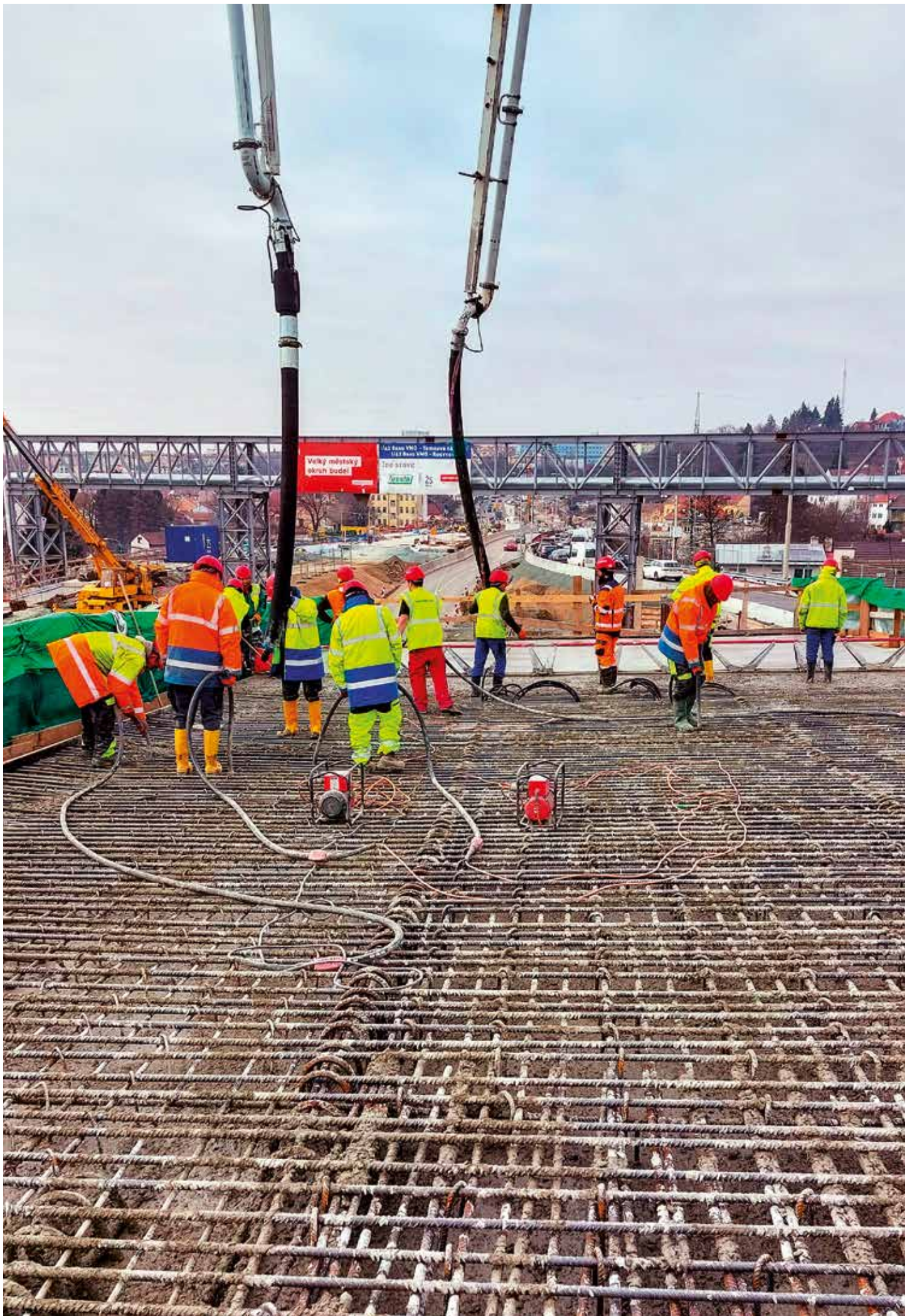
Another of our environmental objectives is the conservation of biodiversity. An example for the year 2023 is the construction of Poldru Mlýnec on the Mrlina River, which includes a facility that will serve for the migration of aquatic animals and amphibians.

## **Information on the Acquisition of Own Shares or Own Interests**

The Company did not acquire any equity interests in 2023.

## **Information required under specific legislation**

The Company does not have any other information to disclose as required by specific legislation.



# Report on Relations between Related Parties

## Report of the Board of Executive Officers of Metrostav DIZ s.r.o. on relations pursuant to Section 82 et seq. of Act No. 90/2012 Coll., on Business Corporations, for the accounting period of the calendar year 2023

The Board of Executive Officers of **Metrostav DIZ s.r.o.**, with its registered office at Koželužská 2450/4, Libeň, 180 00 Prague 8, Business ID No.: 25021915, listed in the Commercial Register C 93177 maintained at the Municipal Court in Prague (also referred to in this report as “**DIZ**” or the “**Company**”) has prepared the following report on relations within the meaning of Section 82 et seq. of Act No. 90/2012 Coll., on Business Corporations, as amended (hereinafter referred to as the “**Corporations Act**”), for the financial year 2023 (hereinafter referred to as the “**Relevant Period**”).

### 1. Relationship structure

According to the information available to the Board of Directors of the Company, acting with due care, the Company has been acting with due care since 28. 6. 2017 as part of the Metrostav Group, in which Metrostav a.s. is the controlling entity (the “**Group**”).

#### 1.1.1 Controlling entity

Metrostav a.s., with its registered office at Koželužská 2450/4, Libeň, 180 00 Prague 8, Business ID No. 00014915, listed in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 758 (also referred to in this report as “Metrostav” or the “Controlling Entity”) directly controls the Company, as it was the sole shareholder of the Company throughout the Relevant Period.

The following companies may also be considered controlling entities:

- DDM Group a.s. with its registered office at Prague 1, Ovocný trh 573, Postal Code 110 00, Business ID No. 256 06 492, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert

4935, which in the Relevant Period was the owner of 51.34% of the Controlling Entity's share capital and had a corresponding share in the voting rights.

- DOAS CZ a.s. with its registered office at Prague 1, Ovocný trh 573, Postal Code 110 00, Business ID No. 264 63 954, listed in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 7266, (also referred to in this report as “DDM Group”), which in the Relevant Period was the owner of 50% of the share capital of DDM Group and had a corresponding share in the voting rights.
- DOAS SK, a.s., with its registered office at Košická 56, Bratislava, Postal Code 821 08, Business ID No. 359 56 381, listed in the Commercial Register maintained by the District Court in Bratislava 1, Section Sa, Insert No. 3701/B, which in the Relevant Period was the owner of 50% of the share capital of DDM Group and had a corresponding share in the voting rights.

#### 1.1.2 Related parties as at 31 December 2023

Data on related parties are presented as at 31 December 2023, in accordance with information available to the Company's statutory body acting with due care. The list of related parties is given in Annexe 1.

### 2. Role of the Company in the Group

The company provides construction implementation in the energy segment, including related studies, as well as construction implementation in all other segments of civil engineering.

### 3. Method and means of control

The Controlling Entity directly controls the Company as it was the sole shareholder of the Company during the Relevant Period. The control of the Company is exercised mainly through the decision-making at the General Meeting of the Company and also through the decision-making of the Supervisory Board of the Company, whose members are representatives of the Controlling Entity.

## 4. Overview of mutual contracts within the Group

### 4.1 Contracts signed between the Company and the Controlling Entity which were in force during the Relevant Period.

During the Relevant Period, the following types of contracts concluded with the Controlling Entity were effective and valid or newly concluded:

- Contracts for the execution of works
- Work contracts for the subcontracting of construction work
- Contracts concerning companies
- Memorandum of Association
- Contracts for services
- Contracts for the supply of project documentation
- Technical assistance contract
- Vehicle rental contracts
- Contracts for the lease of machinery and equipment
- Secondment agreements
- Sublease and lease agreements for the rental of premises used for business purposes
- Apartment sublease agreement
- Loan Agreement
- Orders for the purchase of minor materials
- Orders for the provision of services
- Orders for the supply of construction work
- Agreement on mutual set-off of receivables
- Contracts for the conclusion of future works contracts
- Purchase Agreement
- Agreement on the conditions of construction
- Agreement on the termination of membership and withdrawal of a shareholder
- Agreements on assignment of contracts

The above contractual relationships were entered into with standard terms and conditions and the Company has not suffered any detriment therefrom.

### 4.2 Contracts concluded between the Company and other entities controlled by the Controlling Entity that were in force during the Relevant Period:

#### **Metrostav Facility s.r.o.**

- Contracts for the execution of works
- Orders for the provision of services

#### **Rezident Park 1 s.r.o.**

- Contract for the execution of works

#### **Metrostav Slovakia a.s.**

- Agreement to accede to the service contract
- Contract for the conclusion of a future work contract

#### **Metrostav Infrastructure a.s.**

- Contracts for the execution of works
- Contract for the rental of machinery and equipment
- Orders for road transport delivery

#### **Metrostav stavebniny, s.r.o.**

- Framework contract for the supply of materials
- Orders for supplies of materials, personal protective equipment, office supplies and other consumables
- Agreement on mutual set-off of receivables
- Direct reimbursement agreements
- Purchase contract for the supply of building materials

#### **Metrostav TBR a.s.**

- Work contracts for subcontracting of construction work
- Cooperation agreement
- Confidentiality agreement
- Technical assistance contract
- Agreement on mutual set-off of receivables
- Orders for construction work

**PRAGIS a.s.**

- Work contract for subcontracting of construction work
- Contracts for the conclusion of future works contracts
- Agreement on mutual set-off of receivables

**SQZ, s.r.o.**

- Orders for tests and measurements
- Orders for laboratory tests and analyses
- Contract for work

**TBG METROSTAV s.r.o.**

- Order for supply of concrete
- Purchase contract for the delivery of concrete
- Agreement on mutual set-off of receivables

**Pražské betonpumpy a doprava s.r.o.**

- Order for pump rental

**TBG Pražské malty, s.r.o.**

- Orders for the supply of mortar mix

**Zakládání staveb, a.s.**

- Work contract for subcontracting of construction work
- Site equipment rental agreement
- Contracts for the conclusion of future works contracts

**B E S s.r.o.**

- Contracts concerning companies
- Contracts for the conclusion of future works contracts

**MI Roads a.s.**

- Work contracts for construction work
- Contracts for the conclusion of future works contracts
- Contracts concerning companies
- Orders for road transport delivery

**S u b t e r r a a.s.**

- Contracts for the conclusion of future works contracts
- Work contracts for construction work
- Contracts concerning companies
- Agreement on mutual set-off of receivables

The above contractual relationships were entered into with standard terms and conditions and the Company has not suffered any detriment therefrom.

**5. Summary of actions taken at the instigation of or in the interest of the Controlling Entity or entities controlled by it**

During the period under review, the Company did not take any legal actions or other actions at the instance of the controlling entity or entities controlled by the controlling entity which would relate to assets exceeding 10% of the Company's equity as determined according to the latest final accounts, i.e. exceeding CZK 12,389 thousand.

**6. Summary of the negotiations effective and newly made during the Relevant Period between the Company and the beneficial owners and between the Company and other business corporations controlled by the beneficial owners not belonging to the Group**

In accordance with Act No. 37/2021 Coll., on the registration of beneficial owners, the Company registers all beneficial owners (the register of beneficial owners maintained by the competent courts and administered by the Ministry of Justice of the Czech Republic). The registered beneficial owners are: Ing. Jindřich Hess (1940); Ing. Ivan Šesták (1943); Ing. Zdeněk Šinovský (1947); Ing. Pavel Pilát (1959); Ing. Viktor Karel

(1942); Ing. Tomáš Klepetko (1970); Ing. František Potisk (1944); Ing. Jindřich Hess (1973); Silvie Hessová (1969); Ing. František Kočí (1960); Ing. Ján Dudáš (1943); Ing. Dušan Mráz (1954); Ing. Róbert Turanský (1964); Ing. Viliam Turanský (1941); Ing. Branislav Turanský (1967); Ing. Daniel Knotek (1946); Ing Rastislav Knotek (1971); Ing. Daniela Müllerová (1967); MUDr. Jarmila Gajdárová (1970); Ing. Tomáš Šesták (1980); Ing. Dana Apalovičová (1972); Ing. Martin Mráz (1980); MUDr. Marcela Šoltýsová (1981).

The Company did not enter into any agreements with beneficial owners during the Relevant Period. The Company did not enter into any agreements or amendments to agreements with business corporations controlled by beneficial owners not belonging to the Group or Metrostav Group during the Relevant Period.

## **7. Assessment of detriment and compensation**

No detriment has been suffered by the Company as a result of the agreements entered into during



**Ing. Karel Volf, MBA**  
Board of Executive Officers  
of the Company



**Ing. Tomáš Erhard**  
CEO

the Relevant Period between the Company and the Controlling Entity and between the Company and other entities in the Group, or any other acts or actions taken by the Company in the Relevant Period in the interests of or at the instigation of such entities.

## **8. Evaluation of relationships and risks within the Group**

### **8.1 Evaluating the advantages and disadvantages of Group relationships.**

The Company benefits mainly from its participation in the Group. Participation in the Group provides the Company with the background of a strong construction company with a good brand name and appropriate technical and production capacities.

There are no disadvantages to the Company arising from its participation in the Group.

### **8.2 There are no risks for the Company arising from the relationships within the Group.**



## Annexe 1

### Companies directly or indirectly controlled by DDM Group a.s., which are known to Metrostav DIZ s.r.o.'s statutory body as at the date of this Relationship Report:

Group level	Company	Owner
0	DDM Group a.s.	DOAS CZ a.s. DOAS SK, a.s.
1	Metrostav a.s.	DDM Group a.s.
2	S u b t e r r a a.s.	Metrostav a.s.
3	TERRAFIN GROUP, a.s.	Subterra a.s.
4	Trilet Ground Services, a.s.	TERRAFIN GROUP, a.s.
5	Zakládání staveb, a.s.	Trilet Ground Services, a.s.
5	Zakládání Group a.s.	Trilet Ground Services, a.s.
6	TERRACON a.s.	Zakládání Group a.s.
5	FG Consult, s.r.o.	Trilet Ground Services, a.s.
3	S u b t e r r a - Raab Kft.	Subterra a.s.
3	SBT SVERIGE AB	Subterra a.s.
3	Nad Kamínkou s.r.o.	Subterra a.s.
2	Metrostav Slovakia a.s.	Metrostav a.s.
2	PRO TP 06 s.r.o.	Metrostav a.s.
3	PRO TP 08 s.r.o.	Metrostav Slovakia a.s.
3	MTS SVK Development 01, s.r.o.	Metrostav Slovakia a.s.
3	MTS SVK Development 03, s.r.o.	Metrostav Slovakia a.s.
3	MTS SVK Development 04, s.r.o.	Metrostav Slovakia a.s.
3	MTS SVK Development 05, s.r.o.	Metrostav Slovakia a.s.
3	MTS SVK Development 06, s.r.o.	Metrostav Slovakia a.s.
3	MTS SVK Development 07, s.r.o.	Metrostav Slovakia a.s.
3	MTS SVK Development 08, s.r.o.	Metrostav Slovakia a.s.
3	MTS SVK Development 09, s.r.o.	Metrostav Slovakia a.s.
3	MTS SVK Development 10, s.r.o.	Metrostav Slovakia a.s.
3	Metrostav SVK Invest, s.r.o.	Metrostav Slovakia a.s.
2	SQZ, s.r.o.	Metrostav a.s.
2	Metrostav stavebniny, s.r.o.	Metrostav a.s.
2	TBG METROSTAV s.r.o.	Metrostav a.s.
2	Pražské betonpumpy a doprava s.r.o.	Metrostav a.s.
3	TBG Pražské malty, s.r.o.	TBG METROSTAV s.r.o.
2	CCE Praha, spol. s r.o.	Metrostav a.s.
3	Metrostav Island ehf	Metrostav Norge AS
2	PRAGIS a.s.	Metrostav a.s.
2	Metrostav Facility s.r.o.	Metrostav a.s.

<b>Group level</b>	<b>Company</b>	<b>Owner</b>
2	Metrostav Development a.s.	Metrostav a.s.
3	Metrostav Rezident a.s.	Metrostav Development a.s.
3	Metrostav Alfa s.r.o.	Metrostav Development a.s.
3	Vilapark Klamovka s.r.o.	Metrostav Development a.s.
3	Metrostav Vackov a.s.	Metrostav Development a.s.
3	Metrostav Epsilon s.r.o.	Metrostav Development a.s.
3	IMU s.r.o.	Metrostav Development a.s.
3	Na Vackově, s.r.o.	Metrostav Development a.s.
3	Na Vackově 2, s.r.o.	Metrostav Development a.s.
3	Nad Beláříí s.r.o.	Metrostav Development a.s.
3	Rezident Park 1 s.r.o.	Metrostav Development a.s.
3	Triangl Hloubětín s.r.o.	Metrostav Development a.s.
3	Rezident Park 4 s.r.o.	Metrostav Development a.s.
3	Rezident Park 5 s.r.o.	Metrostav Development a.s.
3	Rezident Park 7 s.r.o.	Metrostav Development a.s.
3	Rezident Park 8 s.r.o.	Metrostav Development a.s.
3	Rezident Park 9 s.r.o.	Metrostav Development a.s.
3	Rezident Park 10 s.r.o.	Metrostav Development a.s.
3	Rezident Park 12 s.r.o.	Metrostav Development a.s.
3	Rezident Park 13 s.r.o.	Metrostav Development a.s.
3	Rezident Park 14 s.r.o.	Metrostav Development a.s.
3	Rezident Park 15 s.r.o.	Metrostav Development a.s.
3	Rezident Park Barrandov s.r.o.	Metrostav Development a.s.
3	DÍVČÍ HRADY PRAHA s.r.o.	Metrostav Development a.s.
3	U Malešického lesa s.r.o.	Metrostav Development a.s.
3	Rezidence Ontario s.r.o.	Metrostav Development a.s.
2	Metrostav Nemovitostní, a.s.	Metrostav a.s.
3	Pánská pasáž s.r.o.	Metrostav Nemovitostní, a.s.
2	Metrostav Deutschland GmbH	Metrostav a.s.
2	Metrostav Infrastructure a.s.	Metrostav a.s.
3	MI Roads a.s.	Metrostav Infrastructure a.s.
2	B E S s.r.o.	Metrostav a.s.
2	PK Metrostav a.s.	Metrostav a.s.
2	Metrostav DS a.s.	Metrostav a.s.
3	Industrial Property Services, s.r.o.	Metrostav DS a.s.
2	BeMo Tunnelling GmbH	Metrostav a.s.
3	BeMo Tunnelling GmbH, Deutschland	BeMo Tunnelling
3	Beton- und Monierbau USA, Inc.	BeMo Tunnelling
3	BeMo Tunnelling Canada Inc.	BeMo Tunnelling

<b>Group level</b>	<b>Company</b>	<b>Owner</b>
3	Morgan Beton- and Monierbau Limited	BeMo Tunnelling
3	BEMO TUNNELLING UK LTD	BeMo Tunnelling
3	Metrostav Polska Spółka Akcyjna	Metrostav Infrastructure a.s.
2	METROSTAV ANKARA İNŞAAT TAAHHÜT SANAYİ VE TİCARET A.Ş.	Metrostav a.s.
2	Údržba silnic s.r.o.	Metrostav a.s.
2	Obalovna Lipník s.r.o.	Metrostav a.s.
2	Obalovna Louny s.r.o.	Metrostav a.s.
2	Metrostav DIZ s.r.o.	Metrostav a.s.
2	M4 Road Design s.r.o.	Metrostav a.s.
2	M3 Fasády s.r.o.	Metrostav a.s.
2	Metrostav Norge AS	Metrostav a.s.
2	PROCKERT & HYNEK, a.s.	Metrostav a.s.
3	PROCKERT & HYNEK STAVEBNÍ, spol. s r.o.	PROCKERT & HYNEK, a.s.
2	Jihlavská obalovna s.r.o.	Metrostav a.s.
2	Obalovna Chvaletice a.s.	Metrostav a.s.
2	Metrostav TBR a.s.	Metrostav a.s.
2	Obalovna Úsilné s.r.o.	Metrostav a.s.

English translation

## Independent Auditor's Report

To the shareholder of Metrostav DIZ s.r.o.

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### Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Metrostav DIZ s.r.o., with its registered office at Koželužská 2450/4, Libeň, Praha 8 (the "Company") as at 31 December 2023, and of the Company's financial performance and cash flows for the year ended 31 December 2023 in accordance with Czech accounting legislation.

### What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 December 2023,
- the income statement for the year ended 31 December 2023,
- the statement of changes in equity for the year ended 31 December 2023,
- the statement of cash flows for the year ended 31 December 2023, and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic (together the "Audit regulations"). These standards consist of International Standards on Auditing as supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by the Chamber of Auditors of the Czech Republic and with the Act on Auditors. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Act on Auditors.

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### Other information

The statutory body is responsible for the other information. As defined in Section 2(b) of the Act on Auditors, the other information comprises the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements

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or our knowledge about the Company obtained in the audit or otherwise appears to be materially misstated. In addition, we assessed whether the other information has been prepared, in all material respects, in accordance with applicable legal requirements, i.e. whether the other information complies with the legal requirements both in terms of formal requisites and the procedure for preparing the other information in the context of materiality.

Based on the procedures performed in the course of our audit, to the extent we are able to assess it, in our opinion:

- the other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has been prepared in accordance with the applicable legal requirements.

In addition, in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the other information. We have nothing to report in this regard.

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### Responsibilities of the statutory body and supervisory board of the Company for the financial statements

The statutory body is responsible for the preparation of the financial statements that give a true and fair view in accordance with Czech accounting legislation and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the statutory body is responsible for assessing the 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 statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The supervisory board of the Company is responsible for overseeing the financial reporting process.

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### Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with the Audit regulations, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.



- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the statutory body and 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.

16 April 2024

PricewaterhouseCoopers Audit, s.r.o.  
represented by

Václav Prýmek

Markéta Urbanová  
Statutory Auditor, Licence No. 2217

Translation note

This version of our report is a translation from the original, which was prepared in the Czech language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the Czech version of our report takes precedence over this translation.



# Financial Statements

## 31 December 2023

Company: Metrostav DIZ s.r.o.

Business ID No.: 25021915

Legal form: s.r.o.

Subject of business: Construction

Balance sheet day: 31 December 2023

Date of preparation of financial statements: 16 April 2024

## BALANCE SHEET (in thousands of CZK)

designation a	ASSETS b	row c			31. 12. 2023	31. 12. 2022 (adjusted)
			Gross 1	Adjustment	Net 3	Net 4
	<b>TOTAL ASSETS</b>	<b>001</b>	<b>4,982,013</b>	<b>-30,986</b>	<b>4,951,027</b>	<b>2,331,181</b>
<b>B.</b>	<b>Fixed assets</b>	<b>003</b>	<b>14,842</b>	<b>-4,944</b>	<b>9,898</b>	<b>6,034</b>
<b>B. I.</b>	<b>Intangible Fixed Assets</b>	<b>004</b>	<b>229</b>	<b>-70</b>	<b>159</b>	<b>0</b>
B. I. 2.	Royalties	006	229	-70	159	0
B. I. 2. 1.	Software	007	229	-70	159	0
<b>B. II.</b>	<b>Tangible Fixed Assets</b>	<b>014</b>	<b>14,613</b>	<b>-4,874</b>	<b>9,739</b>	<b>6,034</b>
B. II. 2.	Tangible movable assets and sets thereof	018	14,613	-4,874	9,739	6,034
<b>C.</b>	<b>Current assets</b>	<b>037</b>	<b>4,957,698</b>	<b>-26,042</b>	<b>4,931,656</b>	<b>2,317,857</b>
<b>C. I.</b>	<b>Inventories</b>	<b>038</b>	<b>596,011</b>	<b>0</b>	<b>596,011</b>	<b>439,687</b>
C. I. 1.	Material	039	19,179	0	19,179	16,371
C. I. 2.	Work in progress and semi-finished products	040	574,172	0	574,172	412,487
C. I. 5.	Advances paid on inventory	045	2,660	0	2,660	10,829
<b>C. II.</b>	<b>Receivables</b>	<b>046</b>	<b>2,039,828</b>	<b>-26,042</b>	<b>2,013,786</b>	<b>1,152,337</b>
C. II. 1.	Long-term receivables	047	413,283	0	413,283	171,482
C. II. 1. 1.	Trade receivables	048	245,354	0	245,354	119,680
C. II. 1. 4.	Deferred tax asset	051	157,779	0	157,779	51,233
C. II. 1. 5.	Receivables - other	052	10,150	0	10,150	569
C. II. 1. 5. 1.	Receivables from members	053	10,150	0	10,150	569
C. II. 2.	Current receivables	057	1,626,545	-26,042	1,600,503	980,855
C. II. 2. 1.	Trade receivables	058	1,289,847	-26,042	1,263,805	741,227
C. II. 2. 4.	Receivables - other	061	336,698	0	336,698	239,628
C. II. 2. 4. 1.	Receivables from shareholders	062	73,336	0	73,336	37,485
C. II. 2. 4. 3.	State - tax receivables	064	60,145	0	60,145	17,589
C. II. 2. 4. 4.	Short-term advances paid	065	93,957	0	93,957	149,118
C. II. 2. 4. 5.	Estimated asset accounts	066	103,050	0	103,050	35,054
C. II. 2. 4. 6.	Additional receivables	067	6,210	0	6,210	382
<b>C. IV.</b>	<b>Cash</b>	<b>075</b>	<b>2,321,859</b>	<b>0</b>	<b>2,321,859</b>	<b>725,833</b>
C. IV. 1.	Cash in hand	076	149	0	149	243
C. IV. 2.	Cash on accounts	077	2,321,710	0	2,321,710	725,590
<b>D.</b>	<b>Asset accruals</b>	<b>078</b>	<b>9,473</b>	<b>0</b>	<b>9,473</b>	<b>7,290</b>
D. 1.	Accrued expenses	079	7,159	0	7,159	7,168
D. 3.	Accrued income	081	2,314	0	2,314	122



designation a	LIABILITIES b	row c	31. 12. 2023 5	31. 12. 2022 (adjusted) 6
	<b>TOTAL LIABILITIES</b>	<b>082</b>	<b>4,951,027</b>	<b>2,331,181</b>
<b>A.</b>	<b>Equity</b>	<b>083</b>	<b>225,100</b>	<b>123,888</b>
<b>A. I.</b>	<b>Share capital</b>	<b>084</b>	<b>50,000</b>	<b>50,000</b>
A. I. 1.	Share capital	085	50,000	50,000
<b>A. II.</b>	<b>Premium and capital funds</b>	<b>088</b>	<b>1,745</b>	<b>0</b>
A. II. 2.	Capital funds	090	1,745	0
A. II. 2. 2.	Valuation differences on revaluation of assets and liabilities (+/-)	092	1,745	0
<b>A. III.</b>	<b>Funds from profit</b>	<b>096</b>	<b>10</b>	<b>10</b>
A. III. 1.	Other reserve funds	097	10	10
<b>A. IV.</b>	<b>Profit (loss) from previous years</b>	<b>099</b>	<b>43,879</b>	<b>24,570</b>
A. IV. 1.	Retained earnings or unremitted losses of previous years (+/-)	100	43,879	24,570
<b>A. V.</b>	<b>Profit (loss) for current financial year</b>	<b>102</b>	<b>129,466</b>	<b>49,308</b>
<b>B. + C.</b>	<b>External resources</b>	<b>104</b>	<b>4,453,767</b>	<b>2,159,525</b>
<b>B.</b>	<b>Provisions</b>	<b>105</b>	<b>659,867</b>	<b>268,405</b>
B. 2.	Provision for income tax	107	95,557	35,763
B. 4.	Other provisions	109	564,310	232,642
<b>C.</b>	<b>Liabilities</b>	<b>110</b>	<b>3,793,900</b>	<b>1,891,120</b>
<b>C. I.</b>	<b>Non-current liabilities</b>	<b>111</b>	<b>842,272</b>	<b>192,171</b>
C. I. 3.	Long-term advances received	116	385,000	0
C. I. 4.	Trade liabilities	117	457,272	191,328
C. I. 9.	Liabilities - other	122	0	843
C. I. 9. 1.	Liabilities to shareholders	123	0	843
<b>C. II.</b>	<b>Current liabilities</b>	<b>126</b>	<b>2,951,628</b>	<b>1,698,949</b>
C. II. 3.	Current advances received	131	459,958	255,181
C. II. 4.	Trade liabilities	132	1,493,501	1,050,251
C. II. 6.	Liabilities - controlled or controlling entity	134	300,000	0
C. II. 8.	Other liabilities	136	698,169	393,517
C. II. 8. 1.	Liabilities to shareholders	137	288,837	136,621
C. II. 8. 3.	Liabilities to employees	139	38,019	24,147
C. II. 8.4.	Social security and health insurance liabilities	140	20,640	13,843
C. II. 8.5.	State - tax liabilities and subsidies	141	5,345	3,109
C. II. 8.6.	Estimated Liability Accounts	142	343,862	125,828
C. II. 8. 7.	Additional liabilities	143	1,466	89,969
<b>D.</b>	<b>Accrual of liabilities</b>	<b>147</b>	<b>272,160</b>	<b>47,768</b>
D. 1.	Accrued expenses	148	220,645	47,768
D. 2.	Accrued income	149	51,515	0

# PROFIT AND LOSS STATEMENT (in thousands of CZK)

designation a	TEXT b	row c	Value in financial year	
			2023 1	2022 2
<b>I.</b>	<b>Revenues on sale of products and services</b>	<b>01</b>	<b>7,994,334</b>	<b>3,763,828</b>
<b>A.</b>	<b>Consumption in production</b>	<b>03</b>	<b>6,738,862</b>	<b>3,638,097</b>
A. 2.	Material and energy consumption	05	5,940,316	3,222,975
A. 3.	Services	06	798,546	415,122
<b>B.</b>	<b>Change in balance of inventories produced in house</b>	<b>07</b>	<b>-174,188</b>	<b>-316,642</b>
<b>C.</b>	<b>Capitalised costs</b>	<b>08</b>	<b>-1,513</b>	<b>0</b>
<b>D.</b>	<b>Personnel Costs</b>	<b>09</b>	<b>867,929</b>	<b>237,643</b>
D. 1.	Labor costs	10	641,003	174,299
D. 2.	Social security, health insurance and other costs	11	226,926	63,344
D. 2. 1.	Social security and health insurance costs	12	204,362	57,997
D. 2. 2.	Other costs	13	22,564	5,347
<b>E.</b>	<b>Adjustments to operating values</b>	<b>14</b>	<b>27,826</b>	<b>3,015</b>
E. 1.	Adjustments to intangible and tangible fixed assets	15	3,765	1,041
E. 1. 1.	Adjustments to intangible and tangible fixed assets - permanent	16	3,765	1,041
E. 2.	Adjustments to inventory values	18	0	1,974
E. 3.	Adjustments to receivables	19	24,061	0
<b>III.</b>	<b>Other operating income</b>	<b>20</b>	<b>9,928</b>	<b>1,088</b>
III. 1.	Proceeds from sale of fixed assets	21	71	13
III. 2.	Proceeds from sale of material	22	5,038	148
III. 3.	Additional operating income	23	4,819	927
<b>F.</b>	<b>Other operating costs</b>	<b>24</b>	<b>404,809</b>	<b>155,430</b>
F. 1.	Book value of fixed assets sold	25	60	2
F. 2.	Material sold	26	5,285	32
F. 3.	Taxes and fees	27	2,976	288
F. 4.	Operating reserves and comprehensive accrued expenses	28	369,062	144,045
F. 5.	Other operating expenses	29	27,426	11,063
<b>*</b>	<b>Operating profit/loss</b>	<b>30</b>	<b>140,537</b>	<b>47,373</b>
VI.	Interest income and similar income	39	38,940	10,902
VI. 2.	Other interest and similar income	41	38,940	10,902
J.	Interest expense and similar costs	43	15,213	118
J. 2.	Other interest and similar costs	45	15,213	118
VII.	Other financial income	46	25	612
K.	Other financial costs	47	16,203	7,421
<b>*</b>	<b>Financial profit/loss</b>	<b>48</b>	<b>7,549</b>	<b>3,975</b>
<b>**</b>	<b>Profit/loss before tax</b>	<b>49</b>	<b>148,086</b>	<b>51,348</b>
L.	Income tax	50	18,620	2,040
L. 1.	Income tax payable	51	125,632	44,548
L. 2.	Deferred income tax	52	-107,012	-42,508
<b>**</b>	<b>Profit/loss after tax</b>	<b>53</b>	<b>129,466</b>	<b>49,308</b>
<b>***</b>	<b>Profit/loss for financial year</b>	<b>55</b>	<b>129,466</b>	<b>49,308</b>
*	Net turnover for financial year = I. + II. + III. + IV. + V. + VI. + VII.	56	8,043,227	3,776,430

# CASH FLOW STATEMENT (in thousands of CZK)

designation a	TEXT b	Value in financial year	
		2023 1	2022 2
<b>Cash flow from operating activities</b>			
<b>Accounting profit/loss before tax</b>		<b>148,086</b>	<b>51,349</b>
A. 1.	Adjustments for non-cash transactions:	339,568	179,599
A. 1. 1.	Depreciation of fixed assets	3,765	1,041
A. 1. 2.	Change in balance of adjustments and provisions	355,736	189,353
A. 1. 3.	Profit/loss on sale of fixed assets	-11	-11
A. 1. 5.	Interest expense (+) and income (-) accrued	-23,727	-10,784
A. 1. 6.	Adjustments for other non-cash transactions	3,805	0
<b>A *</b>	<b>Net cash flow from operating activities before taxes and changes in working capital</b>	<b>487,654</b>	<b>230,948</b>
A. 2.	Change in balance of non-monetary components of working capital	946,226	191,884
A. 2. 1.	Change in receivables and temporary asset accounts	-783,127	-766,666
A. 2. 2.	Change in the liability and temporary liability accounts	1,885,677	1,300,973
A. 2. 3.	Change in inventories	-156,324	-342,423
<b>A **</b>	<b>Net cash flow from operations before tax</b>	<b>1,433,880</b>	<b>422,832</b>
A. 3.	Interest paid	-15,213	-117
A. 4.	Interest received	38,940	10,902
A. 5.	Income tax paid	-65,843	-11,738
<b>A ***</b>	<b>Net cash flow from operations</b>	<b>1,391,764</b>	<b>421,879</b>
<b>Cash flows from investments</b>			
B. 1.	Expenditure related to acquisition of fixed assets	-7,303	-5,766
B. 2.	Proceeds from sale of fixed assets	71	13
B. 3.	Borrowings and loans to related parties		45,000
<b>B ***</b>	<b>Net cash flow from investment activities</b>	<b>-7,232</b>	<b>39,247</b>
<b>Cash flows from financing</b>			
C. 1.	Change in long-term and short-term financing liabilities	241,494	164,878
C. 2.	Change in equity:	-30,000	-15,000
C. 2. 6.	Profit shares paid out	-30,000	-15,000
<b>C ***</b>	<b>Net cash flow from financial activities</b>	<b>211,494</b>	<b>149,878</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>1,596,026</b>	<b>611,004</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>725,833</b>	<b>114,829</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>2,321,859</b>	<b>725,833</b>

# STATEMENT OF CHANGES IN EQUITY (in thousands of CZK)

	Share capital	Valuation differences on revaluation of assets and liabilities (+/-)	Other reserve funds	Undistributed profit or unreimbursed loss (+/-)	Total
<b>Balance as at 1 January 2022</b>	<b>50,000</b>	<b>0</b>	<b>10</b>	<b>39,570</b>	<b>89,580</b>
Profit shares paid out		0	0	-15,000	-15,000
Profit (loss) for financial year		0	0	49,309	49,309
<b>Balance as at 31 December 2022</b>	<b>50,000</b>	<b>0</b>	<b>10</b>	<b>73,879</b>	<b>123,889</b>
Valuation differences on remeasurement to fair value					
- Financial derivatives	0	1,745	0	0	1,745
Paid advances on shares in profit	0	0	0	-30,000	-30,000
Profit (loss) for financial year	0	0	0	129,466	129,466
<b>Balance as at 31 December 2023</b>	<b>50,000</b>	<b>1,745</b>	<b>10</b>	<b>173,345</b>	<b>225,100</b>

# Financial Statements

## 1. General information

### 1.1. Basic information about the Company

Metrostav DIZ s.r.o. (hereinafter referred to as the “Company”) was entered in the Commercial Register maintained by the Municipal Court in Prague, C 93177, on 18 June 1997 and its registered office is Koželužská 2450/4, Prague 180 00, Czech Republic. The Company’s principal business is construction. The Company is not an unlimited partner in any company.

### 1.2. Current economic situation

The current economic situation remains sensitive to geopolitical developments in the world. The impact on financial and commodity markets, supply chains and key macroeconomic indicators with business implications, such as inflation rates, interest rates, exchange rate volatility and others, remains significant.

Energy prices in the Czech Republic were subject to state capping for the calendar year 2023, which partially slowed their impact on the Company’s cost burden.

The Company’s management has assessed the impact of the current economic situation on its business, coming to the following conclusion:

The Company has considered the current economic situation and concluded that it does not have a material impact on the assumption of indefinite lifetime of the company.

### 1.3. Climate change

The Company’s management has assessed the impact of climate change on the Company’s current and future business, coming to the following conclusion: The above does not have a material impact on the assumption of indefinite lifetime of the company.

## 2. Accounting procedures

### 2.1. Basic principles for the preparation of financial statements

The financial statements are prepared in accordance with the accounting regulations applicable in the

Czech Republic for large entities and are prepared at historical cost except as described in the Accounting policies note below. Derivatives and securities are recorded at fair value.

The Company uses the financial year from 1 January to 31 December as its accounting period.

### 2.2. Tangible and intangible fixed assets

Intangible (and tangible) assets with a useful life longer than 1 year and a cost exceeding CZK 60 thousand (CZK 40 thousand) per item, are considered to be intangible (and tangible) fixed assets.

Purchased intangible (and tangible) fixed assets are initially recognised at cost, which includes the purchase price and related costs. All research costs are expensed. Development expenditures whose results are intended for trading are capitalised as intangible assets and recorded at cost or the value of future economic benefits, if lower.

Intangible (and tangible) fixed assets are depreciated using the straight-line method based on their estimated useful lives.

The depreciation plan is updated during the use of intangible and (tangible) fixed assets based on changes in their expected useful lifetime.

If the asset’s residual value exceeds its estimated recoverable amount, its residual value is reduced by that amount through a valuation allowance. The recoverable amount is determined based on the expected future cash flows generated by the asset.

The cost of repairs and maintenance of fixed tangible assets is charged directly to expenses.

The technical appreciation of intangible (and tangible) fixed assets is capitalised.

### 2.3. Inventories

Purchased inventories are valued at cost less a valuation allowance. The purchase price includes all costs related to the acquisition of these stocks (mainly freight, customs duties, etc.). The Company uses the weighted average method for purchased stock decrements.

Stocks of own production, i.e. work in progress and finished goods, are valued at own production

costs less any adjustments. Own production costs include direct and indirect materials and other costs related to construction contracts (direct and indirect wages and production overheads).

Sub-deliveries received and other direct costs are accounted directly to costs, and at the same time work in progress is accounted against capitalisation. Sub-deliveries received are valued at cost. Work in progress is recorded to accounts when the revenue for the delivery is in evidence. An adjustment for low-turnover and obsolete stocks is established based on an analysis of stock turnover and an individual assessment of stock. The Company also creates an adjustment for work in progress when the book value of an asset exceeds its estimated recoverable value.

#### **2.4. Receivables**

Receivables are recorded at their nominal value less an adjustment for doubtful receivables. The adjustment for doubtful receivables is established on the basis of the age structure of the debts and an individual assessment of the debtors' creditworthiness.

Long-term receivables are not discounted.

The Company does not make allowances for receivables from related parties.

#### **2.5. Conversion of Foreign Currencies**

Transactions denominated in foreign currencies are converted and accounted for at the exchange rate prevailing at the date of the transaction.

The balances of monetary assets, receivables and liabilities denominated in foreign currencies were converted at the exchange rate published by the Czech National Bank at the balance sheet date. All foreign exchange gains and losses on the translation of monetary assets, receivables and liabilities are recognised in the profit and loss account.

#### **2.6. Financial derivatives and hedge accounting**

Financial derivatives involving currency forwards are initially recorded on the balance sheet at cost and subsequently remeasured to fair value. Fair values are derived from discounted cash flow models. All derivatives are recorded in other receivables if they have a positive fair value or in other liabilities if their fair value to the Company is negative.

The Company has not identified any derivatives embedded in other financial instruments.

In accordance with its currency risk management strategy, the Company designates certain derivatives in advance to either hedge the fair value of selected assets or liabilities (fair value hedges)

or to hedge future cash flows arising from selected assets or liabilities or anticipated transactions (cash flow hedges). Accounting for such designated financial derivatives as hedging instruments is possible only if certain criteria are met, including defining the hedging strategy and hedging relationship before hedge accounting commences and ongoing documentation of the actual and expected effectiveness of the hedge.

Changes in the fair value of financial derivatives that meet the criteria for an effective cash flow hedge are recognised in equity in the line item Valuation differences on assets and liabilities ("hedge fund") and recognised in profit or loss in the same period in which the hedged item affects the profit and loss accounting. Changes in the fair value of financial derivatives that no longer meet the criteria for an effective cash flow hedge are debited from the hedge fund to income and expenses in the current accounting period.

Changes in the fair value of financial derivatives held for trading are recognised in aggregate in profit or loss.

#### **2.7. Differences from changes in accounting policies and corrections of errors from previous years**

Differences arising from changes in accounting methods (including the effect of deferred tax) and adjustments arising from incorrect accounting or failure to account for expenses and income in prior accounting periods, if significant, are posted in Other profit or loss of previous years.

#### **2.8. Provisions**

The Company establishes provisions to cover its liabilities or expenses, the nature of which is clearly defined and for which it is either probable or certain that they will be incurred at the balance sheet date, but the amount or timing of which is not known. The provision at the balance sheet date represents the best estimate of the costs likely to be incurred or, in the case of liabilities, the amount required to settle them.

Other provisions mainly include provisions for project completion and provisions for warranty repairs.

The Company makes a provision for income tax payables less income tax advances paid. If income tax prepayments exceed the expected tax, the difference is posted as a current receivable.

#### **2.9. Revenue**

Revenue is posted on the date of delivery and acceptance by the customer and is stated net of discounts and value added tax.

Revenue for construction work is posted on the basis of invoicing resulting from the contractual conditions which take into account the stage of completion of the construction contract.

Revenue is posted to accounts at the date of supply of services and is stated net of discounts and value added tax.

### **2.10. Related parties**

Related Parties of the Company means the following:

- parties that may directly or indirectly exercise a decisive influence over the Company and companies where such parties have a decisive or significant influence,
- parties that may directly or indirectly exercise significant influence over the Company,
- members of the statutory, supervisory and management bodies of the Company or its parent company and persons close to such persons, including companies where such members and persons have a significant or decisive influence.

Significant transactions and balances with related parties are disclosed in Notes 13 Related party transactions and 15 Employees.

### **2.11. Deferred tax**

Deferred tax is recorded for all temporary differences between the book value of an asset or liability on the balance sheet and its tax base. A deferred tax receivable is recorded when it is probable that it will be available for tax purposes in the future.

The Company deviated from the accounting practices described in Czech Accounting Standard No. 03, paragraph 3.3 and 3.4 in order to ensure a true and fair view of the subject matter of the accounts. The change in the deferred tax liability or asset due to a change in the fair value of cash flow hedges is debited or credited to the relevant equity account in which the revaluation or change in fair value is recognised. Changes due to other temporary differences are recognised in the deferred income tax line.

### **2.12. Employee benefits**

The Company creates a provision for untaken leave.

The Company creates a passive estimate for employee compensation and bonuses. In making the passive estimate, the Company takes into account the expected average annual ratio of social security and health insurance contributions to payroll costs.

To finance the state pension insurance, the Company pays regular contributions to the state budget. The Company also provides pension benefits to its employees through contributions to independent pension funds.

### **2.13. Company**

The company also conducts its business by participating in companies (formerly associations) that do not have legal personality and therefore are not legal entities.

The item Receivables from shareholders includes receivables from shareholders associated with the company, mainly receivables from contributions to the company or receivables from distributions of the company's profits. Trade receivables from associates associated with the company are reported in the Trade receivables line.

Liabilities to shareholders mainly include debts due to loans granted by the shareholders of the corporation and in the amount of the prescribed loss reimbursement to the shareholders associated with the corporation. Trade payables to associates associated with the Company are reported in the Trade liabilities line.

The Company reports in its costs and revenues proportion of the contract value that corresponds to the Company's share of the work. The division of the implementation of the relevant work between the individual participants in the association is specifically determined by the contractual terms and conditions for each such contract.

### **2.14. Leasing**

The acquisition cost of assets acquired under finance or operating leases is not capitalised in fixed assets. Lease payments are expensed evenly over the term of the lease. Future lease payments that are not due at the balance sheet date are disclosed in the notes but are not recognised in the balance sheet.

### **2.15. Cash and cash equivalents**

Cash is cash held, including securities and funds in an account, along with overdrafts on current or overdraft accounts.

Cash equivalents are short-term liquid financial assets that are readily and easily exchangeable for a known amount of cash and are not expected to change significantly in value over time. Cash equivalents are defined as cash deposits with a maximum notice period of three months and liquid debt securities for trading in the public market.

The Company compiled a cash flow statement using the indirect method.

## 2.16. Subsequent events

The impact of events that occurred between the balance sheet date and the date of the financial statements is recognised in the financial statements if those events provided additional information about the facts that existed at the balance sheet date.

Where significant events occur between the balance sheet date and the date of the financial statements that reflect events after the balance sheet date, the effects of those events are described in the notes to the financial statements but are not recognised in the financial statements.

## 3. Correction of past errors

In 2022, the Company accounted for the allocation of the result of construction contracts implemented in the association by recording its share of costs in the Accounts Payable line and its share of revenues in the Accounts Receivable line instead of recording the net resultant position in the respective Receivables or Liabilities line. This incorrect statement resulted in an overstatement of the balance on the line Receivables from shareholders and also on the line Payables to shareholders by the amount of CZK 391,016 thousand to the financial statements as at 31 December 2022. The Company has corrected this error in the financial statements of 31 December 2023.

## 4. Intangible Fixed Assets

(thousands of CZK)	1 January 2023	Additions / rebilling	Decommissioning	31 December 2023
<b>Acquisition cost</b>				
Software	0	229	0	229
<b>Total</b>	<b>0</b>	<b>229</b>	<b>0</b>	<b>229</b>
<b>Adjustments</b>				
Software	0	-70	0	-70
<b>Total</b>	<b>0</b>	<b>-70</b>	<b>0</b>	<b>-70</b>
<b>Net book value</b>	<b>0</b>			<b>159</b>

## 5. Tangible Fixed Assets

(thousands of CZK)	1 January 2023	Additions / rebilling	Decommissioning	31 December 2023
<b>Acquisition cost</b>				
Tangible movable assets and sets thereof	7,302	7,463	-152	14,613
<b>Total</b>	<b>7,302</b>	<b>7,463</b>	<b>-152</b>	<b>14,613</b>
<b>Adjustments</b>				
Tangible movable assets and sets thereof	-1,268	-3,672	66	-4,874
<b>Total</b>	<b>-1,268</b>	<b>-3,672</b>	<b>66</b>	<b>-4,874</b>
<b>Net book value</b>	<b>6,034</b>			<b>9,739</b>

(thousands of CZK)	1 January 2022	Additions / rebilling	Decommissioning	31 December 2022
<b>Acquisition cost</b>				
Tangible movable assets and sets thereof	1,550	5,771	-19	7,302
<b>Total</b>	<b>1,550</b>	<b>5,771</b>	<b>-19</b>	<b>7,302</b>
<b>Adjustments</b>				
Tangible movable assets and sets thereof	-239	-1,041	12	-1,268
<b>Total</b>	<b>-239</b>	<b>-1,041</b>	<b>12</b>	<b>-1,268</b>
<b>Net book value</b>	<b>1,311</b>			<b>6,034</b>

No interest expense has been capitalised to the value of the asset in 2023 or 2022.



## 6. Inventories

The Company has not established an inventory valuation allowance as of 31 December 2023 or 31 December 2022.

## 7. Receivables

Receivables past their due date as at 31 December 2023 amounted to CZK 142,694 thousand (31 December 2022: CZK 74,596 thousand).

The majority of long-term receivables are retention payments for construction contracts.

The value of receivables with a maturity of more than 5 years as at 31 December 2022 amounts to CZK 142,440 thousand (31 December 2022: CZK 50,524 thousand).

## 8. Equity

The company is fully owned by Metrostav a.s., a company registered in the Czech Republic.

Metrostav a.s., with its registered office at Koželužská 2450/4, Prague 8, prepares the consolidated financial statements of the group of entities consisting of Metrostav a.s. and its subsidiaries, including the Company. The consolidated financial statements for this group can be obtained on the website of Metrostav a.s.

Furthermore, Metrostav a.s. is part of a single higher consolidation unit, whose parent company is DDM Group a.s. with its registered office in Prague, Czech Republic. The consolidated financial statements prepared for this group can be obtained from the registered office of DDM Group a.s.

The allowance for receivables as at 31 December 2023 amounted to CZK 26,042 thousand (31 December 2022: CZK 1,974 thousand).

Receivables are not covered by guarantees in kind.

The Company does not record any receivables or contingent receivables that are not posted on the balance sheet.

Receivables from related parties are described in Note 13 Related party transactions.

On 25 April 2023, the sole shareholder approved the Company's 2022 financial statements and resolved to distribute the 2022 profit as set out in the Statement of Changes in Equity.

As at the date of these financial statements, the Company has not proposed a distribution of profit for the year 2023.

As at 31 December 2023, the Company has recognised a hedge fund in equity in the amount of EUR 1,745 thousand in accordance with the accounting policies described in Note 2.6 Financial derivatives and hedge accounting (31 December 2022: CZK 0), which was reduced by the calculated deferred tax liability of CZK 464 thousand (31 December 2022: deferred tax liability of CZK 0) (table below and Note 11 Financial derivatives).

(thousands of CZK)	2023	2022
<b>Valuation differences on revaluation of assets and liabilities as at 1 January</b>	<b>0</b>	<b>0</b>
Changes recorded in equity:		
Change of hedge fund	2,209	0
Deferred tax	-464	0
<b>Total changes recorded in equity</b>	<b>1,745</b>	<b>0</b>
<b>Valuation differences on revaluation of assets and liabilities as at 31 December</b>	<b>1,745</b>	<b>0</b>

## 9. Provisions

(thousands of CZK)	31 December 2023	31 December 2022
<b>Provisions</b>		
Provision for warranty repairs	38,485	13,383
Provision for completion of projects	513,735	211,561
Other provisions	12,090	7,698
Provision for income tax	95,557	35,763
<b>Total</b>	<b>659,867</b>	<b>268,405</b>

The calculation of the income tax and deferred tax is shown in Note 16 Income tax.

### **Provisions for warranty repairs**

When generating provisions for warranty repairs at 31 December 2023, the Company has assumed a fixed ratio of future expected costs to total expected project revenues. In determining the amount of the coefficient, the Company took into account its historical data on the cost of warranty repairs and also the development of the construction market in the area of warranties. The level of this coefficient is consistent between accounting periods.

### **Other provisions**

As at 31 December 2023, the Company made provisions for the completion of projects to take into account, at each stage of the project, its overall expected outcome based on information known to the Company at the time of preparing the final accounts. In the event that the Company expects to incur a loss on a project, it has made a provision for the full amount of the expected loss. In the case of open negotiations with an investor for projects where there is a risk of a loss or where there have been significant changes in their technical and economic parameters compared to the original project, the Company made provisions in the amount reflecting performance under its contractual and non-contractual obligations to the investor.

### **Provision for income tax**

The advance for income tax in the amount of CZK 28,443 thousand paid by the Company as at 31 December 2023 (31 December 2022: CZK 8,796) was offset against the provision for income tax in the amount of CZK 124,000 thousand generated at 31 December 2023 (31 December 2022: CZK 44,559 thousand).

## **10. Liabilities, future liabilities and contingent liabilities**

### **Liabilities**

Liabilities are not covered by in kind guarantees. The bulk of the long-term liabilities are retentions on construction contracts. Liabilities in the total amount of CZK 204,820 thousand have a maturity of more than 5 years at 31 December 2023 (at 31 December 2022: CZK 74,149 thousand).

The company has an open financing framework in the form of factoring up to CZK 150,000 thousand as of 31 December 2023. The drawdown at 31 December 2023 was CZK 45,282 thousand (31 December 2022: CZK 14,565 thousand) and the balance is reported under trade payables.

Accounts receivable include mainly subcontracts for construction work and remuneration and bonuses to the Company's employees. The accrued expenditures mainly include subcontracting of construction work.

Liabilities to related parties are described in Note 13 Related party transactions.

### **Future liabilities**

The total amount of liabilities not included in the balance sheet, which is based on the concluded operating lease agreements as at 31 December 2023, amounted to CZK 66,334 thousand (31 December 2022: CZK 49,276 thousand).

### **Contingent liabilities**

The Company has provided the following guarantees in kind, which are not reported in the balance sheet at 31 December 2023: bank guarantees issued for the Company in the amount of CZK 1,045,362 thousand (at 31 December 2022: CZK 281,427 thousand).

The Company does not record any other liabilities that are not recorded in the balance sheet. Management is not aware of any other contingent liabilities of the Company as of 31 December 2023.

## 11. Financial derivatives

The Company uses derivative transactions with creditworthy banking counterparties to trade and hedge the financial risks to which it is exposed.

The Company uses financial derivatives in the form of currency forwards. The fair value of

these financial derivatives is mainly influenced by exchange rate movements.

Financial derivatives that meet the criteria for hedge accounting – cash flow hedges:

(thousands of CZK)	31 December 2023		
	Positive	Fair value Negative	Nominal value
Forwards (FWD)	2,210	0	174,322
Swaps (SW)	0	0	0
<b>Derivatives hedging cash flows</b>	<b>2,210</b>	<b>0</b>	<b>174,322</b>

The change in fair value of the above cash flow hedges is recognised in equity until the hedged items affect profit or loss or the hedged forecast transaction gives rise to an asset or liability.

In 2022, the Company did not use any financial derivatives.

## 12. Revenue

Revenue can be broken down as follows:

(thousands of CZK)	2023		2022	
	Domestic	Foreign	Domestic	Foreign
Civic buildings	4,508,574	0	2,320,608	0
Industrial construction	1,153,877	15,817	272,308	30,798
Transport Structures	893,988	0	728,021	0
Local and long-distance management	380,526	0	122,265	0
Water Management Structures	198,572	0	76,884	0
Other constructions	648,116	0	177,061	0
Specialised activities	194,864	0	35,883	0
<b>Revenue from sale of own products and services</b>	<b>7,978,517</b>	<b>15,817</b>	<b>3,733,030</b>	<b>30,798</b>

## 13. Related party transactions

All significant related party transactions are disclosed in this note.

The Company recorded these transactions with related parties:

(thousands of CZK)	2023	2022
<b>Revenue</b>		
Revenue from sale of own products and services	609,003	179,283
Other revenue	1,525	664
<b>Total</b>	<b>610,528</b>	<b>179,947</b>
<b>Cost</b>		
Purchase of materials	721,465	81,822
Purchase of services	295,235	170,399
Other costs	15,498	0
Purchase of sub-deliveries	804,697	1,525,952
<b>Total</b>	<b>1,836,895</b>	<b>1,778,173</b>

The Company recorded these balances with related parties:

(thousands of CZK)	31 December 2023	31 December 2022
<b>Receivables</b>		
Trade receivables	152,062	130,380
Other receivables	34,383	88,889
<b>Total</b>	<b>186,445</b>	<b>219,269</b>
<b>Liabilities</b>		
- Trade liabilities	449,658	586,465
- Estimated items	110,390	9,895
- Borrowings*	300,000	89,226
- Other liabilities	51,759	0
<b>Total</b>	<b>911,807</b>	<b>685,586</b>

\* Borrowings as at 31 December 2022 are reported in the line Other liabilities

Borrowings bear interest at market rates.

The Chief Executive Officer of the Company shall be provided with a company vehicle.

#### 14. Remuneration of the audit firm

Information on the remuneration of the auditing company PricewaterhouseCoopers Audit, s.r.o. is

presented in the notes to the consolidated financial statements of Metrostav a.s.

#### 15. Employees

	2023 (thousands of CZK)	2022 (thousands of CZK)
Remuneration of members of statutory bodies and salary costs of senior staff	33,987	6,758
Salary costs of other staff	607,016	165,541
Social security costs	204,362	57,997
Other social costs	22,564	5,347
<b>Total personnel costs</b>	<b>867,929</b>	<b>237,643</b>
	2023 (number)	2022 (number)
Senior staff	7	7
Other employees	628	178
<b>Total employees</b>	<b>635</b>	<b>185</b>

The number of managing directors in 2023 and 2022 is 3, the number of members of the Supervisory Board is 3.

Other transactions with the Company's management are described in Note 13 Related Party Transactions.

Senior staff includes senior staff who report directly to members of the statutory body.

#### 16. Income Tax

Tax expenses include:

(thousands of CZK)	2023	2022
Tax payable (21%)	125,632	44,559
Deferred tax	-107,012	-42,508
Tax paid abroad	0	-11
<b>Total tax expense</b>	<b>18,620</b>	<b>2,040</b>

## Provision for income tax

A provision for income tax in the amount of CZK 124,000 thousand was made in 2023 (2022: CZK 44,559 thousand). This amount was reduced by income tax advances paid, which amounted to CZK 28,443 thousand (2022: CZK 8,796 thousand). The resulting provision for income tax of CZK 95,557 is shown in the Income tax provision line (2022: CZK 35,763).

On the basis of the EU Council Directive 2022/2523 on ensuring a global minimum level of effective taxation of multinational enterprise groups and large domestic groups, Act No. 416/2023 Coll., on Equalisation Taxes for Large Multinational Groups and Large Domestic Groups was adopted. Compensatory taxes will be levied if the calculated effective tax rate in a given country is lower than 15%. The taxpayer of the compensatory tax is the group companies whose consolidated annual revenue reported in the

consolidated financial statements of the ultimate parent entity amounts to EUR 750 million in at least 2 of the 4 reporting periods immediately preceding the tax year in question. The Company expects to become a payer of compensatory tax in the immediately following period. The compensatory tax has not been taken into account in the calculation of deferred tax. The Company is currently analysing the tax liability in relation to the compensatory tax in the following period.

## Deferred tax

Deferred tax has been calculated using a tax rate of 21% (the tax rate for accounting periods from 1 January 2024 onwards) (as at 31 December 2022: 19%).

The deferred tax receivable can be analysed as follows:

(thousands of CZK)	31 December 2023	31 December 2022
<b>Deferred tax asset in respect of:</b>		
difference between the accounting and tax residual values of fixed assets	33	0
provisions and valuation allowances	119,039	44,577
cash flow hedging	-464	0
other temporary differences	39,171	6,656
<b>Net deferred tax asset</b>	<b>157,779</b>	<b>51,233</b>

## 17. Statement of cash flows, cash and cash equivalents

Cash and cash equivalents shown in the statement of cash flows include:

(thousands of CZK)	31 December 2023	31 December 2022
Cash in hand	149	243
Cash on accounts	2,321,710	725,590
<b>Total cash and cash equivalents</b>	<b>2,321,859</b>	<b>725,833</b>

Bank accounts contain a balance of CZK 774,281 thousand (31 December 2022: CZK 248,385 thousand), which the Company may dispose of only

with the approval of a third party - a shareholder of the Company (formerly an association).

## 18. Subsequent events

There were no events after the balance sheet date that had a significant impact on the Company's final accounts as at 31 December 2023.

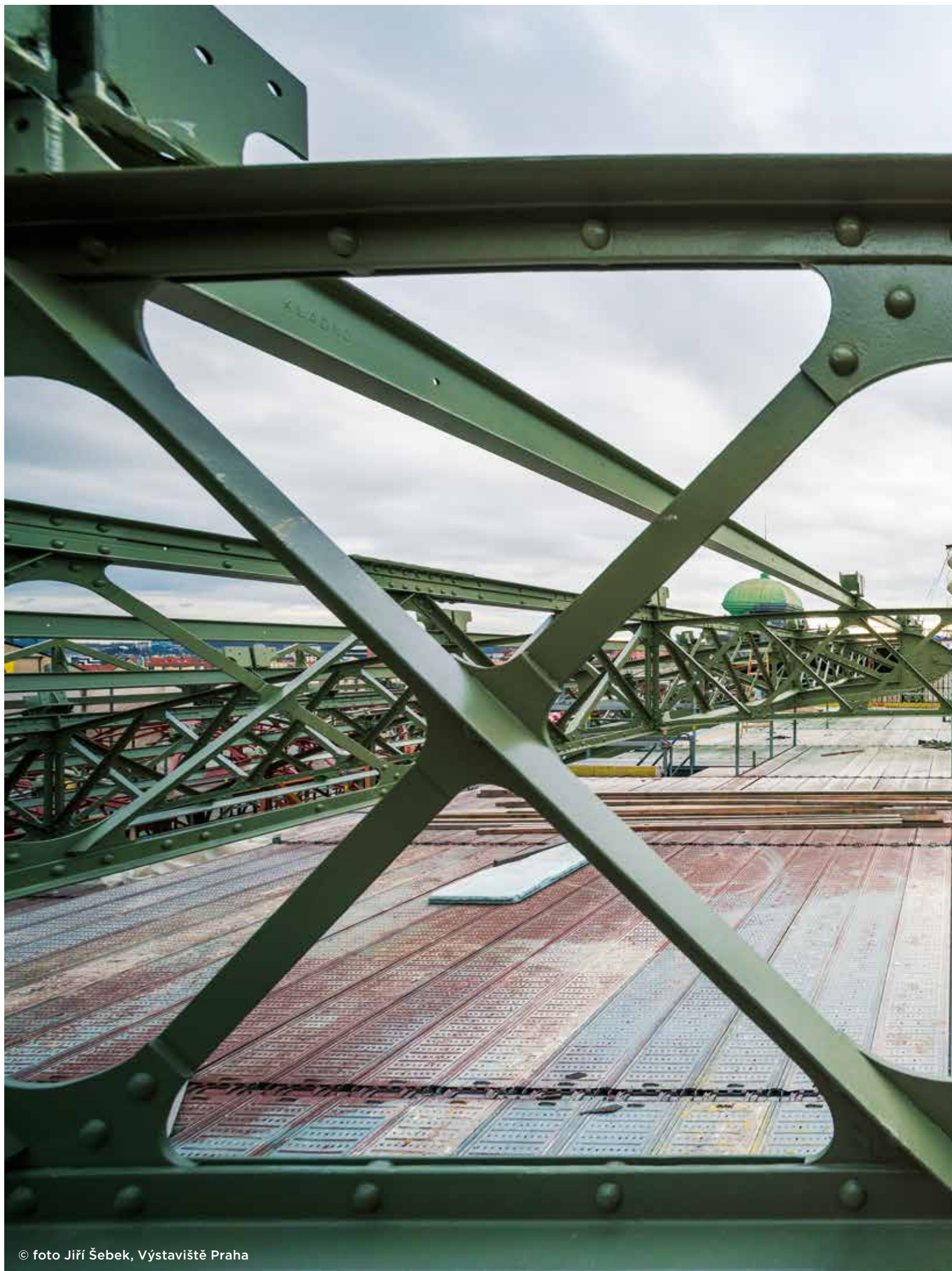
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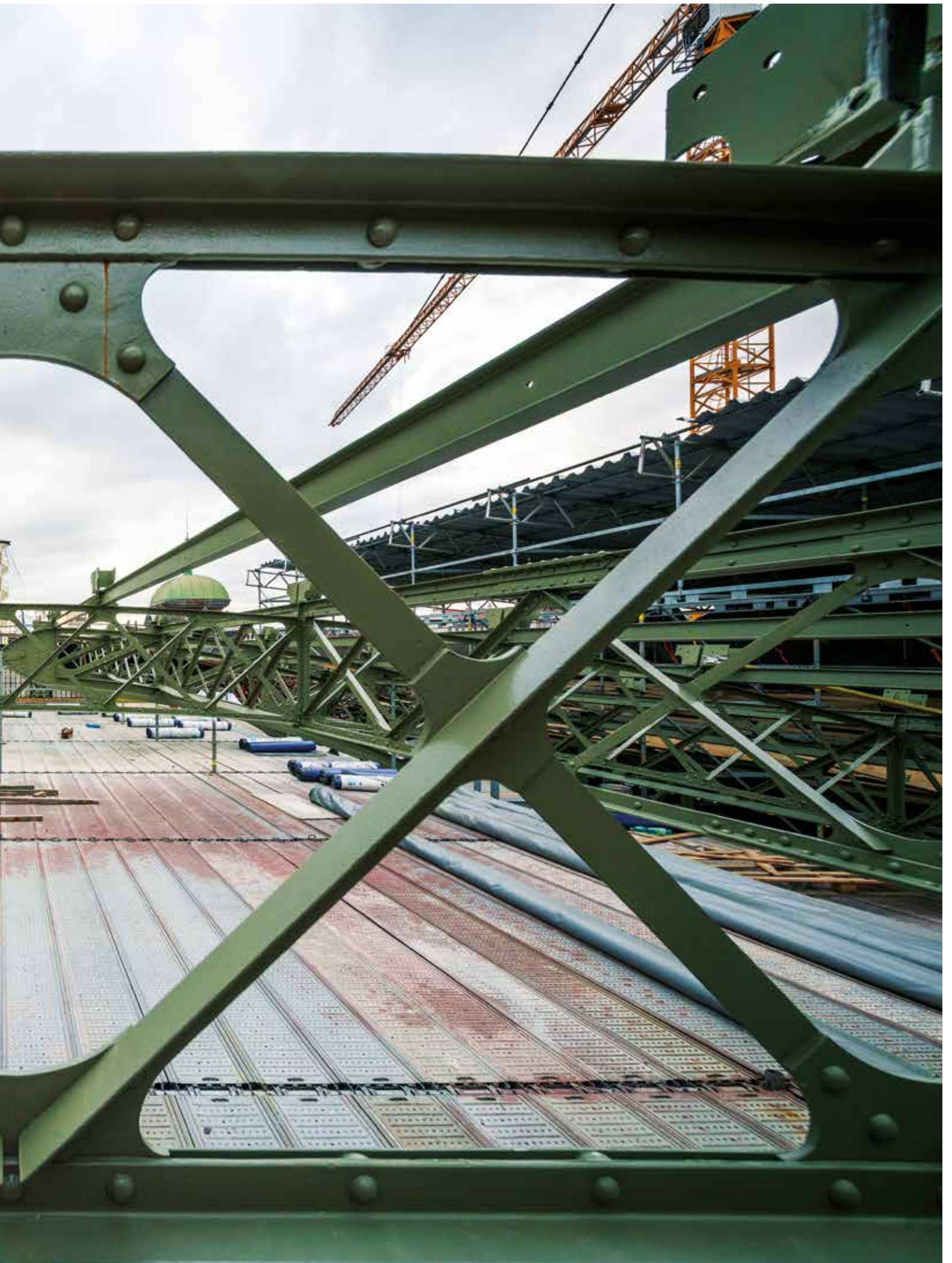


**Ing. Karel Volf**  
Executive Officer



**Ing. Tomáš Erhard**  
Executive Officer





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