



Česká pošta

Annual Report 2024

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1 Foreword

Dear Readers,

When preparing my introductory remarks for the annual report for the last year, I didn't want to merely summarise a description of individual events, although this is something I cannot entirely avoid. I wanted to present to you the continuity of our work and our unwavering path towards our goal.

If we were unsuccessful in our efforts, my remarks would end here. However, as we have achieved success, I can continue calmly and with a clear conscience.

In the previous annual report, I wrote to you that "Specific implementation steps of the approved transformation plan await Česká pošta, along with preparation for, firmly believing, a successful tender for acquiring a new postal license. Cost-saving rationalisation changes will continue to be implemented constantly, with all employees dedicated to ensuring customer satisfaction daily".

We have obtained a license for the years 2025 – 2029 and had no competitor in the tender. It has been shown that the services required by the state, which are demonstrably non-market in nature, are still essential for a certain part of the population and can only be provided by Česká pošta. We are a proud national operator, a connection between the state and the citizen. We manage and will continue to manage our role, not because the state loves us, but because we are the only one of our kind for such a demanding task.

Our transformation has not come to an end. It is built on three pillars: economic stability, the separation of commercial services into a separate entity, and the development and implementation of public interest services, which are primarily defined by the state. And here lies the reason for the ongoing transformation. We must continuously improve existing services and introduce new ones. Customers are not satisfied with the current standard; their demands naturally grow. Therefore, we cannot promise to complete the transformation activities by a certain date, as it is an ongoing process.

Česká pošta is becoming a company that provides dual services: those mandated by the state and those in the public interest. This involves assisting citizens with services that the market cannot or does not know how to provide in their locality. It is both simple and complex. Such is the role of Česká pošta in our society. I was particularly struck by the words of the former Director General of Czech Television who said, and I paraphrase, that when there is a crisis, people switch to the ČT24 channel. I see a parallel with Česká pošta. Even if people occasionally find it unappealing, it remains a certainty for them, a company that helps them.

A theme from last year that particularly pleases me is the mention of our customer service. Transformation on paper and subsequently in practice is fine, but the daily work for our customers is the fuel, diesel, electricity, gas, or anything else that allows us to make changes. By enduring both stabilisation and transformation steps, it shows and, allow me to use a colloquial word here in the Annual Report, that we 'have never and will never run out of gas'. Despite occasional negative news in the media, our customers continued to trust us and use our services, even paying for them. In return, we have met their demands and, thanks to their payments, have been able to work on separating commercial and state services. I have no clearer proof of our mutual symbiosis and good work.

In conclusion, allow me one remark. I applied for the tender for the position of Director General of Česká pošta with respect, humility, and determination, not for myself, but for the employees and the entire Company. I want Česká pošta to be dignified, and for the employees to be proud to work here.

I perceive my role as a commitment to navigate all the twists and turns of our challenging journey together. Today, I can say that we have all successfully accomplished this demanding task. We have not deviated from

the outlined direction of our transformation and, thanks to our economy, we did not have to make random drastic changes. We maintained high service standards, stayed on course, and fulfilled our role. We improved conditions for employees and increased wages. We tried to maintain the postal craft at a high level so that our work is positively perceived by society.

Thanks to all of you, and let's continue this journey together.



Miroslav Štěpán, Director General of Česká pošta, s.p.

2 Report of the Supervisory Board

Dear Ladies and Gentlemen,

The year 2024 was a transformative year for Česká pošta, aimed at enhancing customer services and adapting to the rapidly changing market. In 2024, Česká pošta focused on several key areas.

The state enterprise faced pressure to ensure financial stability due to a decline in the number of letter mailings, which is a result of the digitalisation of communication. Nevertheless, it managed to find a balance between providing traditional postal services and innovations aimed at business areas such as e-commerce and logistics.

The process of digitalisation continued as Česká pošta invested in the modernisation of its IT systems and the introduction of new customer services, such as providing selected agendas for the Labour Office.

Česká pošta improved its delivery services through more efficient logistics and the modernisation of its vehicle fleet.

The year 2024 represented a major preparatory phase for Česká pošta in the separation of Balíkovna.

The objective of the changes within the state enterprise is to ensure an efficient and reliable method of delivering shipments, including parcels, letters, and other products. In addition, Česká pošta focuses on ensuring the availability of its services through its branch network, providing public services, and simplifying communication between people.

The primary role of Balíkovna is focused on the fast and convenient delivery of parcels through an extensive network of pickup points. This system allows customers to collect parcels at over 10,000 locations across the Czech Republic.

Česká pošta continued to focus on enhancing the customer experience, not only through new technologies but also by improving access to branches and the quality of personal service. The expansion of pickup points continued, strengthening service availability in both rural and urban areas.

In 2024, Česká pošta also emphasised ecological and sustainable approaches, such as using electric vehicles for delivery and minimizing paper and energy consumption.

The Supervisory Board of Česká pošta convened for seven meetings, while committees met a total of sixteen times. Key topics discussed included the business situation and financial stability of the Enterprise, the transformation process, the sale of surplus assets, particularly real estate, investments in various parts of the Enterprise, and personnel matters.

On behalf of the Supervisory Board, I would like to thank all employees for their committed work, which is the pillar of Česká pošta's success. Gratitude is also extended to customers for using the extensive services and products offered by Česká pošta.

Martin Friedrich Herrmann, Chairman of the Supervisory Board of Česká pošta, s.p.



3 Enterprise profile

3.1 Mission and strategic goals

Česká pošta, s.p. (hereinafter referred to as "Česká pošta" or "the Enterprise") confirms its role as a national operator and strategic partner for the state, businesses, and citizens even in 2024. With an extensive network of branches and modern logistical processes, it ensures the efficient provision of a wide range of services, emphasizing reliability, accessibility, and innovation.

Česká pošta serves as an open platform connecting the physical and digital worlds, creating opportunities for collaboration with various partners – from public administration to businesses and innovators in digital services. Our vision is to become a modern, efficient, and accessible provider of essential services that are an integral part of the lives of citizens and businesses in the Czech Republic.

The ongoing transformation of the enterprise aims at modernising services, optimising operations, and enhancing digitalisation, thus aligning Česká pošta with the new needs of customers and the strategic priorities of the state. A key element of this transformation is the development of digital agendas and the integration of innovative technological solutions into daily operations. Through these efforts, Česká pošta not only solidifies its position as a key provider of public services but also emerges as a significant player in e-commerce, logistics, and digital products.

Česká pošta's unique position lies in its ability to connect traditional postal services with new digital and commercial agendas. This makes it not only a central distributor of state and administrative services but also an open platform for technological and business solutions that support regional development and equal opportunities. Special emphasis is placed on supporting less tech-savvy customers, thereby strengthening Česká pošta's role as a reliable guide in the digital transformation of society.

The modernisation of the enterprise encompasses not only technological innovations but also changes in client engagement. Building a new contact network based on expert consultants will enable more effective advisory services and facilitate customers' transition to digital communication forms. Česká pošta thus reinforces its role as a trustworthy partner connecting citizens, the state, and the commercial sector, while creating opportunities for cooperation with other entities in building a modern service ecosystem.

Looking ahead, the priority remains to ensure high-quality fundamental services in compliance with legislative requirements. At the same time, the enterprise actively seeks new ways to expand its offerings and enhance its value to clients. Česká pošta is dynamically evolving and adapting to the changing needs of the market, aiming to be not only a traditional postal operator but also an innovative provider of digital and administrative services that simplify life for citizens and entrepreneurs.

3.2 Legal status of the Enterprise

The Enterprise is a legal entity pursuant to Act No. 89/2012 Coll., the Civil Code, as amended. Its legal and proprietary status is regulated by Act No. 77/1997 Coll., on State-Owned Enterprise, as amended.

Česká pošta, s.p. was founded on 1 January 1993, following the decision of the Ministry of Economics of the Czech Republic of 16 December 1992 in accordance with Act No. 111/1990 Coll., on State-Owned Enterprises, and was incorporated by registration in the Commercial Register maintained by the District Court for Prague 1, Section A, Entry No. 7565. In conjunction with the decision, the Ministry of Economy of the Czech Republic issued a Deed of Foundation of the State-Owned Enterprise dated 16 December 1992. Presently, ČP is entered in the Commercial Register maintained by the Municipal Court in Prague, Section

A, Entry No. 7565. The Ministry of Transport and Communications issued a Deed of Foundation of the State-Owned Enterprise Česká pošta compliant with Act No. 77/1997, on State-Owned Enterprises. This document entered into effect on 16 June 1997 and was later repeatedly amended.

As at 31 December 2024, the Ministry of Interior of the Czech Republic acted as the Founder of Česká pošta.

3.3 Enterprise administration and management

Pursuant to Section 11 of Act No. 77/1997 Coll. on State-Owned Enterprise, as amended, the bodies of Česká pošta are the Director General and the Supervisory Board.

Director General

The Director General (“DG”), as the statutory body of Česká pošta, s.p., acts on behalf of the Enterprise and manages its activities. He decides on all matters concerning ČP that are not entrusted by law to the competence of the Founder pursuant to Section 12 of Act No. 77/1997 Coll. on State-Owned Enterprise, as amended.

The Director General appoints deputy directors general who, in his absence, represent him to the full extent of his powers. The Director General stipulates the order in which his deputies shall represent him. Deputy directors general are entered in the Commercial Register.

Supervisory Board

The Supervisory Board exercises its powers pursuant to Section 13 and 13a of Act No. 77/1997 Coll., on State-Owned Enterprises, as amended, to the extent determined by the Founder in the Enterprise’s Statutes of Association.

The Supervisory Board consists of fifteen members. One-third of the Supervisory Board is comprised of employees of the Enterprise who are elected and recalled by the Enterprise’s employees based on the voting results. Two thirds of the Supervisory Board members are appointed and recalled by the Founder.

The Supervisory Board had fifteen members as at 31 December 2024.

Supervisory Board committees

The Supervisory Board sets up committees as its working, advisory, and initiative-proposing bodies. The committees primarily meet to pre-discuss or discuss in more detail the agendas and materials to be submitted to the Supervisory Board. Committee members are elected and recalled by the Supervisory Board.

The following Supervisory Board committees were set up as at 31 December 2024:

- Strategy Committee
- Audit Committee
- Human Resources Development Committee

Statutory body and management of the Enterprise

Corporate governance and the organisational structure of the Enterprise as at 31 December 2024 are described in the Notes to the separate financial statements, Chapter 14.2.

4 Regulatory framework for postal services

The Third Postal Services Directive (Directive 2008/6/EC of the European Parliament and of the Council of 20 February 2008 amending Directive 97/67/EC on common rules for the development of internal markets of Community postal services), completed the liberalisation of the European Union postal market. The Czech postal services market has been fully liberalised since 1 January 2013 in accordance with an amendment to Act No. 29/2000 Coll., on Postal Services (hereinafter the “Postal Services Act”).

In addition to the foregoing Postal Services Act, the regulatory framework for the provision of postal services comprises a set of regulations issued by the Czech Telecommunication Office (“CTO”) through which it determines the obligations of operators providing or ensuring postal services, a framework for reporting expenses and revenues and for financing basic services, and the conditions for ensuring universal access to basic services. Cross-border parcel delivery is also governed by the directly applicable regulation of the European Union - Regulation (EU) 2018/644 on cross-border parcel delivery services.

Since April 2005, postal services, as concerns the exercising of regulatory powers, has been within the remit of CTO. This national regulatory authority exercises its powers and performs the obligations of an administrative body in this sector, particularly in connection with the applicable provisions of the Postal Services Act.

By CTO Decision No. ČTÚ-11 268/2022-610/XIV. vyř. of 27 July 2022, Česká pošta was granted a postal licence for the years 2023 and 2024. The content of the postal license mentioned above entails the obligation for Česká pošta to ensure, at a specified quality level, the general availability of selected basic services throughout the territory of the Czech Republic based on Section 3(1) of the Postal Services Act. As a result of the granted postal license, Česká pošta remains an officially designated entity for providing services, which must be ensured based on the commitments arising from the Czech Republic’s membership in the Universal Postal Union. Domestic postal parcels up to 10 kg and consignments up to 2 kg with dimensions exceeding 35.3 x 25 x 2 cm and a weight of 1 kg were excluded from the scope of the postal obligation by a decision of the CTO.

By Decision No. ČTÚ-16425/2024-610/X.. vyř. of 27 August 2024, Česká pošta was granted a postal licence for the years 2025 to 2029. Compared to the previous period, the Printed Matter Bag service was excluded from the scope of postal obligations. In other respects, the obligations of the postal license holder remain identical to those in the period of 2023 and 2024.

The rights and obligations of Česká pošta as the postal services provider and the postal license holder are enshrined in Title V of the Postal Services Act. The Enterprise shall annually publish and submit complete and truthful information to CTO about the results of meeting the quality criteria. The method, form and content of published information are determined by the implementing legislation of CTO (decrees). Czech Telecommunication Office annually publishes a summary report on the fulfilment of obligations imposed on postal license holders (hereinafter referred to as ‘CTO report’).

The Enterprise has remediated any shortcomings identified in the CTO Report for 2023 on a continuous basis. No material financial claims of the CTO or other entities against the Enterprise, which could be enforceable by law, were identified in the Report.

4.1 Selected obligations of a postal license holder

- Fulfil the postal obligation in a manner that is in line with the public needs and with basic quality requirements, including continuous provision of information on essential services and how they are used.

- Provide postal services subject to the postal obligation in accordance with postal conditions, at affordable prices allowing the use of basic services to the extent necessary for the common needs of people.
- Prevent any unjustified preferential treatment or disadvantaging of recipients of the basic services defined in the provider's postal license.
- Enable at least one posting on every working day and at least one delivery to the address of each natural person or legal entity (exceptions are listed in the implementing regulation).
- Allow other operators, in a transparent and non-discriminatory manner and under a written agreement, to access the components of postal infrastructure and to specific services related to the postal infrastructure operation.

5 Report on activities

In 2024, Česká pošta recognised a consolidated loss before tax of CZK 1,246 million and CZK 1,247 million after tax. Česká pošta standalone presented a loss before and after tax of CZK 1,249 million. The amounts disclosed below are from the consolidated financial statements.

Compared to the year 2023, loss before tax increased by CZK 502 million. Operating revenues decreased by CZK 872 million from CZK 19,193 million to CZK 18,321 million. This decline was partially offset by a reduction in operating costs by CZK 520 million from CZK 19,978 million to CZK 19,458 million. The result of financial operations also decreased year-on-year by CZK 150 million.

Revenue from the sale of own products and services decreased year-on-year by CZK 999 million (-6.1%). This was primarily due to a decline in postal operations revenue (CZK -1,129 million). The main contributors to this were revenues from domestic letters (CZK -637 million), where a 19.7% decrease in the number of items, mainly due to customers switching to electronic forms of communication, outweighed the effect of a 9.4% increase in the average price. Year-on-year revenues from domestic parcels also decreased (CZK -363 million). The number of parcels submitted fell by 6.9% due to strong competitive pressure, which also prevented Česká pošta from increasing prices. Revenues from money orders (CZK -103 million) and SIPO statements and payments (CZK -34 million) also declined, reflecting the trend towards digital forms of payment (especially electronic banking). Additionally, there was a decrease in revenues from the distribution of promotional materials (CZK -29 million), international outgoing mail (CZK -17 million), and others. Price increases had a positive impact on addressed direct mail (CZK +39 million) and parcel collection (CZK +32 million). Revenues from agency activities increased year-on-year by CZK 26 million, mainly in the sale of financial products of the ČSOB Group (CZK +74 million), while a decline was recorded in SIPO services for issuers (CZK -20 million), the sale of stamps (CZK -16 million), and others. Revenues from electronic services increased by (CZK +144 million), primarily from Czechpoint services (CZK +69 million), data boxes (CZK +43 million), and certification authority (CZK +30 million).

Revenue from the sale of goods decreased year-on-year by CZK 146 million, accompanied by a reduction in the cost of goods sold by CZK 124 million due to the discontinuation of newspaper sales at ČP branches (partially moved to consignment sales) and a smaller volume of goods sold by ČP Nept.

Other operating revenues increased by CZK 273 million due to higher sales of unnecessary real estate (CZK +256 million).

The decrease in operating costs is mainly attributable to savings in personnel costs (CZK -260 million). The primary reason was a reduction in the number of core employees at Česká pošta by 1,200 FTE (i.e., by 5.7%) due to the implementation of various optimisation projects in operations and administration. Conversely, the

average wage paid increased by CZK 1,581 (+5.0%), mainly due to the increase in tariff wages from September 2024.

Lower material consumption costs (CZK -51 million) were primarily due to reduced spending on uniforms (CZK -28 million) and security boxes (CZK -17 million). The decrease in prices positively impacted energy costs (CZK -33 million).

Service costs also decreased (CZK -97 million), primarily due to savings in external road transport (CZK -104 million), where route optimisation and a decrease in transported items were evident. Additionally, costs for agency employment (CZK -53 million), air transport (CZK -19 million), rail transport (CZK -17 million), consultancy (CZK -16 million), and others were reduced. Conversely, commissions for Partner Post Offices and external collection points increased (CZK +56 million), corresponding with the growing number of these branches. Furthermore, vehicle maintenance costs (CZK +42 million), terminal fees (CZK +27 million), software maintenance (CZK +18 million), and others increased.

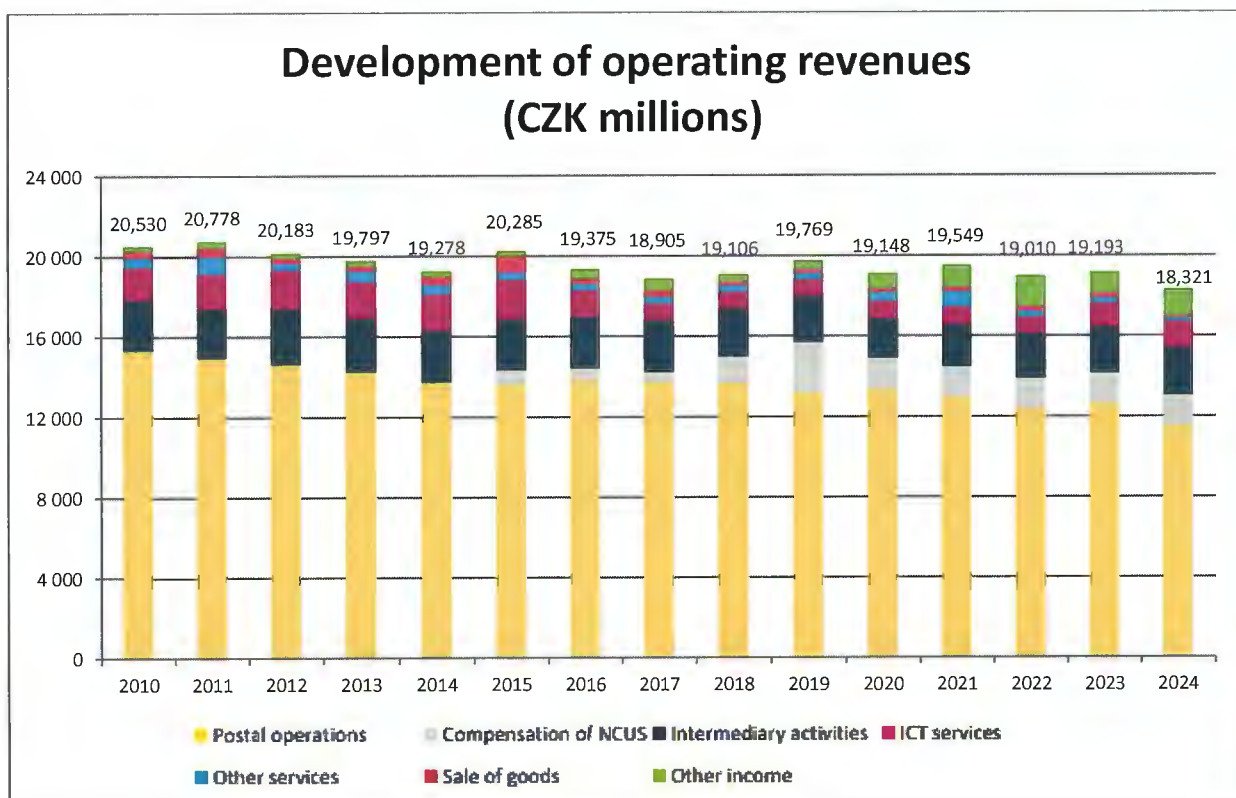
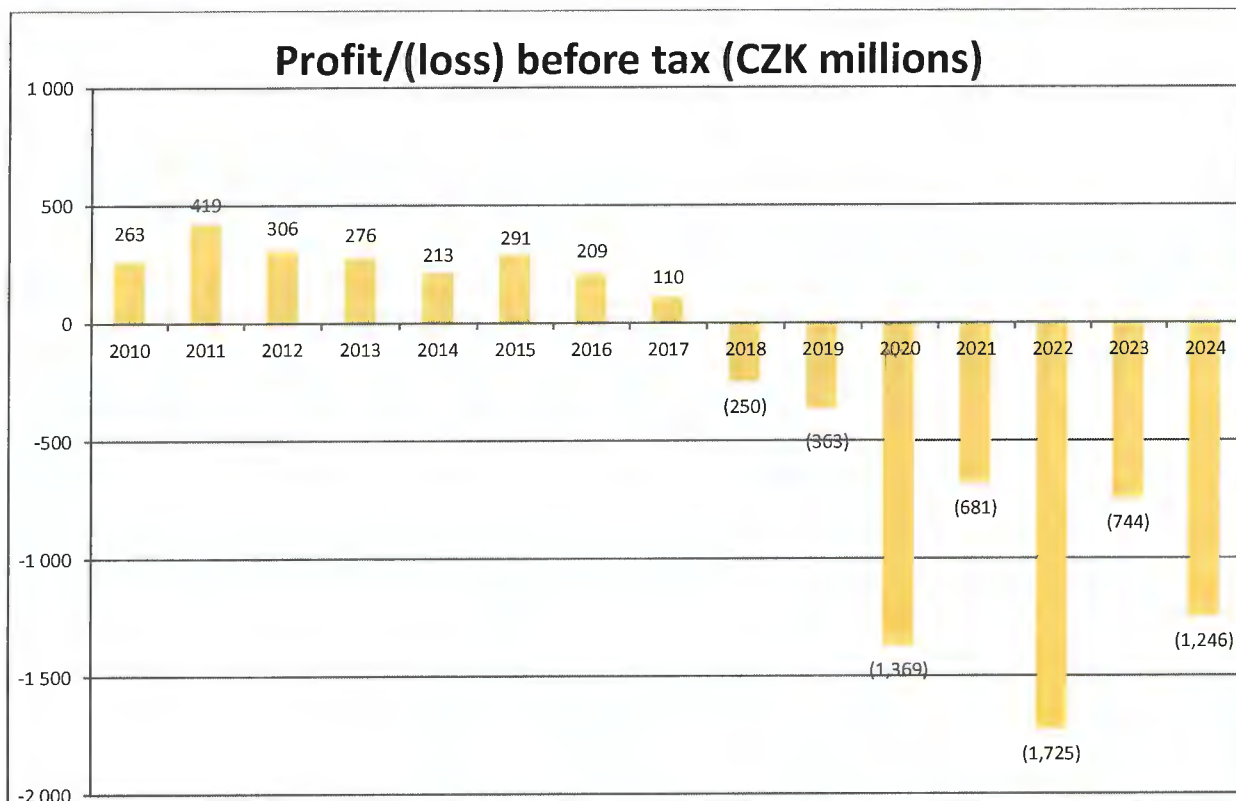
Year-on-year depreciation of fixed assets decreased (CZK -88 million), mainly due to higher disposals of IT assets in 2023.

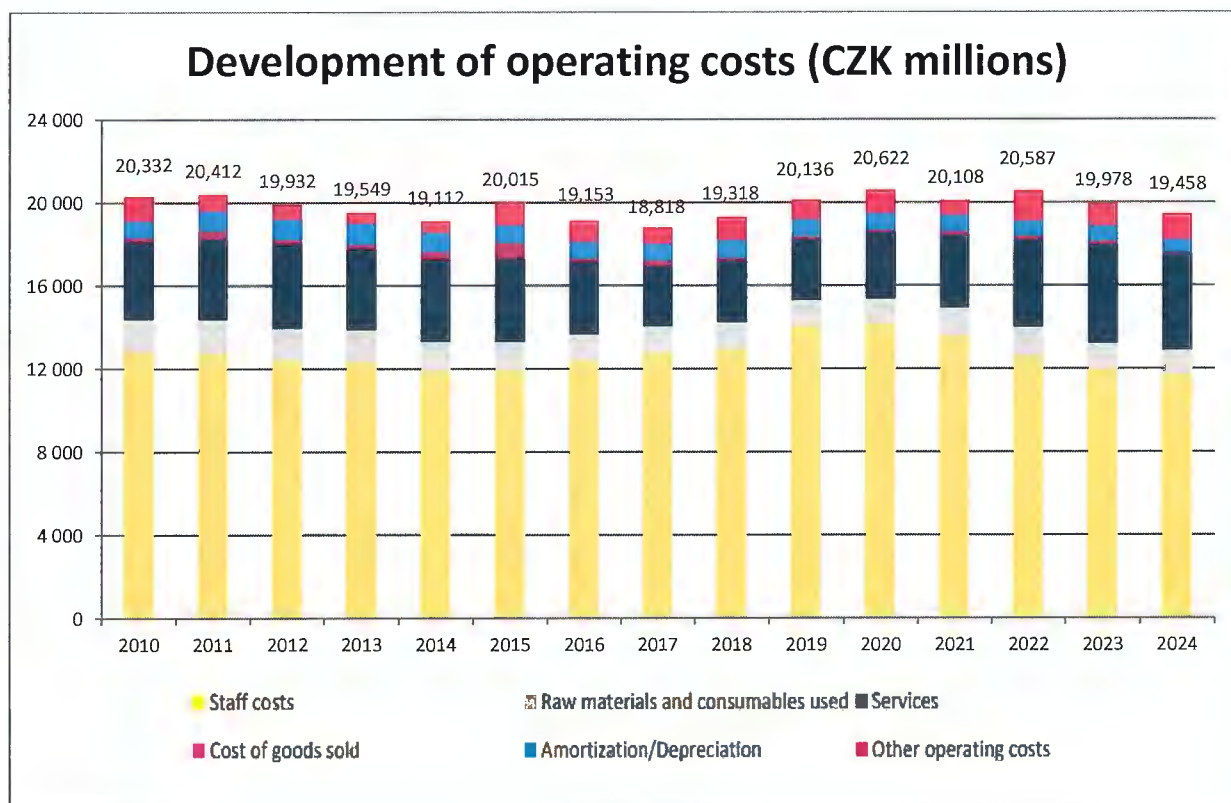
The increase in other operating costs (CZK +113 million) is primarily due to the higher residual value of sold fixed assets (CZK +79 million) and changes in provisions (CZK +32 million).

The financial result decreased year-on-year by CZK 150 million. Interest expenses increased by CZK 69 million due to higher loan drawdowns. The delay in the payment of ČNUS compensation had a negative impact. At the same time, received interest decreased by CZK 48 million, reflecting a lower volume of invested entrusted funds and lower interest rates. Exchange rate differences worsened year-on-year by CZK 39 million, mainly due to the revaluation of received advances from international operations.

Trends in key financial indicators - consolidated

	2018	2019	2020	2021	2022	2023	2024
Assets (CZK millions)	19,572	20,456	20,972	20,987	15,692	16,137	18,117
Equity (CZK millions)	9,754	9,272	7,722	6,979	5,072	4,173	2,838
Operating revenues (CZK millions)	19,106	19,769	19,148	19,549	19,010	19,193	18,321
of which: Sales of own products and services (CZK millions)	17,229	16,634	16,685	16,708	15,732	16,392	15,393
Operating costs (CZK millions)	19,318	20,136	20,621	20,108	20,587	19,978	19,458
of which: Personnel expenses (CZK millions)	12,944	14,052	14,133	13,600	12,621	11,963	11,703
Profit (+) / loss (-) before tax (CZK millions)	(250)	(363)	(1,369)	(681)	(1,725)	(744)	(1,246)
Net profit (+) / loss (-) (CZK millions)	(186)	(286)	(1,356)	(553)	(1,730)	(747)	(1,247)





6 Foreign branch or division

Česká pošta has no foreign branches or divisions.

7 Information on R&D activities

The Enterprise undertakes no R&D activities.

8 Information on environmental protection

The Enterprise's strategy in respect of environmental protection is, aside from compliance with its statutory obligations in all areas of environmental protection, includes, among other things:

Efficient energy management

Česká pošta has implemented and certified the "Energy Management System" according to the ČSN EN ISO 50001:2019. This system successfully passed the recertification audit in 2024.

Optimising waste management

In 2024, a major optimisation of the quantity and size of waste bins and the frequency of their collection began. This optimisation will continue in 2025.

9 Information on labour relations

The average adjusted employee headcount was 19,702 recalculated persons. Compared to the previous year, this value is lower by 1,200 recalculated persons. The significant decrease is mainly related to:

- Optimising letter delivery in 'DEPO' Act projects and changing D+3 delivery
- Optimising the number of city branches
- Organisational changes and rationalisation measures in administration and management

The turnover rate decreased to 26.1%. Unwanted (voluntary) turnover reached 16.4% and also showed a year-on-year downward trend. The main reason for voluntary turnover is the nature of the work (high physical workload).

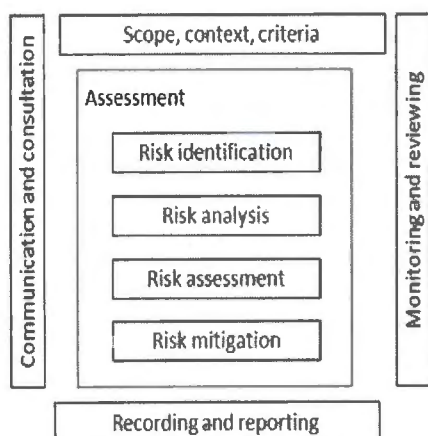
The average monthly salary in ČP for the year 2024 was CZK 33,250, which represents an increase of CZK 1,581 or 5.0%, compared to the previous year. The increase was influenced by the implemented rise in tariff wages by an average of 10% from 1 September 2024, in accordance with the results of negotiations with trade unions.

In addition to wages, the employer provided employee benefits totalling about CZK 30,000 per employee annually. These were mainly contributions to meal vouchers, pension insurance supplementary pension savings plans and life insurance, individual employee recreation, children's camp etc. In addition to these benefits, Česká pošta provided its employees with an extra week of leave beyond the labour code.

10 Protecting ČP, its employees and customers

10.1 Risk management

Risk management within the Česká pošta is an essential part of business. It enables the management and conscious acceptance of all risks that arise in response to changes in the external environment as well as to changes within the Enterprise.



In the pursuit of risk management, a unified and integrated approach to the identification, assessment, treatment, monitoring, and reporting of risks has been introduced. The risk management process is set according to the Effective Risk Management (ERM) model, i.e., comprehensive management system of all identified risks within the Enterprise, using the Compliance of the management documentation governing the risk management process in the ČP, and in accordance with ČSN ISO 31000, ČSN EN ISO/IEC 27001, ČSN EN ISO/IEC 27005, ČSN EN ISO 9001 standards, as amended, and requirements of Act No. 181/2014 Coll., act on Cybersecurity, as amended, and Decree No. 82/2018 Coll., on security measures, cybersecurity incidents, reactive measures and on determining the formalities of submissions in the field of cybersecurity, as amended.

Active involvement of asset owners and risk owners (managers of organisational units at ČP), who are responsible for the management of the respective asset/risk in the entrusted area of activity as specified in the Organisational Rules and the relevant appendix to the Organisational Rules.

The basic document evidencing the result of the risk management process in 2024 is the "Risk Book of Česká pošta, s.p. year 2024", which contains the identified and managed risks as of 30 September 2024.

10.2 Security

The fundamental mission of the Česká pošta Security unit is to ensure essential security requirements for the smooth operation of all services, to ensure the protection of Česká pošta employees and clients and to protect the Enterprise's assets and those entrusted to it.

Tasks within the remit of the Security unit, in addition to the aforementioned, include crisis management, addressing external and internal criminal activities conducted against Česká pošta, measures to combat the legitimisation of proceeds from crime and financing of terrorism, administering confidential information used in Česká pošta's operations and occupational health and safety. The Security unit also oversees reviews of personal data protection under the methodological guidance of the specialised legal department.

Furthermore, Česká pošta, as a member of the Association of Critical Infrastructure through its Security Unit, participated in discussions related to the proposed law on critical infrastructure with the manager responsible for this law (General Directorate of the Fire and Rescue Service of the Czech Republic).

10.3 Compliance

The goal of compliance at Česká pošta is to create an effective defence against financial losses, damage to assets, possible criminal liability of a legal person and damage to the good name of Česká pošta due to a breach of legal obligations, internal regulations, illegal and other unfair practices, or conflicts of interest. Special attention is paid to corruption. The corporate compliance programme is developed as a comprehensive compliance management system, including elements of prevention, detection, and response, which is continuously developed and updated to reflect changes in the internal and external environment of Česká pošta.

10.4 Internal audit

Internal audit activities were carried out in 2024 on the basis of the Internal Audit Activity Plan for 2024, which was based on the approved Strategic Internal Audit Plan for 2021 - 2025, proposals and requirements of ČP's top management, risk identification in ČP's processes and activities, regular evaluations of the development of these risks and the knowledge and experience of internal auditors gained in all audit activities. The internal audit activity plan for 2024 took into account the capacity possibilities of the internal audit department and potential cooperation in the form of co-sourcing with an external auditing firm. In response to the current needs of the ČP, the audit plan also included the so-called requested audits that resulted from the current situation in the ČP.

In 2024, internal audit activities included process audits, compliance audits and so-called control activities, which consisted mainly of ad hoc verification of the setup of a specific activity, process or action in a predefined area based on the requirements of the Company's management. Internal audit activities in 2024 also included the provision of consulting services.

The Manager of the Audit, Risk Management and Control Unit is a member of the Council of the Czech Institute of Internal Auditors (CIIA) and is also an active member of the CIIA's Education Committee and serves as a mentor.

10.5 Postal ombudsman office

In 2024, a total of 1,378 Česká pošta, s.p. customers contacted the ombudsman. Of this number, the postal ombudsman handled 841 petitions which were assessed according to the nature of the complaint and, in cooperation with relevant departments, investigated and processed.

The postal ombudsman directly discussed 348 petitions, 228 petitions submitted at the customers' initiative were handled by the ombudsman with no standard prior procedure. In line with the in-house rules, the ombudsman granted compensation to ČP's customers in 3 cases. The total amount of compensation in 2024 was CZK 9,810. Overall, 378 submissions did not meet the conditions for being assessed by the postal ombudsman.

32 submissions complimented or thanked Česká pošta employees.

10.6 Employee ombudsperson

For the purpose of advocating the legitimate interests of employees in the performance of their duties, Česká pošta has established the Office of the Ombudsperson for Employees. Employees may contact the ombudsperson with their complaints, suggestions, information, and inquiries in writing, by phone or in person. In 2024, 118 cases of employee submissions were investigated, primarily related to labour law and financial matters in connection with implemented transformational changes that accompanied employee cost savings. Generalised conclusions from investigations provide feedback on the corporate environment. In justified cases, employees are compensated individually, in total, steps were taken in favour of employees in the amount of CZK 275 thousand.

11 Provision of information pursuant to Act No. 106/1999 Coll. on freedom of access to information

Česká pošta, s.p. (hereinafter "Česká pošta"), as an obliged entity pursuant to Act No. 106/1999 Coll. On freedom of access to information, as amended (hereinafter the "Information Act", "IA"), herewith in accordance with Section 18 of IA issues this Annual Report on its activities regarding the provision of information pursuant to IA, in 2024:

- 1. Number of received requests for information:** In 2024, a total of 66 requests were filed referencing to the Information Act. Of these, 36 requests were processed under the Information Act, while the remaining 30 requests were handled outside the Information Act.
- 2. Number of issued decisions denying a request (or part thereof):** In 2024, a total of 2 decisions on the denial of a request and 1 decision on the partial denial of a request for the provision of information were issued.
- 3. Number of appeals submitted against decisions:** In 2024, 1 appeal against the decisions denying a request was filed.
- 4. Description of substantive parts of each court judgment regarding a review of the legality of Česká pošta's decision to deny a request for the provision of information:** In 2024, there was no review of the legality of Česká pošta's decisions by the court.
- 5. Summary of costs incurred by Česká pošta in connection with litigation regarding rights and obligations pursuant to IA, including the cost of its own staff and legal costs:** In 2024, no costs were incurred.

6. **Provided exclusive licenses, including the justification for the need to grant an exclusive licence:** No exclusive license was granted by Česká pošta in 2024.
7. **Complaints regarding the procedure for handling requests for information (Section 16a of IA), grounds for their submission, a brief description of how they were handled:** In 2024, 2 complaints were filed regarding the Česká pošta's handling of requests for information under Section 16a of the Information Act.

In one case, the reason for filing a complaint was the failure to provide information within the statutory time limit, where the delay in sending the response to the request for information to the applicant was caused by an administrative error - resolved by providing the information.

In one case, the reason for filing a complaint was the Applicant's disagreement with the content of the information provided - the complaint was forwarded to a superior authority (the Office for Personal Data Protection), which had not decided on the complaint by the time this annual report was prepared.

12 Subsequent events

The Enterprise will quantify the net costs of providing basic services for the accounting period of 2024 and will request the CTO to reimburse these costs, which represent an unfair financial burden for the Enterprise as the holder of a postal license. The application deadline is 31 August 2025.

As at 1 January 2025, Balíkovna a.s. was registered in the commercial register as a subsidiary of the Enterprise.

No other events have occurred between the balance sheet date and the date of preparation of the annual report and the financial statements that would have a material impact on the financial statements as at 31 December 2024.

Financial section – Independent Auditor’s Reports, Standalone Financial Statements – financial statements, notes; Consolidated Financial Statements- financial statements, notes

Note 13 contains the independent auditor’s report on the standalone and consolidated financial statements

Note 14 contains the Enterprise’s standalone financial statements as at 31 December 2024

- Standalone financial statements prepared as at 31 December 2024 (in CZK millions)
 - Balance sheet as at 31 December 2024
 - Income statement for the year ended 31 December 2024
 - Statement of cash flows for the year ended 31 December 2024
 - Statement of changes in equity for the year ended 31 December 2024
- Notes to the standalone financial statements as at 31 December 2024

Note 15 contains the consolidated financial statements of Česká pošta Group as at 31 December 2024:

- Consolidated financial statements prepared as at 31 December 2024 (in CZK millions)
 - Consolidated balance sheet as at 31 December 2024
 - Consolidated income statement for the year ended 31 December 2024
 - Consolidated statement of cash flows for the year ended 31 December 2024
 - Consolidated statement of changes in equity for the year ended 31 December 2024
- Notes to the consolidated financial statements as at 31 December 2024

13 Independent Auditor's Report



Independent Auditor's Report

To the founder of Česká pošta, s.p.

Our opinion

In our opinion:

- the consolidated financial statements give a true and fair view of the consolidated financial position of Česká pošta, s.p., with its registered office at Politických vězňů 909/4, Praha 1 (the "Enterprise") and its subsidiaries (together the "Group") as at 31 December 2024, and of the Group's consolidated financial performance and consolidated cash flows for the year ended 31 December 2024 in accordance with Czech accounting legislation, and
- the separate financial statements give a true and fair view of the financial position of the Enterprise as at 31 December 2024, and of the Enterprise's financial performance and cash flows for the year ended 31 December 2024 in accordance with Czech accounting legislation.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December 2024,
- the consolidated income statement for the year ended 31 December 2024,
- the consolidated statement of changes in equity for the year ended 31 December 2024,
- the consolidated statement of cash flows for the year ended 31 December 2024, and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

The separate financial statements of the Enterprise comprise:

- the balance sheet as at 31 December 2024,
- the income statement for the year ended 31 December 2024,
- the statement of changes in equity for the year ended 31 December 2024,
- the statement of cash flows for the year ended 31 December 2024, and
- the notes to the separate financial statements, comprising material accounting policy information and other explanatory information.

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.

PricewaterhouseCoopers Audit, s.r.o., Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic
T: +420 251 151 111, www.pwc.com/cz

PricewaterhouseCoopers Audit, s.r.o., registered seat Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Licence No. 021.

Independence

We are independent of the Group and the Enterprise 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.

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 consolidated and separate financial statements (together 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 or our knowledge about the Group and the Enterprise 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 Group and the Enterprise 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.

Responsibilities of the statutory body, supervisory board and audit committee of the Enterprise 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 Group’s and the Enterprise’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 Group or the Enterprise or to cease operations, or has no realistic alternative but to do so.

The supervisory board of the Enterprise is responsible for overseeing the financial reporting process. The audit committee of the Enterprise is responsible for monitoring the financial statements’ preparation process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Group's and the Enterprise'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 Group's and the Enterprise'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 Group or the Enterprise to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.



We communicate with the statutory body, supervisory board and audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

24 March 2025

PricewaterhouseCoopers Audit, s.r.o.
represented by

A handwritten signature in blue ink, appearing to be "Václav Prýmek".

Václav Prýmek

A handwritten signature in blue ink, appearing to be "Petra Jirková Bočáková".

Petra Jirková Bočáková
Statutory Auditor, Licence No. 2253

14 Standalone Financial Statements

14.1 Financial Statements as at 31 December 2024 (in CZK millions)

BALANCE SHEET (in CZK millions)					
Reference	ASSETS	31/12/2024			31/12/2023
a	b	Gross 1	Allowances 2	Net 3	Net 4
	TOTAL ASSETS	32,669	(14,622)	18,047	16,080
	<i>of which entrusted resources</i>	<i>4,819</i>	<i>-</i>	<i>4,819</i>	<i>3,840</i>
B.	Fixed assets	21,405	(14,440)	6,965	7,314
B. I.	Intangible fixed assets	2,144	(1,853)	291	322
B. I. 2.	Royalties	2,094	(1,831)	263	296
B. I. 2.1.	Software	2,086	(1,824)	262	294
B. I. 2.2.	Other royalties	8	(7)	1	2
B. I. 4.	Other intangible fixed assets	23	(22)	1	2
B. I. 5.	Advances paid and intangible fixed assets in the course of construction	27	-	27	24
B. I. 5.2.	Intangible fixed assets in the course of construction	27	-	27	24
B. II.	Tangible fixed assets	19,198	(12,587)	6,611	6,931
B. II. 1.	Land and constructions	11,898	(6,370)	5,528	5,885
B. II. 1.1.	Land	715	-	715	743
B. II. 1.2.	Constructions	11,183	(6,370)	4,813	5,142
B. II. 2.	Equipment	7,213	(6,210)	1,003	826
B. II. 4.	Other tangible fixed assets	5	-	5	5
B. II. 5.	Advances paid and tangible fixed assets in the course of construction	82	(7)	75	215
B. II. 5.2.	Tangible fixed assets in the course of construction	82	(7)	75	215
B. III.	Long-term investments	63	-	63	61
B. III. 1.	Investments - subsidiaries and controlling party	63	-	63	61
C.	Current assets	11,095	(182)	10,913	8,569
	<i>of which entrusted resources</i>	<i>4,819</i>	<i>-</i>	<i>4,819</i>	<i>3,840</i>
C. I.	Inventories	182	(54)	128	131
C. I. 1.	Raw materials	158	(52)	106	110
C. I. 3.	Finished goods and goods for resale	24	(2)	22	21
C. I. 3.2.	Goods for resale	24	(2)	22	21
C. II.	Receivables	6,100	(128)	5,972	4,604
	<i>of which entrusted resources</i>	<i>97</i>	<i>-</i>	<i>97</i>	<i>173</i>
C. II. 1.	Long-term receivables	23	-	23	22
C. II. 1.5.	Receivables - other	23	-	23	22
C. II. 1.5. 2.	Long-term advances paid	9	-	9	8
C. II. 1.5. 4.	Other receivables	14	-	14	14
C. II. 2.	Short-term receivables	6,077	(128)	5,949	4,582
	<i>of which entrusted resources</i>	<i>97</i>	<i>-</i>	<i>97</i>	<i>173</i>
C. II. 2.1.	Trade receivables	1,282	(46)	1,236	1,733
	<i>of which entrusted resources</i>	<i>97</i>	<i>-</i>	<i>97</i>	<i>173</i>
C. II. 2.2.	Receivables - subsidiaries and controlling party	-	-	-	1
C. II. 2.4.	Receivables - other	4,795	(82)	4,713	2,848
C. II. 2.4. 1.	Receivables from shareholders	1	-	1	1
C. II. 2.4. 3.	Taxes - receivables from the state	2	-	2	-
C. II. 2.4. 4.	Short-term advances paid	285	-	285	148
C. II. 2.4. 5.	Estimated receivables	4,394	-	4,394	2,651
C. II. 2.4. 6.	Other receivables	113	(82)	31	48
C. III.	Short-term financial investments	-	-	-	-
C. IV.	Cash	4,813	-	4,813	3,834
	<i>of which entrusted resources</i>	<i>4,722</i>	<i>-</i>	<i>4,722</i>	<i>3,667</i>
C. IV. 1.	Cash in hand	3,252	-	3,252	3,481
C. IV. 2.	Cash at bank	1,561	-	1,561	353
D.	Prepayments and accrued income	169	-	169	197
D. 1.	Prepaid expenses	169	-	169	197

BALANCE SHEET – Liabilities and Equity (in CZK millions)

Reference a	LIABILITIES AND EQUITY b	31/12/2024	31/12/2023
		5	6
	TOTAL LIABILITIES AND EQUITY	18,047	16,080
	<i>of which entrusted resources</i>	<i>4,819</i>	<i>3,840</i>
A.	Equity	2,774	4,111
A. I.	Share capital	3,588	3,588
A. I. 1.	Share capital	3,588	3,588
A. II.	Share premium and capital contributions	72	908
A. II. 2.	Capital contributions	72	908
A. II. 2.1.	Other capital contributions	72	908
A. III.	Reserves from profit	363	371
A. III. 1.	Other reserve funds	359	359
A. III. 2.	Statutory and other reserves	4	12
A. V.	Profit / (loss) for the current period	(1,249)	(756)
B. + C	Liabilities	14,874	11,540
	<i>of which entrusted resources</i>	<i>4,819</i>	<i>3,840</i>
B.	Provisions	559	667
B. 4.	Other provisions	559	667
C.	Payables	14,315	10,873
	<i>of which entrusted resources</i>	<i>4,819</i>	<i>3,840</i>
C. I.	Long-term payables	127	183
C. I. 4.	Trade payables	127	183
C. II.	Short-term payables	14,188	10,690
	<i>of which entrusted resources</i>	<i>4,819</i>	<i>3,840</i>
C. II. 2.	Liabilities due to financial institutions	4,104	1,589
	<i>of which entrusted resources</i>	<i>21</i>	<i>27</i>
C. II. 3.	Short-term advances received	1,397	1,341
C. II. 4.	Trade payables	6,064	5,106
	<i>of which entrusted resources</i>	<i>4,798</i>	<i>3,813</i>
C. II. 6.	Liabilities - subsidiaries and controlling party	43	55
C. II. 8.	Liabilities - other	2,580	2,599
C. II. 8.3.	Liabilities to employees	616	578
C. II. 8.4.	Liabilities for social security and health insurance	317	302
C. II. 8.5.	Taxes and state subsidies payable	53	99
C. II. 8.6.	Estimated payables	1301	1,306
C. II. 8.7.	Other liabilities	293	314
D.	Accruals and deferred income	399	429
D. 1.	Accrued expenses	-	1
D. 2.	Deferred income	399	428

INCOME STATEMENT			
(in CZK millions)			
Reference a	TEXT b	Accounting period ended	
		31/12/2024	31/12/2023
		1	2
I.	Sales of products and services	15,372	16,369
II.	Sales of goods	54	124
A.	Cost of sales	5,979	6,205
A. 1.	Cost of goods sold	22	71
A. 2.	Raw materials and consumables used	1,154	1,239
A. 3.	Services	4,803	4,895
C.	Own work capitalised	(22)	(21)
D.	Staff costs	11,529	11,801
D. 1.	Wages and salaries	8,414	8,682
D. 2.	Social security, health insurance and other social costs	3,115	3,119
D. 2.1.	Social security and health insurance costs	2,792	2,824
D. 2.2.	Other costs	323	295
E.	Value adjustments in operating activities	615	683
E. 1.	Value adjustments of fixed assets	628	707
E. 1.1.	Depreciation, amortisation and write off of fixed assets	633	722
E. 1.2.	Provision for impairment of fixed assets	(5)	(15)
E. 2.	Provision for impairment of inventories	(3)	(7)
E. 3.	Provision for impairment of receivables	(10)	(17)
III.	Operating income - other	2,821	2,544
III. 1.	Sales of fixed assets	975	719
III. 2.	Sales of raw materials	-	-
III. 3.	Other operating income	1,846	1,825
3.1.	Compensation for net cost on providing basic postal services	1,500	1,500
3.2.	Other operating income	345	324
F.	Operating expenses - other	1,287	1,166
F. 1.	Net book value of fixed assets sold	150	71
F. 2.	Cost of raw materials sold	-	1
F. 3.	Taxes and charges	50	40
F. 4.	Operating provisions and complex prepaid expenses	(108)	(148)
F. 5.	Other operating expenses	1,195	1,202
*	Operating result	(1,141)	(797)
VI.	Interest and similar income	112	161
VI. 2.	Other interest and similar income	112	161
J.	Interest expense and similar expenses	170	101
J. 2.	Other interest expense and similar expenses	170	101
VII.	Other financial income	103	94
K.	Other financial expenses	153	113
*	Financial result	(108)	41
**	Net profit / (loss) before tax	(1,249)	(756)
**	Net profit / (loss) after tax	(1,249)	(756)
***	Net profit / (loss) for the financial period	(1,249)	(756)
*	Net turnover for the financial period	15,426	*

* Net turnover for the financial period 2023 is not provided due to a change in the calculation methodology for the accounting period 2024 and the incomparability of data.

Statement of Cash flow for the year ended 31 December 2024

(in CZK millions)		Year ended 31 December 2024	Year ended 31 December 2023
	Cash and cash equivalents at the beginning of the year	3,834	3,791
	<i>of which entrusted resources</i>	3,667	3,435
	Net profit/(loss) on ordinary activities before tax	(1,249)	(756)
A.1	Adjustments for non-cash movements:	(254)	(174)
A.1.1	Amortisation, depreciation of fixed assets and abolished investment projects	640	722
A.1.2	Change in allowances and provisions with respect to operating activities	(126)	(187)
A.1.3	Profit from disposal of fixed assets	(825)	(648)
A.1.5	Net interest expense/(income)	57	(60)
A.1.6	Adjustments for other non-cash movements	-	(1)
A*	Net cash flow from operating activities before tax and changes in working capital	(1,503)	(930)
A.2	Non-cash working capital changes	2,135	821
A.2	<i>of which entrusted resources</i>	1,055	232
A.2.1	Change in receivables and accrued income	(1,211)	(1,041)
A.2.1	<i>of which entrusted resources</i>	76	(4)
A.2.2	Change short-term and long-term payables and deferred income	3,340	1,816
A.2.2	<i>of which entrusted resources</i>	979	236
A.2.3	Change in inventories	6	46
A**	Net cash flow from operating activities before tax	632	(109)
A.**	<i>of which entrusted resources</i>	1,055	232
A.3.	Interest paid excluding capitalised interest	(170)	(101)
A.4	Interest received	112	161
A***	Net cash flow from operating activities	574	(49)
	<i>of which entrusted resources</i>	1,055	232
	Cash flows from investing activities		
B.1	Acquisition of fixed assets	(483)	(478)
B.2	Proceeds from the sale of fixed assets	975	722
B***	Net cash flow from investing activities	492	244
	Cash flows from financing activities		
C.2	Change in equity	(87)	(152)
C.2.5	Direct payments from funds	(87)	(152)
C***	Net cash flow from financing activities	(87)	(152)
	Net increase/(decrease) in cash and cash equivalents	979	43
	<i>of which entrusted resources</i>	1,055	232
	Cash and cash equivalents at the end of the year	4,813	3,834
	<i>of which entrusted resources</i>	4,722	3,667

Statement of Changes in Equity for the year ended 31 December 2024

(in CZK millions)	Share capital	Other capital funds	Reserve fund	Other funds from profit	Profit/(loss) for the period	Total
Balance as at 31 December 2022	3,588	2,807	359	16	(1,751)	5,019
Profit distribution/movements between funds	-	-	-	148	1,751	1,899
Use of funds/settlement of loss	-	(1,899)	-	(152)	-	(2,051)
Profit / (loss) for the period	-	-	-	-	(756)	(756)
Balance as at 31 December 2023	3,588	908	359	12	(756)	4,111
Profit distribution/movements between funds	-	-	-	80	756	836
Use of funds/settlement of loss	-	(836)	-	(88)	-	(924)
Profit / (loss) for the period	-	-	-	-	(1,249)	(1,249)
Balance as at 31 December 2024	3,588	72	359	4	(1,249)	2,774

14.2 Notes to the Standalone Financial Statements

14.2.1 General Information

14.2.1.1 Introductory Information about the Enterprise

Česká pošta, s.p., (“the Enterprise”, “Česká pošta” or “ČP”) is a state-owned enterprise. It is a legal entity conducting its business activities using assets of the Czech government under its own name and on its own account. The founder of the Enterprise is the Czech State. The Enterprise was established on 1 January 1993 and the founder was then represented by the Ministry of Transport and Communications of the Czech Republic. As at 31 December 2024 and 31 December 2023, the role of the founder of the Enterprise under the government’s name was carried out by the Ministry of Interior of the Czech Republic. As at 31 December 2024, the Enterprise had its registered office at Politických vězňů 909/4, Prague 1, Czech Republic. The Enterprise’s identification number is 471 14 983 and it is registered in the Commercial Register of the Municipal Court in Prague, Section A, Insert No. 7565. Česká pošta is an Enterprise pursuant to Act No. 77/1997 Coll., on State-Owned Enterprise.

The Enterprise’s activities in the provision of postal services and foreign postal services are regulated by the Czech Telecommunication Office.

The main business activities of the Enterprise are as follows:

- a) provision of postal services,
- b) provision of international postal services,
- c) provision of services of central procurement for government (public) administration.

The other business activities are carried out by the Enterprise to the extent specified by the Founder in the Memorandum of Incorporation of the Enterprise.

The corporate bodies of the Enterprise are the Director General and the Supervisory Board. The Director General is the Enterprise’s statutory body.

The Enterprise is part of the whole of the government consolidation.

Organisational structure as at 31 December 2024 was as follows:

Česká pošta, s.p. Director General										
Division of the Director General	Division of Business Development and Strategy	Security	Communication	Internal Audit and Risk Management and Control unit	Balíkova Division	ICT and eGovernment	Shared Services Division	Financial and Corporate Services	State Postal Services	Contact Network
Unit Director	Unit Director	Department Manager	Department Manager	Department Manager	Executive Director	Unit Director	Executive Director	Executive Director	Executive Director	Executive Director
Specialised Department of the Postal Museum	Strategy and Change Management Department	Specialised Department of Security, Postal Operations, and Crisis Management	Specialised Department of Press and PR	Specialised Department of Operational Control	Marketing and Business Development	Specialised Department of ICT Unit Support	Human Resource Management	Specialised Department of Product and Analysis	PS Operations	Separate HR Department
Manager of the Postal Museum	Department Manager	Spec. Department Manager	Spec. Department Manager	Spec. Department Manager	Unit Director	Spec. Department Manager	Executive Director	Spec. Department Manager	Department Manager	Head of the Separate Department
Purchase Department		Specialised Department of Inspection	Specialised Department of Marketing Communication		Specialised Department of Balíkova Analysis and Reporting	Specialised Department of ICT Security	Customer Services	Specialised Department Alliance Partners	PS Retail Sales	Separate Purchasing and Legal Department
Department Manager		Spec. Department Manager	Spec. Department Manager		Spec. Department Manager	Spec. Department Manager	Department Manager	Spec. Department Manager	Department Manager	Head of the Separate Department
Legal Support and Corporate Agenda Department		Specialised Department of OHS & PP			Balíkova Operation	Strategic ICT Development and BI	Finance	Česká pošta Trade Department	Economic and Administrative Department for PS	Contact Network Operation
Department Manager		Spec. Department Manager			Unit Director	Department Manager	Unit Director	Department Manager	Department Manager	Department Manager
					Balíkova Finance and Services	ICT Development	Property Management and Transportation	Operations	Specialised Department of Ext. Networks and Real Estate Management for PS	Managing Contact Network
					Unit Director	Department Manager	Unit Director	Unit Director	Spec. Department Manager	Department Manager
					Balíkova Distribution	ICT Operation			Specialised HR Department for PS	
					Unit Director	Department Manager			Spec. Department Manager	
					Balíkova Human Resources	e-GOV			Internal Networks	
					Department Manager	Department Manager			Department Manager	

Top management of the Enterprise as at 31 December 2024 was as follows:

Top management of the Enterprise	Position	Date of appointment of Deputy Director General	Entered in the Commercial Register *
Miroslav Štěpán	Director General	15/02/2024	yes
Ondřej Škorpil	Deputy Director General, Executive Director of Shared Services Division	17/02/2023	yes
Vlastimil Halla	Deputy Director General, Director of the Director's General Section	05/12/2024	yes
Martin Vránek	Deputy General Director General, Executive Director of Financial and Corporate Services	17/02/2023	yes

* The Director General stipulates the order in which his deputies shall represent him. Deputy Directors General are entered in the Commercial Register.

There were no changes in the top management of the Enterprise between the balance sheet date and the date of preparation of the financial statements.

Members of the Supervisory Board as at 31 December 2024 were as follows:

Name	Position
Martin Friedrich Herrmann	Chairman
Petr Stiegler	First Vice-Chairman
Lukáš Hendrych	Vice-Chairman
Jindřiška Budweiserová	Vice-Chairman
Jaroslava Fišerová	Member
Petra Brunnerová	Member
Josef Zedník	Member
František Lukl	Member
Radek Cestr	Member
Pavla Chadimová	Member
Pavel Kolář	Member
Martin Netolický	Member
Lukáš Vajda	Member
Štěpán Grochal	Member
Filip Hajný	Member

Members of the Supervisory Board as at 31 December 2023 were as follows:

Name	Position
Martin Friedrich Herrmann	Chairman
Petr Stiegler	First Vice-Chairman
Lukáš Hendrych	Vice-Chairman
Jindřiška Budweiserová	Vice-Chairman
Jaroslava Fišerová	Member
Petra Brunnerová	Member
Josef Zedník	Member
František Lukl	Member
Radek Cestr	Member
Pavla Chadimová	Member
Pavel Kolář	Member
Martin Netolický	Member
Lukáš Vajda	Member
Štěpán Grochal	Member
Filip Hajný	Member

Members of the Strategy Committee of the Enterprise as at 31 December 2024 were as follows:

Name	Position
Martin F. Herrmann	Chairman
Štěpán Grochal	Member
Petr Stiegler	Member
Lukáš Hendrych	Member
Pavel Kolář	Member

Members of the Audit Committee of the Enterprise as at 31 December 2024 were as follows:

Name	Position
Petr Stiegler	Chairman
Martin F. Herrmann	Member
Jaroslava Fišerová	Member
Pavel Kolář	Member
Radek Cestr	Member

Members of the Human Resources Development Committee of the Enterprise as at 31 December 2024 were as follows:

Name	Position
Jindřiška Budweiserová	Chairman
Josef Zedník	Member
Pavla Chadimová	Member
Petra Brunnerová	Member
Martin F. Herrmann	Member

Members of the Strategy Committee of the Enterprise as at 31 December 2023 were as follows:

Name	Position
Martin F. Herrmann	Chairman
Štěpán Grochal	Member
Petr Stiegler	Member
Lukáš Hendrych	Member
Pavel Kolář	Member

Members of the Audit Committee of the Enterprise as at 31 December 2023 were as follows:

Name	Position
Petr Stiegler	Chairman
Martin F. Herrmann	Member
Jaroslava Fišerová	Member
Pavel Kolář	Member
Radek Cestr	Member

Members of the Human Resources Development Committee of the Enterprise as at 31 December 2023 were as follows:

Name	Position
Jindřiška Budweiserová	Chairman
Josef Zedník	Member
Pavla Chadimová	Member
Petra Brunnerová	Member
Martin F. Herrmann	Member

The Enterprise's mission is to perform the function of a public postal operator involving the provision of basic and other postal services in accordance with Postal Services Act in a manner that is in line with basic quality requirements and the public needs. The Enterprise was issued a certificate of authorisation to conduct business in the field of postal services in accordance with Section 19 of the Postal Services Act; the Enterprise also holds the postal license pursuant to Section 21 of the Postal Services Act. The postal license was granted to the Enterprise until 31 December 2029.

The content of the postal license establishes the duty to secure the general availability of basic postal services in the whole territory of the Czech Republic.

The rights and obligations of the Enterprise as the postal services provider and the postal license holder are enshrined in Title V of the Postal Services Act. The Enterprise must annually publish and submit complete and truthful information to CTO about the results of providing and securing basic services and an evaluation of the fulfilment of the quality parameters. The content, form and manner of publishing the information is determined by an implementing legal regulation to the Postal Services Act (Decree No. 433/2012 Coll.). Czech Telecommunication Office annually publishes the summary report on the fulfilment of obligations entrusted to the postal license holder.

14.2.2 Basis of Preparation of Standalone Financial Statements

The financial statements have been prepared in accordance with the Accounting Act No. 563/1991 Coll. and related Decree No. 500/2002 Coll. and pursuant to the Czech Accounting Standards for Entrepreneurs applicable for 2024. The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the Czech Republic relevant for large companies and have been prepared under the historical cost convention except as disclosed below.

14.2.2.1 Comparative Information

The information for both the current and previous year is comparable. The items of Prepayments and accrued income and Accruals and deferred income have been reported in separate sections – D. Prepayments and accrued income/Accruals and deferred income.

For the accounting period starting on or after 1 January 2024, the Czech accounting regulations changed the definition of net turnover reported in the income statement. The value of the Enterprise's net turnover reported in the current accounting period now corresponds to the revenues from the sale of products and goods and from the rendering of services on which the Enterprise's business model is based.

The amount of net turnover for the previous accounting period for the purposes of categorisation of the accounting entity and determining whether the entity is subject to mandatory audit is stated in the financial statements for the previous accounting period and is not recalculated according to current legal provisions. However, this figure presented for the year 2023 in the previous financial statements is not comparable to the value in the current accounting period. Therefore, in accordance with §4, paragraph 7 of the Decree, the Enterprise does not present the net turnover position for the previous accounting period due to incomparability and to ensure the clarity of the financial statements.

14.2.2.2 Going Concern

Česká pošta continues to hold a significant place in society and is an integral part of the state's critical infrastructure. In 2024, the Enterprise successfully obtained a postal license for the period 2025-2029. It also continues to strive for changes in certain parameters of the postal services law to increase the efficiency of its services as well as customer experience. To this end, an amendment to the postal services law has been proposed, with significant changes in increasing the limit of compensation for net costs of universal service

(hereinafter "ČNUS") to a maximum amount CZK 2,000 million per year and changing the frequency of ČNUS payments from annual to quarterly.

The implementation of strategic steps defined in the medium term horizon continues, which includes expanding the portfolio of services offered to the state and cooperation with the public sector, developing technologies and innovations to build a modern logistics company oriented towards its customers, developing the provision of financial products, overall digitisation of Česká pošta, and many others.

By a resolution of the Czech government from June 2023, the project plan for the transformation of Česká pošta was approved, based on which the decision was made to create the joint-stock company Balíkovna, a.s. The aim is to separate part of the commercial parcel services from the existing ČP enterprise. This will separate the financing of commercial parcel services and basic postal services, which will better reflect the needs of both future enterprises.

The first milestone of this transformation is the establishment of the branch specialising in parcel services (Odštěpný závod Balíkové služby) on 1 April 2025, as a strategic intermediate step towards a full-fledged subsidiary company Balíkovna, a.s. This step will enable more efficient management of operational, financial, and organisational aspects within the existing structure without immediate separation into an independent entity. At the same time, it will provide the management and founder with a control and stabilisation mechanism before final independence. Parallel to this process, preparations are underway for the joint-stock company Balíkovna to enter a strategic partner.

As at 31 December 2024, Česká pošta had current assets in the amount of CZK 11.0 billion, while its short-term liabilities were CZK 14.2 billion. This resulted in a negative net working capital of CZK -3.2 billion. The main reason for this situation is the loss-making operations of Česká pošta in recent years. Year-on-year, the net working capital decreased by CZK 1.2 billion, which corresponds with Česká pošta's loss for the year 2024.

In the past year, Česká pošta has adopted a comprehensive set of measures aimed at improving its operations, and these measures will continue into 2025. Among the measures implemented in 2024 were the reduction of the number of employees in managerial and administrative functions, resulting in annual savings of 200 million CZK, and further optimisation, particularly in increasing revenue from commercial activities, automation and digitisation of processes, optimisation of management of real estate and movable assets (e.g., reduction of the number of managerial vehicles, etc.), which will continue into 2025.

For 2025, additional optimisation measures are prepared for further rationalisation of the employee base, with the largest reduction planned based on the modelling of a new and leaner logistics network using market benchmarks and will take place on the side of Balíkovna.

The Enterprise's operations are currently dependent on bank loans. Česká pošta is working hard to improve its operations. In addition to standard optimisation measures (reducing the number of employees, saving operating costs, increasing service prices, introducing new services), Česká pošta's plan to return to profitability is based on two key factors: the separation of commercial services into an independent Balíkovna and the increase in the limit of compensation for net costs of universal service (ČNUS). Under these assumptions, Česká pošta should generate a reasonable profit from 2026 onwards.

Financing of the Enterprise is dependent on bank loans at this moment. Current credit lines and other obligations are planned to be paid off from future profits and the potential sale of surplus assets and other surplus real estate.

During the past year, a network of contact specialists was also established to enable the provision of services to less mobile citizens. At the end of the year, the open infrastructure project was launched, offering the

possibility of posting and delivering parcels to other logistics operators. A pilot cooperation was established with one of the competitors, and Česká pošta expects to gradually start cooperation with other entities.

In 2024, Česká pošta used credit lines provided by ČSOB, a.s., UniCredit Bank, a.s., Raiffeisenbank, a.s., ING Bank N.V., and Všeobecná úverová banka a.s. to ensure classic operational financing, which are tied to ČNUS.

As at 31 December 2024, the credit lines were provided in the following structure and amounts:

Bank	Terms and conditions	Maturity date	Total limit (mio. CZK)
ČSOB, a.s.	overdraft loan, unsecured	31/12/2027	1,000
ČSOB, a.s.	multipurpose credit line, unsecured	15/06/2025	750
ČSOB, a.s.	bridging loan tied to the sale of real estate and payment to the Digital Information Agency (for the operation of data mailboxes), secured based on a Letter to Creditors issued by the Ministry of the Interior of the Czech Republic	15/06/2025	700
UniCredit Bank, a.s.	multipurpose credit line, unsecured	15/06/2025	700
Raiffeisenbank, a.s.	purpose loan for ČNUS, unsecured	31/03/2025	1,500
ING Bank N.V.	purpose loan for ČNUS, unsecured	28/03/2025	750
Všeobecná úverová banka a.s.	purpose loan for ČNUS, unsecured	26/02/2027	750

In the context of future financing, club loan provided by a group of banks is being prepared, and negotiations are currently underway. The financing arrangement will be a combination of operational loans and loans tied to ČNUS ("Net Costs of Universal Service") payments, in the total amount of CZK 5,250 million. Additionally, negotiations for a bridging loan with Raiffeisenbank a.s. for the period until the club financing is agreed resulted in the approval of a loan of CZK 750 million on 7 March 2025, with maturity on 31 December 2025, tied to the payment of the ČNUS balance for 2024.

During February 2025, ČNUS payments for 2023 in the amount of CZK 1,500 million were made, along with an advance payment of ČNUS for 2024 in the amount of CZK 750 million. This repaid the aforementioned credit lines from ING Bank N.V. and Raiffeisenbank a.s.

Česká pošta plays an irreplaceable role in providing services for the state, which has not been questioned by the Founder. The Enterprise also received a patronage statement from the Founder, in which the Founder promised to take steps to support Česká pošta, s.p., ensuring financing and continuous operation of Česká pošta, s.p., for 12 months from the date of the auditor's opinion.

Although the agreement on the club loan had not been concluded by the date of the audit opinion, the ongoing negotiations with banks, the support expressed in the patronage statement by the founder, and the ongoing results of the implementation of all strategic transformation activities lead the management of Česká pošta to believe that there is no significant going concern risk for the Enterprise.

14.2.3 Accounting Policies

The valuation methods applied by the Enterprise during preparation of the ordinary financial statements as at 31 December 2024 were as follows:

14.2.3.1 Intangible Fixed Assets

Purchased intangible fixed assets are recorded at cost, which includes all costs related with their acquisition.

Intangible fixed assets with a unit cost exceeding CZK 40 thousand and estimated useful life longer than one year are amortised using the straight-line method over their estimated useful life in accordance with the Enterprise's amortisation plan, i.e., over four years. In exceptional cases, the useful life is set for a longer period (e.g., according to the useful life of the related equipment). If technical improvements of intangible fixed assets are made, following the period in which the improvements are put into use, the amortisation period of the asset is extended by 4 years or more in the case of significant asset items that the Enterprise uses and expects to use for more than 4 years (e.g. the SAP backbone economic system).

Intangible fixed assets with a unit cost of less than CZK 40 thousand are expensed upon acquisition and only carried in the operational evidence, resp. off-balance sheet.

The amortisation plan is updated during the useful life of the intangible fixed assets based on the expected useful life.

The cost limit for the capitalisation of the technical improvements of intangible fixed assets is CZK 40 thousand. An allowance for impairment is created when the carrying value of an asset is greater than its estimated recoverable amount. The estimated recoverable amount is determined based on expected future cash flows generated by the certain asset.

14.2.3.2 Tangible Fixed Assets

Purchased tangible fixed assets are initially recorded at cost, which includes all costs related with their acquisition. The Enterprise does not include loan interest in the acquisition cost of tangible fixed assets.

Tangible fixed assets acquired free of charge are valued at their replacement cost and are recorded into other capital funds. The replacement cost of these assets is based on expert opinion or on market prices of comparable fixed assets in terms of their wear and tear and performance. The valuation of tangible fixed assets is decreased by subsidies for the acquisition of assets.

The depreciation plan is updated during the useful life of the tangible fixed assets based on the expected useful life.

An allowance for impairment is created when the carrying value of an asset is greater than its estimated recoverable amount. The estimated recoverable amount is determined based on expected future cash flows generated by this asset.

An allowance is created mainly in cases of projects whose realisation is uncertain or in cases of expected sales if the expected sales price net of transaction cost is lower than the book value disclosed in the records.

Technical improvement expenses of tangible fixed assets increase the acquisition costs if their expenses exceed the total amount of CZK 40 thousand and technical improvements are put into use in that year. Ordinary repairs and maintenance costs are expensed as incurred.

Tangible fixed assets with a unit cost of less than CZK 40 thousand are treated as inventory and are expensed upon consumption and are only carried in the operational record. The exceptions are selected low-

value assets – selected information technology and postal technology, which is also considered tangible fixed assets.

Tangible fixed assets with a unit cost exceeding CZK 40 thousand and selected low-value tangible assets with an estimated useful life longer than one year are depreciated using the straight-line method over their estimated useful lives of assets.

The estimated useful lives of tangible assets are as follows:

	Number of years
Buildings, halls and constructions	20 – 45
Plant, machinery and equipment	3 – 20
Vehicles	6 – 20
Furniture, fixtures and equipment	5 – 20
Handling equipment	6 – 20
Computers and related equipment	3 – 7

14.2.3.3 Long-Term Investments

Long-term investments consist of equity investments and other long-term securities and investment.

14.2.3.3.1 Investments in Subsidiaries

Investments in subsidiaries represent ownership interests in enterprises that are controlled by the Enterprise (“the subsidiaries”).

Investments in subsidiaries and associates are recorded at cost less an allowance for diminution in value.

14.2.3.3.2 Other Securities and Investments

The Enterprise classifies other long-term securities and investments, other than equity interests, as held-to-maturity or available-for-sale.

Investments with a fixed maturity that management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, unless the date of maturity falls within 12 months of the balance sheet date.

Securities and investments intended to be held for an indefinite period of time, which may be sold in response to liquidity requirements, are classified as available-for-sale. These investments are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the balance sheet date, in which case they are included in current assets. The Enterprise management determines the form of securities and investments at the time of their acquisition and review them on a regular basis as at the financial statements’ date.

All securities and investments are initially recorded at cost, including transaction costs.

Held-to-maturity investments are subsequently accounted for at amortised cost. Other investments are subsequently accounted for at fair value. The fair value is determined as the market value of the securities as at the balance sheet date. Measurement of non-traded securities is based on management estimates.

Gains and losses arising from changes in the fair value of trading instruments are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in fair value of available-for-sale investments are recognised as a movement in equity and recognised into the income statement on realisation or when permanently impaired.

An allowance for impairment is established for held-to-maturity investments when their carrying value is greater than their estimated recoverable amount.

14.2.3.4 Inventories

Purchased inventories are stated at the lower of cost and net realisable amount. Cost includes all costs related with its acquisition (mainly transport costs, customs duty, etc.). The weighted average cost method is applied for all disposals.

An allowance is created for slow-moving and obsolete inventory based on an analysis of turnover and an individual evaluation of inventories.

For long-term contracts, the carrying value of work-in-progress also includes the allocation of administrative overheads. Subcontracted supplies received and other direct costs are expensed and simultaneously recorded in work-in-progress against revenues. Subcontracted supplies are valued at cost. Work-in-progress is derecognised once the respective revenues are recorded.

14.2.3.5 Receivables

Receivables are stated at nominal value less an allowance for doubtful amounts. An allowance for doubtful amounts is created on the basis of an ageing analysis and an individual evaluation of the credit worthiness of the customers.

14.2.3.6 Short-Term Financial Investments

Short-term financial assets consist of securities available for sale. Securities available for sale are securities held for the purpose of effecting transactions on the public market in order to make a profit from price fluctuations in the short-term, but with a maximum period of one year.

14.2.3.7 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, stamps and vouchers and cash in banks, including bank overdrafts.

Cash equivalents are short-term highly liquid investments that can be exchanged for a predictable amount of cash and no significant changes of value over time are expected. Cash equivalents are deposits with a maturity of less than 3 months from the date of acquisition and liquid debt securities traded in public markets. Cash equivalents also include Entrusted Resources – see subsection 14.2.3.8 – Entrusted Resources.

The Enterprise prepared its statement of cash flow using the indirect method.

14.2.3.8 Entrusted Resources

In some cases, the financial resources of third parties are temporarily entrusted to the Enterprise in order to perform specific transactions (services for clients of Československá obchodní banka, a.s., hereinafter “ČSOB, a.s.”), collection of radio and television license fees, payment of pensions, collection of SIPO payments, betting games, sale of stamps, postal payment services, services for mobile operators, customs declarations, etc.).

These resources are recorded in a separate accounting group apart from the Enterprise’s own financial resources, and are disclosed on separate lines in the balance sheet. The Enterprise charges an agreed commission for performing the specific transactions, which is recognised within its own resources using the accrual principle in the same period to which they relate.

14.2.3.9 Foreign Currency Translation

Transactions denominated in a foreign currency are translated and recorded at the rate of exchange ruling as at the first day of the current calendar month as published by the Czech National Bank.

Cash, receivables and liabilities balances denominated in foreign currencies have been translated at the exchange rate published by the Czech National Bank as at the balance sheet date. All exchange gains and losses on cash, receivables and liabilities balances are recorded in the income statement.

14.2.3.10 Equity

The Enterprise's financial position and funds are being managed in accordance with Act No. 77/1997 Coll., on State-Owned Enterprise, as amended. Pursuant to this Act, the share capital of the Enterprise corresponds to the business capital to which the Enterprise has a title on its establishment. The share capital includes both registered and non-registered capital in compliance with accounting legislation. Other capital funds are created in accordance with the accounting standards for entrepreneurs.

In addition, the Enterprise creates a reserve fund from profit, which was created gradually up to 10% of the share capital.

The Enterprise creates a cultural and social needs fund ("FKSP"). The creation and use of this fund is being governed by Decree No. 114/2002 Coll., on Cultural and Social Needs Fund, as amended.

14.2.3.11 Provisions

Provisions are intended to cover liabilities or expenses, the nature of which is clearly defined and that are either likely or certain to occur as at the balance sheet date but that are not certain in terms of the amount or the moment of occurrence.

14.2.3.12 Employee Benefits

The Enterprise creates a provision for untaken holiday. The Enterprise creates an estimated payable for rewards and bonuses to employees who became entitled to payment as at the balance sheet date. In case of rewards and bonuses to employees who are entitled to a payment after the current financial year-end day after meeting specified criteria, the Enterprise creates a provision on the current financial year-end day.

14.2.3.13 Loans

Long-term liabilities including loans and current liabilities including loans are carried at their nominal values. Any portion of long-term debt, which is due within one year of the balance sheet date, is regarded as short-term debt.

14.2.3.14 Expenses and Revenue Recognition

Revenues and expenses are recognised on an accrual principle in the period to which they relate.

Sales are recognised as at the date the services are rendered (with the exceptions disclosed below) or goods are sold to customers and are stated net of discounts and value added tax.

Sales of postal services realised in cash through sales of postal stamps are recognised when the stamps are sold. The Enterprise does not have the necessary information that would allow it to record income from these sales on an accrual basis in respect to the accounting periods in which customers actually use the purchased postal stamps. The Enterprise's management believes that the costs of collecting such information relating to the time allocation needed for these services realised through sales of postal stamps would exceed the benefits of such information.

Revenues from agency services include the commission received for the services provided in the relevant accounting period on an accrual basis.

Other operating income includes compensation for net costs of the provision of basic postal services. In the income statement, the revenue is presented on a separate line III.3.1. Compensation for net cost on providing of basic postal services within other operating income, observing the matching and accrual principles applied to accounting for incurred costs; for details, see subsection 14.2.7 – Net Cost of Universal Service Obligation.

14.2.3.15 Leases

The costs of assets held under both finance and operating leases are not capitalised as fixed assets. Lease payments are expensed evenly over the life of the lease. Future lease payments not yet due are disclosed in the notes to the financial statements but not recognised in the balance sheet. The Enterprise activates the respective value of leased assets in the period when the lease agreement is being concluded and the purchase option is exercised. Lease payments made in advance are accrued over the lease period.

14.2.3.16 Use of Estimates

The preparation of financial statements requires management of the Enterprise to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. The Enterprise management prepared these estimates and predictions based on all available relevant information. These estimates and assumptions are based on information available as at the date of the financial statements and may differ from actual results.

14.2.3.17 Current tax Expense

The income tax expense is calculated, using the valid tax rate, from the accounting profit increased or decreased by the permanent or temporary non-deductible expenses and non-taxable income (e.g. non-deductible provisions and allowances, representation expenses, differences between accounting and tax depreciation, etc.).

Corporate income tax is recognised in the balance sheet as a part of the item “Taxes and state subsidies payable” if the tax liability exceeds the tax advances paid. Otherwise, the amount exceeding the tax liability as a result of the advances paid is recorded as “Taxes - receivables from the state”.

The tax expense is disclosed in the profit and loss as tax from ordinary activities.

14.2.3.18 Deferred Tax

Deferred tax is recognised on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax asset is recognised if it is probable that sufficient future taxable profit will be available against which the asset can be utilised.

14.2.3.19 Related Parties

The Enterprise’s related parties are considered to be the following:

- the state represented by the Enterprise’s founder, government institutions, state-owned enterprises and companies, and other legal entities, where the state has significant influence, while the nature of the relationship is also decisive and not merely the legal form;

- members of the Enterprise's statutory, supervisory bodies and management and related parties to these members, including companies or institutions or businesses, where these members and parties have controlling, proportional or significant influence.

Significant transactions and balances with related parties, not only within the main postal services, are disclosed in subsection 14.2.22 – Related Party Transactions.

14.2.3.20 Subsequent Events

The effects of events, which occurred between the balance sheet date and the date of preparation of the financial statements, are recognised in the financial statements in the case that these events provide further evidence of conditions that existed as at the balance sheet date.

Where significant events occur subsequent to the balance sheet date but prior to the preparation of the financial statements, which are indicative of conditions that arose subsequent to the balance sheet date, the effects of these events are disclosed, but are not themselves recognised in the financial statements.

14.2.4 Fixed Assets

14.2.4.1 Intangible Fixed Assets

Cost

(in CZK millions)	Opening balance	Additions *	Disposals *	Closing balance
Software	2,050	36	-	2,086
Royalties	8	-	-	8
Other intangible fixed assets	23	-	-	23
Intangible fixed assets in the course of construction	27	39	(39)	27
Total as at 31 December 2024	2,108	75	(39)	2,144
Total as at 31 December 2023	2,113	147	(152)	2,108

*) Additions and Disposals also include transfers of intangible fixed assets in the course of construction.

Accumulated amortisation and net book value

(in CZK millions)	Opening balance of accumulated amortisation	Additions	Disposals	Closing balance of accumulated amortisation	Allowances	Net book value
Software	(1,756)	(68)	-	(1,824)	-	262
Royalties	(6)	(1)	-	(7)	-	1
Other intangible fixed assets	(21)	(1)	-	(22)	-	1
Intangible fixed assets in the course of construction	-	-	-	-	-	27
Total as at 31 December 2024	(1,783)	(70)	-	(1,853)	-	291
Total as at 31 December 2023	(1,751)	(69)	37	(1,783)	(3)	322

14.2.4.2 Tangible Fixed Assets

Cost

(in CZK millions)	Opening balance	Additions *	Disposals **	Closing balance
Land	743	-	(28)	715
Constructions	11,565	80	(462)	11,183
Plant, machinery and equipment	4,333	268	(140)	4,461
Vehicles	1,030	162	(126)	1,066
Furniture and fixtures	673	7	(33)	647
Selected low-value tangible assets of less than CZK 40 thousand	895	24	(13)	906
Other movable assets	142	-	(9)	133
Art works and collections	5	-	-	5
Tangible fixed assets in the course of construction	224	399	(541)	82
Total as at 31 December 2024	19,610	940	(1,352)	19,198
Total as at 31 December 2023	19,983	624	(997)	19,610

*) Additions also includes transfers of tangible fixed assets in the course of construction.

**) Disposals of tangible fixed assets in the course of construction also include depreciation of lost investments.

Accumulated depreciation, allowances and net book value

(in CZK millions)	Opening balance of accumulated depreciation	Additions	Disposals	Closing balance of accumulated depreciation	Allowances	Net book value
Land	-	-	-	-	-	715
Constructions	(6,423)	(276)	329	(6,370)	-	4,813
Plant, machinery and equipment	(3,902)	(162)	140	(3,924)	-	537
Means of transport	(880)	(46)	121	(805)	-	261
Furniture and fittings	(581)	(12)	31	(562)	-	85
Selected low-value tangible assets of less than CZK 40 thousand	(742)	(58)	14	(786)	-	120
Other movable assets	(142)	-	9	(133)	-	-
Art works and collections	-	-	-	-	-	5
Tangible fixed assets in the course of construction	-	-	-	-	(5)	75
Total as at 31 December 2024	(12,670)	(554)	644	(12,580)	(5)	6,611
Total as at 31 December 2023	(12,642)	(621)	593	(12,670)	(9)	6,931

Based on the stock-count performed, the Enterprise adjusted the carrying value of the tangible fixed assets for diminution in value through an allowance (see subsection 14.2.8 – Allowances).

During the accounting period ended as at 31 December 2024, the Enterprise received tangible fixed assets in the amount of CZK 4 million.

As at 31 December 2024 and 31 December 2023, besides the easement in favour of PCS – Praha Center, s.r.o. created in relation to the post office building at Jindřišská, Prague 1 based on an agreement dated 16 April 1997, which is in force until 31 March 2042, the Enterprise has another 386 (2023: 388) easements, or similar rights to tangible fixed assets (rights for sewage pipeline, water pipeline, power and gas connection, hot-water piping, right of entry, access, crossing, riding, parking of a company car, pre-emptive right and the right of use) mainly created in favour of the communal and municipal authorities, telecommunications infrastructure providers, and electricity producers and distributors.

As at 31 December 2024, the Enterprise received investment for subsidies in the amount of CZK 81 million. As at 31 December 2023, the Enterprise did not receive subsidies for investment purposes.

14.2.4.3 Long-Term Investments

As at 31 December 2024 and 31 December 2023, the Enterprise exercised significant influence in Česká pošta Security, s.r.o. (formerly ABAS CiT Management s.r.o.) with its registered office at Politických vězňů 909/4, Prague 1, in which it held 100% of the shares. The shares were transferred to the Enterprise on 31 August 2012. Česká pošta Security, s.r.o. exercised the following influence at 31 December 2024:

- in ČP Nept, s.r.o., with its registered office at Politických vězňů 909/4, Prague 1, in which it held 100% of the shares. This share arose as at 4 June 2020, when ČP Nept, s.r.o. was established;
- in ČP Guarding, s.r.o., with its registered office at Politických vězňů 909/4, Prague 1, in which it held 100% of the shares. This share arose as at 29 June 2021, when ČPS acquired a shareholding in that company.

Česká pošta Security, s.r.o. Group	31 December 2024	31 December 2023
Share (in %)	100.00 %	100.00 %
	(in CZK millions)	(in CZK millions)
Total assets	172	171
Equity	121	119
Profit/(loss) for the period	2	9
Acquisition cost of share	7	7
Intrinsic value of share	121	119

As at 31 December 2024, total share in Česká pošta Security, s.r.o. amounted to CZK 61 million.

Financial information about this company was obtained from the audited financial statements of the company.

The intrinsic value of share indicates the Enterprise's share in the equity of the controlled company as at 31 December 2024 and 31 December 2023, respectively.

14.2.5 Inventories

The fair value of obsolete and slow-moving inventory is reduced to the selling price through the allowance account (see subsection 14.2.8 – Allowances).

14.2.6 Receivables

As at 31 December 2024 and 31 December 2023, the Enterprise had no receivables with a maturity of more than five years. As at 31 December 2024 and 31 December 2023, overdue receivables amounted to CZK 214 million and CZK 563 million, respectively. Outstanding overdue receivables are not secured. The Enterprise wrote off irrecoverable receivables of CZK 14 million and CZK 25 million as at 31 December 2024 and as at 31 December 2023, respectively, due to cancellation of bankruptcy proceedings, settlement failing to satisfy the claims in bankruptcy proceedings, etc.

No income tax advances were paid in 2024.

Receivables from related parties are described in subsection 14.2.22 – Related Party Transactions. The estimated receivables primarily comprise transactions related to international postal operations; balances of these transactions as at 31 December 2024 and 31 December 2023 amounted to CZK 1,199 million and CZK 968 million, respectively. Operating records on incoming mail not yet confirmed by individual

postal offices were recorded as estimated receivables with the double entry in Sales of own products and services, based on operating statistics. As at 31 December 2024 and 31 December 2023, the compensation of net costs of providing basic postal services is included in estimated receivables and was recognised in short-term receivables in the amount of CZK 3,000 million and CZK 1,500 million, respectively - see subsection 14.2.7 Net Cost of Universal Service Obligation.

14.2.7 Net Cost of Universal Service Obligation

The Enterprise as a postal license holder, as defined by Section 21 paragraph 2 of the Postal Services Act, is obliged to ensure the universal availability of basic services listed in decision on the granting of postal licence throughout all the territory of the Czech Republic. The Enterprise is obliged to fulfil the postal services obligation (Section 33 paragraph 1 point a) of the Postal Services Act), in accordance with the basic quality requirements set out in Decree no. 464/2012 Coll., of 17 December 2012, establishing specifications for each basic service and basic quality requirements for their provision.

If, due to the obligation of providing basic services, the postal license holder incurs net costs representing an unfair financial burden for the postal license holder, these costs are reimbursed in such a way as stipulated by the Postal Services Act. The CTO's process of calculating the net cost of providing basic services is further specified in Decree No. 466/2012 Coll. of 17 December 2012 on the procedure of the Czech Telecommunication Office (CTO) when calculating the net cost of fulfilling obligations to provide basic services. According to the law, net costs of providing basic services are paid up to CZK 1,500 million per year. Other net costs are not considered to be an unfair financial burden.

The provision of state compensatory payment for the provision of basic services is subject to a decision of the European Commission on the compatibility of state aid in the form of compensation of net costs of providing basic services according with Article 106 paragraph 2 of the TFEU. The notification of state compensation for the provision of basic services for the period 2023 to 2024 was officially submitted to the European Commission by the Czech Republic on 9 November 2024. The compatibility of state aid in the form of compensation for net costs of providing basic services with Article 106 paragraph 2 of the TFEU was confirmed by the European Commission's decision on 3 February 2025. Subsequently, the CTO, by decision dated 7 February 2025, granted the Enterprise preliminary net costs for providing basic services for 2024 in the amount of 750 million CZK and by decision dated 10 February 2025, net costs for providing basic services for 2023 in the amount of 1,500 million CZK.

14.2.8 Allowances

Allowances reflect a temporary decrease in the value of assets (disclosed in subsections 14.2.4 – Fixed Assets, 14.2.5 – Inventories and 14.2.6 – Receivables).

Allowances against: (in CZK millions)	Balance as at 1 January 2023	Additions	Reversal/use	Balance as at 31 December 2023	Additions	Reversal/Use	Balance as at 31 December 2024
Intangible fixed assets	10	3	(10)	3	-	(3)	-
Tangible fixed assets	17	2	(10)	9	1	(3)	7
Inventory	64	5	(12)	57	2	(5)	54
Receivables – other	126	14	(29)	111	11	(26)	96
Total tax non-deductible allowances	217	24	(61)	180	14	(37)	157
Receivables – legal	29	18	(20)	27	15	(10)	32
Total tax-deductible allowances	29	18	(20)	27	15	(10)	32
Total	246	42	(81)	207	29	(47)	189

Legal allowances are created pursuant to the Act No. 593/1992 Coll., on Provisions, as amended and are

deductible for tax purposes; other allowances are not deductible for tax purposes.

14.2.9 Short-Term Financial Assets and Cash

The main bank used by the Enterprise is Československá obchodní banka, a.s., in which the Enterprise has two cash-pooling sets of accounts, a set of own funds accounts and a set of accounts with entrusted resources. An overdraft enabling the Enterprise to have a negative balance is agreed for the set of accounts with both the Enterprise's own and entrusted resources (see subsection 14.2.14 – Bank Loans and Borrowings).

As at 31 December 2024 and 31 December 2023, the Enterprise did not have short-term securities or shares.

14.2.10 Equity

As at 31 December 2024 and 31 December 2023, share capital amounted to CZK 3,588 million without change.

Other capital funds mainly comprise contributions from profit or gifts received.

The reserve fund has been created gradually up to the level of 10% of share capital.

Other funds from profit include the cultural and social fund.

Loss for the year ended 31 December 2023 of CZK 756 million was compensated in accordance with the Founder's approval on 10 April 2024. The amount of CZK 756 million was compensated from other capital funds, the amount to cover the allocation to the cultural and social fund of CZK 80 million was used from other capital funds.

The proposed compensation of the loss incurred for the year ended 31 December 2024 will be submitted to the founder of the Enterprise along with the request for approval of the annual report in accordance with Section 15 paragraph 1 point i) of the Act on State-Owned Enterprise, as amended.

14.2.11 Provisions

(in CZK millions)	Balance as at 1 January 2023	Additions	Reversal/use	Balance as at 31 December 2023	Additions	Reversal/use	Balance as at 31 December 2024
Social and health insurance	55	95	(55)	95	59	(96)	58
Untaken holiday	58	66	(58)	66	49	(66)	49
Provisions for severance pay incl. competition clauses	328	106	(328)	106	246	(106)	246
Non-claimable component of salaries	17	107	(16)	108	18	(107)	19
Other	357	59	(124)	292	172	(277)	187
Total	815	433	(581)	667	544	(652)	559

The provision for social and health insurance is created mainly for contributions to the unpaid part of contracted wages, profit-related bonuses, untaken holiday and other salary benefits.

A provision for compensation for severance pay and competition clauses was created in connection with the gradual reduction in the number of employees in subsequent years, which has been approved by the Enterprise's management.

Other provisions were primarily created to cover risks known as at 31 December 2024 and probable loss from ongoing litigations and out-of-court disputes and related obligations.

The Enterprise also created a provision for the non-claimable component of salaries which is composed of expected extraordinary wage bonuses estimated by the General Director and an additional subjective component of salaries including individual agreed salary bonuses.

14.2.12 Long-Term Liabilities

As at 31 December 2024 and 31 December 2023, long-term liabilities consisted mainly of liabilities relating to the supply of assets paid in instalments.

As at 31 December 2024 and 31 December 2023, the Enterprise did not recognise liabilities that are due after more than five years.

14.2.13 Short-term Liabilities

As at 31 December 2024, the Enterprise had overdue short-term payables in the total amount of CZK 21 million. As at 31 December 2023, the Enterprise had overdue short-term payables in the total amount of CZK 10 million.

The Enterprise had no short-term or long-term liabilities bearing a security or lien in favour of a creditor as at 31 December 2024 and 31 December 2023.

Liabilities to related parties are described in subsection 14.2.22 – Related Party Transactions.

Estimated payables particularly consist of costs associated with international postal operations, where balances of transactions amounted to CZK 646 million as at 31 December 2024 and CZK 529 million and 31 December 2023. In addition, estimated payables included quantity discounts, uninvoiced operating deliveries of services and energy, and estimated staff bonuses.

Trade payables decreased year to year by CZK 81 million.

The Enterprise did not record any unpaid tax liabilities payable to the relevant tax authority as at 31 December 2024 and 31 December 2023.

14.2.14 Bank Loans and Borrowings

14.2.14.1 Denominated in CZK

Bank	Terms/conditions	Account	Valid until	Total limit 2024/2023 (in CZK millions)	31 December 2024 (in CZK millions)	31 December 2023 (in CZK millions)
ČSOB, a.s.	Overdraft account Interest rate: O/N PRIBOR + 0.12 % p.a.	Own resources	31 December 2027	1,000/1,000	967	912
ČSOB, a.s.	Overdraft account Interest rate: O/N PRIBOR + 0.85 % p.a.	Own resources	15 June 2025	750/750	-	-
ČSOB, a.s.	Overdraft account Interest rate: O/N PRIBOR + 0.12 % p.a.	Entrusted resources	31 December 2027	700/700	-	-
ČSOB, a.s.	Short-term loan Interest rate: O/N PRIBOR + 1.25 % p.a.	Own resources	15 June 2025	700/700	-	-
ING Bank N.V.	Overdraft account Interest rate: O/N PRIBOR + 0.40 % p.a.	Own resources	28 March 2025	750/750	746	-
Raiffeisenbank, a.s.	Overdraft account Interest rate: O/N PRIBOR + 0.28 % p.a.	Own resources	31 March 2025	1,500/1,500	1,500	650
UniCredit Bank, a.s.	Overdraft account Interest rate: O/N PRIBOR + 0.82 % p.a.	Own resources	15 June 2025	700/750	119	-
Všeobecná úverová banka a.s.	Short-term loan Interest rate: PRIBOR + 0,76 % p.a.	Own resources	26 February 2027	750/0	750	0
					4,082	1,562

The overdraft on the own funds account from Československá obchodní banka, a.s., is to offset short-term cash-flow fluctuations. As at 31 December 2024, the Enterprise used CZK 967 million of the overdraft. As at 31 December 2023, the Enterprise used CZK 912 million of the overdraft. The overdraft is part of the main agreement with ČSOB, a.s.; the credit framework is valid until 31 December 2027.

Multi-purpose credit line from Československá obchodní banka, a.s. allows for the drawing of an overdraft, short-term loan on the financial market, documentary letters of credit and different types of guarantees. The associated commitment fee is 0.10%. As at 31 December 2024, the credit line was not used. This credit agreement framework is valid until 15 June 2025.

The overdraft facility on the entrusted resources account from Československá obchodní banka, a.s., was provided to ensure sufficient financial liquidity of the Enterprise. As at 31 December 2024 and 31 December 2023, the overdraft facility was not used. The overdraft is part of the main agreement with ČSOB, a.s.; the credit framework is valid until 31 December 2027.

The credit line from Československá obchodní banka, a.s. allows for overdrafts and short-term loans on the financial market. The associated commitment fee is 0.25%. As at 31 December 2024, the credit line was not used. The respective credit framework is valid until 15 June 2025.

The credit line from ING Bank N.V. allows for overdrafts and short-term loans on the financial market. The associated commitment fee is 0.12%. As at 31 December 2024, the Enterprise used of CZK 746 million of the overdraft. As at 31 December 2023, the credit line was not used. The respective credit framework is

valid until 28 March 2025.

The credit line from Raiffeisenbank a.s. allows for overdrafts and short-term loans on the financial market. The associated commitment fee is 0.10%. As at 31 December 2024, the Enterprise used CZK 1,500 million of the overdraft. As at 31 December 2023, the Enterprise used CZK 650 million of the overdraft. The respective credit framework is valid until 15 June 2025.

The credit line from UniCredit Bank, a.s. allows for overdrafts, short-term loans on the financial market, documentary letters of credit and different types of guarantees. The associated commitment fee is 0.30%. As at 31 December 2024, the Enterprise used CZK 119 million of the overdraft. As at 31 December 2023, the credit line was not used. The respective credit framework is valid until 15 June 2025.

The credit line from Všeobecná úvěrová banka, a.s. allows for overdrafts, short-term loans on the financial market. The associated commitment fee is 0.17%. As at 31 December 2024, the Enterprise used CZK 750 million of the overdraft. As at 31 December 2023, the credit line was not used. The respective credit framework is valid until 26 February 2027.

The Enterprise complies with all the terms and conditions of the loan agreements.

14.2.14.2 Denominated in EUR

Bank	Terms / conditions	Account	Valid until	Total limit (in EUR million)	31 December 2024		31 December 2023	
					(in EUR million)	(in CZK million)	(in EUR million)	(in CZK million)
ČSOB, a.s.	Overdraft account EURIBOR 3months + 0.1 % p.a.	Entrusted resources	31/12/2027	5	1	21	1	27

The above-mentioned bank overdraft is exclusively used for cash operations of the banking services provided at selected post-office counters in EUR. The overdraft is part of the main agreement with ČSOB, a.s.; the credit limit is valid until 31 December 2027.

The Enterprise complies with all the terms and conditions of the loan agreements.

14.2.15 Accruals and Deferred Income

Deferred income primarily includes prepaid postal fees for offsetting remote credit machines.

14.2.16 Income Tax

The Enterprise does not recognise any income tax expense for the period ending 31 December 2024 and 2023.

The Enterprise quantified income tax due as follows:

(in CZK millions)	2024	2023
Profit / (loss) before tax	(1,249)	(756)
Non-taxable revenues	16	(37)
Difference between book and tax depreciation	293	471
Tax non-deductible expenses and change in allowances and provisions	(60)	(140)
Out of which:		
- change in allowances	(23)	(37)
- change in provisions	(108)	(148)
- other (e.g., accrued expenses, representation expenses, shortages and losses)	71	45
Taxable income/tax loss	(1,000)	(462)
Income tax rate	21%	19%
Calculated income tax	-	-

The Enterprise calculated the deferred tax asset/(liability) using the 21% tax rate as at 31 December 2024 and 31 December 2023 quantified as follows:

(in CZK millions)	31 December 2024			31 December 2023		
	Defers tax			Deferred tax		
Deferred tax items	Base	asset	Deferred tax liability	Base	asset	Deferred tax liability
Difference between net book value of fixed assets for accounting and tax purposes	723	152	-	421	88	-
Allowances	157	33	-	180	38	-
Other provisions	559	117	-	667	140	-
Total	1,439	302	-	1 268	266	-
Net deferred tax asset			302			266

As at 31 December 2024, the Enterprise did not recognise a potential deferred tax asset from the 2024 tax loss in the amount of CZK 210 million and a deferred tax asset from allowances and provisions in the amount of CZK 302 million on the basis that its recovery was uncertain. The tax loss from 2024 can be used until 2029.

As at 31 December 2023, the Enterprise did not recognise a potential deferred tax asset from the 2023 tax loss in the amount of CZK 97 million and a deferred tax asset from allowances and provisions in the amount of CZK 266 million on the basis that its recovery was uncertain. The tax loss from 2023 can be used until 2028.

Act No. 416/2023 Coll. on Top-up taxes for large multinational groups and large domestic groups was adopted based on EU Council Directive 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups. The aim of the Top-up taxes is to eliminate competition between states over different corporate tax rates by introducing a single minimum tax rate to ensure equal conditions for entities around the world and allow states to better protect their tax income. Top-up taxes will be collected if the calculated effective tax rate in the given jurisdiction is lower than 15 %. Companies in the group whose consolidated annual revenues reported in the consolidated financial statements of the highest parent entity amount to at least the equivalent of EUR 750 mil. in at least 2 of the 4 reporting periods immediately preceding the given tax period are liable for Top-up taxes.

The Company is a payer of the top-up taxes. Top-up taxes were not considered when calculating the deferred tax. The Company does not have a tax liability for the year 2024 in relation to the Top-up taxes.

14.2.17 Leases

The Enterprise leases fixed assets, which are not recognised in the balance sheet accounts (see subsection 14.2.3.15 – Leases and subsection and 14.2.18 – Commitments and Contingencies).

The assets leased by the Enterprise in the form of operational leases amounted to CZK 364 million and CZK 403 million as at 31 December 2024 (as at 31 December 2023: CZK 350 million). The buildings leased by the Enterprise amounted to CZK 379 million as at 31 December (as at 31 December 2023: CZK 380 million).

The amount of rent from assets leased by the Enterprise in the form of finance leases as at 31 December 2024 and 31 December 2023 was CZK 148 million and CZK 143 million, respectively.

14.2.18 Commitments and Contingencies

The Enterprise recognises particularly stamps and lottery tickets, the nature of which is recognised as valuables (these items are recognised below in nominal value) in its operational evidence as at 31 December 2024 and 31 December 2023. Furthermore, the Enterprise recognised low-value assets in operating evidence and leased assets in off-balance sheet evidence (recognised in acquisition costs), which is not recognised in the balance sheet.

(in CZK millions)	31 December 2024	31 December 2023
Valuables incl. stamps and lottery tickets	8,357	9,039
Leased assets	2,664	2,774
Low-value tangible assets	1,292	1,337
Low-value intangible assets	39	39

The structure of the contracted future obligations from operating leases and rental of buildings is presented in the table below (in CZK millions):

	31 December 2024	31 December 2023
Due within 1 year	583	519
Due between 1 to 5 years	1,107	1,117
Due after 5 years	243	311
Total	1,933	1,947

The structure of the contracted future obligations from financial leases is presented in the table below (in CZK millions):

	31 December 2024	31 December 2023
Due within 1 year	147	148
Due between 1 to 5 years	268	416
Due after 5 years	-	-
Total	415	564

Provided and received bank guarantees for the Enterprise, which are drawn under the framework agreements, on the provision of financial services, as at 31 December 2024 were as follows:

Type of provided guarantee	Guarantor	Creditor	Subject	Valid until	Amount (in CZK millions)
Payment	Československá obchodní banka, a.s.	Customs Directorate for the South Bohemian Region	Customs guarantee	indefinite	1
Payment	Československá obchodní banka, a.s.	Customs Directorate for the South Bohemian Region	Customs guarantee	indefinite	5
Payment	Československá obchodní banka, a.s.	Centrum Chodov, a.s.	Rental agreement	15/02/2025	1
Payment	Československá obchodní banka, a.s.	Košířská brána s.r.o.	Rental agreement	20/03/2025	5
Payment	Československá obchodní banka, a.s.	New Karolina Shopping Center Development, s.r.o.	Rental agreement	31/12/2024	1
Payment	UniCredit Bank, a.s.	Customs Directorate for the South Bohemian Region	Customs guarantee	indefinite	3
Payment	UniCredit Bank, a.s.	Customs Directorate for the South Bohemian Region	Customs guarantee	indefinite	7
Payment	UniCredit Bank, a.s.	Albert Česká republika, s.r.o.	Rental agreement	20/11/2026	1
Payment	UniCredit Bank, a.s.	Prologis Czech Republic LX s.r.o.	Rental agreement	31/12/2025	4
Payment	UniCredit Bank, a.s.	Keriani, a.s.	Rental agreement	09/10/2026	7
Payment	UniCredit Bank, a.s.	Charles Square Center, s.r.o.	Rental agreement	28/02/2025	1
Payment	UniCredit Bank, a.s.	OAMP Hall 2 s.r.o.	Rental agreement	31/08/2025	13
Payment	UniCredit Bank, a.s.	Rezidence Nusle s.r.o.	Rental agreement	01/07/2025	1
Payment	UniCredit Bank, a.s.	CONTERA Investment III. s.r.o.	Rental agreement	20/08/2026	2
Payment	UniCredit Bank, a.s.	New Karolina Shopping Center Development, s.r.o.	Rental agreement	20/11/2026	1
					53

Type of received guarantee	Guarantor	Debtor	Subject	Valid until	Amount (in CZK millions)
Payment	UniCredit Bank, a.s.	GH-KLIMA s.r.o.	Post Service Č. Budějovice-HVAC and air conditioning	31/01/2025	1
Payment	Československá obchodní banka, a.s.	LUSPOL SE	Reduction of energy consumption - Post Office and Depot Prachovice 70	30/09/2026	1
Payment	Česká spořitelna, a.s.	NEO BUILDER a.s.	Construction work - Olšanská, Prague 3	31/07/2027	1
Payment	Česká spořitelna, a.s.	Nostica a.s.	2022/03812 DSPU Prague – office renovation 2.NP TB	31/03/2028	1
					4

Provided and received bank guarantees for the Enterprise, which are drawn under the framework agreements, on the provision of financial services, as at 31 December 2023 were as follows:

Type of provided guarantee	Guarantor	Creditor	Subject	Valid until	Amount (in CZK millions)
Payment	Československá obchodní banka, a.s.	Charles Square Center s.r.o.	Rental agreement	15/02/2024	1
Payment	Československá obchodní banka, a.s.	Customs Directorate for the South Bohemian Region	Customs guarantee	indefinite	1
Payment	Československá obchodní banka, a.s.	CONTERA Investment III. s.r.o.	Rental agreement	10/09/2024	2
Payment	Československá obchodní banka, a.s.	Customs Directorate for the South Bohemian Region	Customs guarantee	indefinite	5
Payment	Československá obchodní banka, a.s.	OAMP Hall 2 s.r.o.	Rental agreement	01/08/2024	12
Payment	Československá obchodní banka, a.s.	Centrum Chodov, a.s.	Rental agreement	15/02/2025	1
Payment	Československá obchodní banka, a.s.	Košířská brána s.r.o.	Rental agreement	20/03/2025	5
Payment	Československá obchodní banka, a.s.	New Karolina Shopping Center Development, s.r.o.	Rental agreement	31/12/2024	1
Payment	UniCredit Bank, a.s.	Customs Directorate for the South Bohemian Region	Customs guarantee	indefinite	3
Payment	UniCredit Bank, a.s.	Customs Directorate for the South Bohemian Region	Customs guarantee	indefinite	7
Payment	UniCredit Bank, a.s.	Albert Česká republika, s.r.o.	Rental agreement	31/12/2024	1
Payment	UniCredit Bank, a.s.	Prologis Czech Republic LX s.r.o.	Rental agreement	20/12/2024	3
Payment	UniCredit Bank, a.s.	Keriani, a.s.	Rental agreement	20/12/2024	6
					48

Type of received guarantee	Guarantor	Debtor	Subject	Valid until	Amount (in CZK millions)
Payment	Komerční banka, a.s.	SSK-stavby s.r.o.	SPU Prague 022, TB - reconstruction of road ramp, incl. gates	24/04/2024	1
Payment	Komerční banka, a.s.	SILBA-Elstav s.r.o.	SPU Plzeň 02 - provision of vehicle parking services	12/10/2024	1
Payment	UniCredit Bank, a.s.	GH-KLIMA s.r.o.	Postservis Č.Budějovice VZT and air conditioning	31/01/2025	1
Payment	Československá obchodní banka, a.s.	LUSPOL SE	Reduction of energy consumption - Post Office and Depot Prachatic 70	30/09/2026	1
Payment	Československá obchodní banka, a.s.	ZENOVA services s.r.o.	Provision of cleaning services - PRG region	31/12/2024	2
Payment	Československá obchodní banka, a.s.	ZENOVA services s.r.o.	Provision of cleaning services - SB region	31/12/2024	1
Payment	Československá obchodní banka, a.s.	ZENOVA services s.r.o.	Provision of cleaning services - WB region	31/12/2024	1
Payment	Československá obchodní banka, a.s.	ZENOVA services s.r.o.	Provision of cleaning services - NB region	31/12/2024	1

Payment	Československá obchodní banka, a.s.	ZENOVA services s.r.o.	Provision of cleaning services - EB region	31/12/2024	1
Payment	Československá obchodní banka, a.s.	ZENOVA services s.r.o.	Provision of cleaning services - NM region	31/12/2024	1
Payment	Česká spořitelna, a.s.	NEO BUILDER a.s.	Construction work - Olšanská, Prague 3	31/07/2027	1
Payment	Česká spořitelna, a.s.	Nostica a.s.	DSPU Prague – reconstruction of the office	31/03/2028	1
Payment	BNP Paribas S.A., pobočka Česká republika	INFINITE STYLES ECOMMERCE CO., LIMITED	Submitting shipments Corporate writing	30/11/2024	12
					25

14.2.19 Contingent Liabilities

The management of the Enterprise is not aware of any other significant contingent liabilities as at 31 December 2024.

14.2.20 Revenues and Other Operating Income

Breakdown of revenues and other operating income from the Enterprise's activities:

	2024			2023		
	Domestic (in CZK millions)	Foreign (in CZK millions)	Total (in CZK millions)	Domestic (in CZK millions)	Foreign (in CZK millions)	Total (in CZK millions)
Revenue from postal operations	10,498	1,198	11,696	11,614	1,212	12,826
Revenue from provision of procurement activities	2,393	-	2,393	2,368	-	2,368
Revenue from electronic services	455	-	455	389	-	389
Sales of goods	54	-	54	124	-	124
Revenues from data mailboxes	828	-	828	786	-	786
Total revenues	14,228	1,198	15,426	15,281	1,212	16,493
Other operating income	2,821	-	2,821	2,544	-	2,544
Total revenues and other operating income	17,049	1,198	18,247	17,825	1,212	19,037

As at 31 December 2024, other operating income consists mainly of the amount of compensation for net costs for the provision of basic postal services (CZK 1,500 million) and revenues from the sale of assets (CZK 975 million). As at 31 December 2023, other operating income consists mainly of the amount of compensation for net costs for the provision of basic postal services (CZK 1,500 million) and revenues from the sale of assets (CZK 719 million).

For net cost of universal service obligation, see subsection 14.2.7 – Net Cost of Universal Service Obligation. In the income statement, compensation for net costs of the provision of basic postal services is presented within other operating income on a separate line III.3.1. Compensation for net cost on the providing of basic postal services.

In 2024, the Enterprise received subsidies for operating purposes in the amount of CZK 1 million. In 2023, the Enterprise did not receive subsidies for operating purposes.

14.2.21 Employees

Breakdown of staff costs is as follows:

	2024		2023	
	Total personnel	Of which: Enterprise's management and Supervisory Board	Total personnel	Of which: Enterprise's management and Supervisory Board
Average number of employees	19,702	27	20,902	25
(in CZK millions)				
Wages and salaries	8,414	61	8,682	66
Social security and health insurance	2,792	14	2,824	15
Social costs	323	-	295	-
Total staff costs	11,529	75	11,801	81

Wages and salaries of the Enterprise's management (General Director and directly subordinate Executive Directors of divisions, departments and Departments Managers) also include severance pay and anti-competitive clause.

14.2.22 Related Party Transactions

Apart from the bonuses disclosed in subsection 14.2.21 – Employees, in 2024 members and former members of the Enterprise's statutory and supervisory bodies and the Enterprise's management did not receive any loans, guarantees, advance payments or other benefits besides the collective agreement, except for company cars that are made available by management for both business and private purposes. During the year, the Enterprise executed several transactions with related parties within its ordinary business activities.

The transactions realised during 2024 and 2023 along with the related receivables from and liabilities to related parties are as follows:

Related parties	For the year ended 31 December 2024		As at 31 December 2024	
	Revenues (in CZK millions)	Expenses (in CZK millions)	Receivables (in CZK millions)	Liabilities (in CZK millions)
Subsidiaries (direct/indirect influence)				
Česká pošta Security, s.r.o.	4	163	-	34
ČP Guarding, s.r.o.	-	96	-	10
Other related parties				
ČEPRO, a.s.	3	317	-	31
Czech Social Security Administration	418	2,009	-	3,447
Czech Metrology Institute	-	6	-	1
ČEZ Distribuce, a. s.	10	-	1	-
ČEZ Prodej, a.s.	261	19	34	15
ČEZ, a. s.	9	-	1	-
Digital and Information Agency	824	-	78	-
General Financial Directorate	93	28	-	8
Municipal district Prague 3	10	-	1	8
Government ministries	43	-	5	3
Nemocnice Pardubického kraje, a.s.	3	-	-	-
Pražská plynárenská, a.s.	26	291	3	28
Labour Office of the Czech Republic	401	-	2	5
Prison service of the Czech Republic	1	30	-	2
Vodovody a kanalizace Hodonín, a.s.	2	-	-	1
Health insurance companies	230	-	21	18
Total	2,338	2,959	146	3,611

Related parties	For the year ended 31 December 2023		As at 31 December 2023	
	Revenues (in CZK millions)	Expenses (in CZK millions)	Receivables (in CZK millions)	Liabilities (in CZK millions)
Subsidiaries (direct/indirect influence)				
Česká pošta Security, s.r.o.	6	149	1	46
ČP Guarding, s.r.o.	-	92	-	9
Other related parties				
ČEPRO, a.s.	4	294	-	30
Czech Social Security Administration	497	2,032	-	2,254
Czech Metrology Institute	-	7	-	2
ČEZ Distribuce, a. s.	10	-	2	-
ČEZ Prodej, a.s.	256	17	42	50
ČEZ, a. s.	10	-	1	-
Digital and Information Agency	578	-	456	-
General Financial Directorate	116	15	-	7
CAPITAL CITY OF PRAGUE	468	11	4	5
Municipal District Prague 3	10	-	1	9
Government ministries	493	-	4	3
Nemocnice Pardubického kraje, a.s.	2	-	-	-
Pražská plynárenská, a.s.	28	397	1	92
Labour Office of the Czech Republic	403	-	2	5
Prison service of the Czech Republic	1	25	-	2
Vodovody a kanalizace Hodonín, a.s.	2	-	-	2
Health insurance companies	196	-	12	10
Total	3,080	3,039	526	2,526

Liabilities to / costs pertaining to Česká pošta Security, s.r.o. and ČP Guarding, s.r.o. relate mainly to the purchase of services.

14.2.23 Fees Paid and Payable to the Audit Company

Information on the fees paid and payable to the audit company is included in the consolidated financial statements of the Group.

14.2.24 Entrusted Resources

The entrusted resources analysis as at 31 December 2024 and 31 December 2023 is as follows:

(in CZK millions)	31 December 2024	31 December 2023
ASSETS		
Short-term receivables	97	173
Cash in hand and at bank	4,722	3,667
Total assets	4,819	3,840

(in CZK millions)	31 December 2024	31 December 2023
LIABILITIES AND EQUITY		
Short-term liabilities	4,798	3,813
Short-term bank loans	21	27
Total liabilities and equity	4,819	3,840

Short-term receivables consist primarily of short-term receivables for agency services (e.g., card transactions, cheque transactions, etc.) provided to ČSOB, a.s.

At the end of 2024, the Enterprise received advance payments of CZK 3,100 million for pension payments

from the Czech Social Security Administration to be paid in January 2025. As at 31 December 2023, the Enterprise received advance payments of CZK 1,900 million for pension payments to be paid in January 2024.

All these liabilities in respect of entrusted resources were within the maturity period.

14.2.25 Statement of Cash flow

As at 31 December 2024 and 31 December 2023, the Enterprise did not consider the used overdraft facilities as cash equivalents for the purpose of the statement of cash flow (see subsection 14.2.14 – Bank Loans and Overdrafts).

Cash and cash equivalents disclosed in the statement of cash flow can be analysed as follows:

(in CZK millions)	31 December 2024	31 December 2023
Cash on hand	3,252	3,481
Cash at bank	1,561	353
Cash and cash equivalents	4,813	3,834

14.2.26 Subsequent Events

The Enterprise will quantify the net costs of providing basic services for the accounting period of 2024 and will request the CTO to reimburse these costs, which represent an unfair financial burden for the Enterprise as the holder of a postal license. The application deadline is 31 August 2025.

As at 1 January 2025, Balíkovna a.s. was registered in the commercial register as a subsidiary of the Enterprise.


No other events have occurred between the balance sheet date and the date of preparation of the annual report and the financial statements, that would have a material impact on the financial statements as at 31 December 2024.

21 March 2025



Miroslav Štěpán, Director General of Česká pošta, s.p.
Statutory Body of Česká pošta, s.p.

Ondřej Škorpil, Executive Director of Shared Service Division
Person responsible for accounting of Česká pošta, s.p.



Milan Hladík, Executive Director of Finance Department
Person responsible for financial statements of Česká pošta, s.p.

15 Consolidated Financial Statements

15.1 Consolidated Financial Statements as at 31 December 2024 (in CZK millions)

CONSOLIDATED BALANCE SHEET					
(in CZK millions)					
Reference	ASSETS	31/12/2024			31/12/2023
a	b	Gross 1	Allowances 2	Net 3	Net 4
	TOTAL ASSETS	32,756	(14,639)	18,117	16,137
	<i>of which entrusted resources</i>	<i>4,819</i>	<i>-</i>	<i>4,819</i>	<i>3,840</i>
B.	Fixed assets	21,388	(14,456)	6,932	7,284
B. I.	Intangible fixed assets	2,145	(1,854)	291	322
B. I. 2.	Royalties	2,095	(1,832)	263	296
B. I. 2.1.	Software	2,087	(1,825)	262	294
B. I. 2.2.	Other royalties	8	(7)	1	2
B. I. 4.	Other intangible fixed assets	23	(22)	1	2
B. I. 5.	Advances paid and intangible fixed assets in the course of construction	27	-	27	24
B. I. 5.2.	Intangible fixed assets in the course of construction	27	-	27	24
B. II.	Tangible fixed assets	19,209	(12,597)	6,612	6,934
B. II. 1.	Land and constructions	11,899	(6,370)	5,529	5,886
B. II. 1.1.	Land	715	-	715	743
B. II. 1.2.	Constructions	11,184	(6,370)	4,814	5,143
B. II. 2.	Equipment	7,223	(6,220)	1,003	828
B. II. 4.	Other tangible fixed assets	5	-	5	5
B. II. 5.	Advances paid and tangible fixed assets in the course of construction	82	(7)	75	215
B. II. 5.2.	Tangible fixed assets in the course of construction	82	(7)	75	215
B. III.	Long-term investments	2	-	2	-
B. IV.	Positive consolidation difference	32	(5)	27	28
B. V.	Negative consolidation difference	-	-	-	-
C.	Current assets	11,198	(183)	11,015	8,656
	<i>of which entrusted resources</i>	<i>4,819</i>	<i>-</i>	<i>4,819</i>	<i>3,840</i>
C. I.	Inventories	190	(55)	135	139
C. I. 1.	Raw materials	166	(53)	113	118
C. I. 3.	Finished goods and goods for resale	24	(2)	22	21
C. I. 3.2.	Goods for resale	24	(2)	22	21
C. II.	Receivables	6,113	(128)	5,985	4,616
	<i>of which entrusted resources</i>	<i>97</i>	<i>-</i>	<i>97</i>	<i>173</i>
C. II. 1.	Long-term receivables	22	-	22	23
C. II. 1.5.	Receivables - other	22	-	22	23
C. II. 1.5. 2.	Long-term advances paid	8	-	8	8
C. II. 1.5. 4.	Other receivables	14	-	14	15
C. II. 2.	Short-term receivables	6,091	(128)	5,963	4,593
	<i>of which entrusted resources</i>	<i>97</i>	<i>-</i>	<i>97</i>	<i>173</i>
C. II. 2.1	Trade receivables	1,286	(46)	1,240	1,736
	<i>of which entrusted resources</i>	<i>97</i>	<i>-</i>	<i>97</i>	<i>173</i>
C. II. 2.4.	Receivables - other	4,805	(82)	4,723	2,857
C. II. 2.4. 1.	Receivables from shareholders	1	-	1	1
C. II. 2.4. 3.	Taxes - receivables from the state	5	-	5	1
C. II. 2.4. 4.	Short-term advances paid	286	-	286	148
C. II. 2.4. 5.	Estimated receivables	4,400	-	4,400	2,655
C. II. 2.4. 6.	Other receivables	113	(82)	31	52
C. IV.	Cash	4,895	-	4,895	3,901
	<i>of which entrusted resources</i>	<i>4,722</i>	<i>-</i>	<i>4,722</i>	<i>3,667</i>
C. IV. 1.	Cash in hand	3,252	-	3,252	3,481
C. IV. 2.	Cash at bank	1,643	-	1,643	420
D.	Prepayments and accrued income	170	-	170	197
D. 1.	Prepaid expenses	170	-	170	197

Consolidated balance sheet – liabilities and equity (in CZK millions)

Reference	LIABILITIES AND EQUITY	31/12/2024	31/12/2023
a	b	5	6
	TOTAL LIABILITIES AND EQUITY	18,117	16,137
	<i>of which entrusted resources</i>	<i>4,819</i>	<i>3,840</i>
A.	Equity	2,838	4,173
A. I.	Share capital	3,588	3,588
A. I. 1.	Share capital	3,588	3,588
A. II.	Share premium and capital contributions	72	908
A. II. 2.	Capital contributions	72	908
A. II. 2.1.	Other capital contributions	72	908
A. III.	Reserves from profit	363	371
A. III. 1.	Other reserve funds	359	359
A. III. 2.	Statutory and other reserves	4	12
A. IV.	Retained earnings / Accumulated losses	62	53
A. IV. 1.	Retained earnings or accumulated loss (+/-)	62	53
A. V.	Consolidated profit / (loss) for the current period less minority interests	(1,247)	(747)
B. + C.	Liabilities	(14,880)	11,536
	<i>of which entrusted resources</i>	<i>4,819</i>	<i>3,840</i>
B.	Provisions	578	688
B. 4.	Other provisions	578	688
C.	Payables	14,302	10,848
	<i>of which entrusted resources</i>	<i>4,819</i>	<i>3,840</i>
C. I.	Long-term payables	127	183
C. I. 4.	Trade payables	127	183
C. II.	Short-term payables	14,175	10,665
	<i>of which entrusted resources</i>	<i>4,819</i>	<i>3,840</i>
C. II. 2.	Liabilities due to financial institutions	4,104	1,589
	<i>of which entrusted resources</i>	<i>21</i>	<i>27</i>
C. II. 3.	Short-term advances received	1,397	1,341
C. II. 4.	Trade payables	6,078	5,118
	<i>of which entrusted resources</i>	<i>4,798</i>	<i>3,813</i>
C. II. 8.	Liabilities - other	2,596	2,617
C. II. 8.3.	Liabilities to employees	625	586
C. II. 8.4.	Liabilities for social security and health insurance	322	306
C. II. 8.5.	Taxes and state subsidies payable	56	102
C. II. 8.6.	Estimated payables	1,301	1,309
C. II. 8.7.	Other liabilities	292	314
D.	Accruals and deferred income	399	428
D. 1.	Accrued expenses	-	1
D. 2.	Deferred income	399	427

CONSOLIDATED INCOME STATEMENT (in CZK millions)			
Reference a	TEXT b	Accounting period ended	
		31/12/2024 1	31/12/2023 2
I.	Sales of products and services	15,393	16,392
II.	Sales of goods	96	242
A.	Cost of sales	5,873	6,178
A. 1.	Cost of goods sold	64	188
A. 2.	Raw materials and consumables used	1,173	1,257
A. 3.	Services	4,636	4,733
C.	Own work capitalised	(23)	(21)
D.	Staff costs	11,703	11,963
D. 1.	Wages and salaries	8,542	8,804
D. 2.	Social security, health insurance and other social costs	3,161	3,159
D. 2.1.	Social security and health insurance costs	2,832	2,859
D. 2.2.	Other costs	329	300
E.	Value adjustments in operating activities	618	684
E. 1.	Value adjustments of fixed assets	630	708
E. 1.1.	Depreciation, amortisation and write off of fixed assets	635	723
E. 1.2.	Provision for impairment of fixed assets	(5)	(15)
E. 2.	Provision for impairment of inventories	(2)	(7)
E. 3.	Provision for impairment of receivables	(10)	(17)
III.	Operating income - other	2,832	2,559
III. 1.	Sales of fixed assets	975	719
III. 2.	Sales of raw materials	-	1
III. 3.	Other operating income	1,857	1,839
3.1.	Compensation for net cost on providing basic postal services	1,500	1,500
3.2.	Other operating income	357	339
F.	Operating expenses - other	1,287	1,174
F. 1.	Net book value of fixed assets sold	150	71
F. 2.	Cost of raw materials sold	-	-
F. 3.	Taxes and charges	51	41
F. 4.	Operating provisions and complex prepaid expenses	(110)	(142)
F. 5.	Other operating expenses	1,196	1,204
	Clearing of positive consolidation difference	2	2
*	Consolidated operating result	(1,139)	(787)
VI.	Interest and similar income	114	162
VI. 2.	Other interest and similar income	114	162
J.	Interest expense and similar expenses	170	101
J. 2.	Other interest expense and similar expenses	170	101
VII.	Other financial income	104	96
K.	Other financial expenses	155	114
*	Consolidated financial result	(107)	43
**	Consolidated net profit / (loss) before tax	(1,246)	(744)
L.	Tax on profit or loss	1	3
L. 1.	Tax on profit or loss - current	1	3
**	Net profit / (loss) after tax	(1,247)	(747)
	Out of which: Profit / loss less minority interests	(1,247)	(747)
***	Net profit / (loss) for the financial period	(1,247)	(747)
*	Net turnover for the financial period	15,489	*

* Net turnover for the financial period 2023 is not provided due to a change in the calculation methodology for the accounting period 2024 and the incomparability of data.

Consolidated Statement of Cash flows for the year ended 31 December 2024

(in CZK million)	2024	2023
Cash and cash equivalents at the beginning of the year	3,901	3,861
<i>of which entrusted resources</i>	<i>3,667</i>	<i>3,435</i>
Net profit/(loss) on ordinary activities before tax	(1,246)	(744)
A.1 Adjustments for non-cash movements:	(259)	(166)
A.1.1 Amortisation, depreciation of fixed assets and abolished investment projects	637	725
A.1.2 Change in allowances and provisions with respect to operating activities	(127)	(181)
A.1.3 Profit from disposal of fixed assets	(825)	(648)
A.1.4 Net interest expense/(income)	56	(61)
A.1.5 Adjustments for other non-cash movements	-	(1)
A* Net cash flow from operating activities before tax and changes in working capital	(1,505)	(910)
A.2 Non-cash working capital changes:	2,154	819
A.2 <i>of which entrusted resources</i>	<i>1,055</i>	<i>232</i>
A.2.1 Change in receivables and accrued income	(1,210)	(1,046)
A.2.1 <i>of which entrusted resources</i>	<i>76</i>	<i>(4)</i>
A.2.2 Change in short-term payables and deferred income	3,358	1,824
A.2.2 <i>of which entrusted resources</i>	<i>979</i>	<i>236</i>
A.2.3 Change in inventories	6	41
A** Net cash flow from operating activities before tax	649	(91)
A.** of which entrusted resources	1,055	232
A.3 Interest paid	(170)	(101)
A.4 Interest received	114	162
A.5 Income tax overpayment (+) / income tax on ordinary activities paid and additional taxes for previous periods (-)	(4)	(5)
A*** Net cash flow from operating activities	589	(35)
<i>of which entrusted resources</i>	<i>1,055</i>	<i>232</i>
Cash flows from investing activities		
B.1 Acquisition of fixed assets	(483)	(495)
B.2 Proceeds from the sale of fixed assets	975	722
B*** Net cash flow from investing activities	492	227
Cash flows from financing activities		
C.2 Change in equity	(87)	(152)
C.2.1 Direct payments from funds	(87)	(152)
C*** Net cash flow from financing activities	(87)	(152)
Net increase/(decrease) in cash and cash equivalents	994	40
<i>of which entrusted resources</i>	<i>1,055</i>	<i>232</i>
Cash and cash equivalents at the end of the year	4,895	3,901
<i>of which entrusted resources</i>	<i>4,722</i>	<i>3,667</i>

Consolidated statement of changes in equity for the year ended 31 December 2024

(in CZK millions)	Share capital	Other capital contributions	Reserve fund	Other funds from profit	Accumulated loss/ retained earnings	Profit / (loss) for the period less minority interests	Total
Balance as at 31 December 2022	3,588	2,807	359	16	32	(1,730)	5,072
Movements between funds/profit distribution	-	-	-	148	-	(1,730)	1,878
Use of funds/settlement of loss	-	(1,899)	-	(152)	21	-	(2,030)
Profit / (loss) for the period	-	-	-	-	-	(747)	(747)
Balance as at 31 December 2023	3,588	908	359	12	53	(747)	4,173
Movements between funds/profit distribution	-	-	-	80	-	747	827
Use of funds/settlement of loss	-	(836)	-	(88)	9	-	(915)
Profit / (loss) for the period	-	-	-	-	-	(1,247)	(1,247)
Balance as at 31 December 2024	3,588	72	359	4	62	(1,247)	2,838

15.2 Notes to the Consolidated Financial Statements

15.2.1 General Information

15.2.1.1 Description of the Group

The Group comprises Česká pošta, s.p., the controlling entity, and its subsidiary Česká pošta Security, s.r.o., (hereinafter “ČPS”) and its subsidiaries ČP Nept, s.r.o. and ČP Guarding, s.r.o.

The subsidiaries were as follows:

As at 31 December 2024:

Subsidiary	Registered office	Ownership interest
Česká pošta Security, s.r.o.	Olšanská 38/9, Prague 3	100 % (direct impact)
ČP Nept, s.r.o.	Politických vězňů 909/4, Prague 1	100 % (indirect impact)
ČP Guarding, s.r.o.	Politických vězňů 909/4, Prague 1	100 % (indirect impact)

As at 31 December 2023:

Subsidiary	Registered office	Ownership interest
Česká pošta Security, s.r.o.	Olšanská 38/9, Prague 3	100.00 % (direct impact)
ČP Nept, s.r.o.	Politických vězňů 909/4, Prague 1	100.00 % (indirect impact)
ČP Guarding, s.r.o.	Politických vězňů 909/4, Prague 1	100.00 % (indirect impact)

Česká pošta, s.p. (“the Enterprise”, “ČP”, “the Controlling entity” or “Česká pošta”) is a state-owned enterprise. It is a legal entity conducting its business activities using assets of the Czech government under its own name and on its own account. The founder of the Enterprise is the Czech State. The Enterprise was established on 1 January 1993 and the founder was then represented by the Ministry of Transport and Communications of the Czech Republic. As at 31 December 2024 and 31 December 2023, the role of the founder of the Enterprise under the government’s name was carried out by the Ministry of Interior of the Czech Republic. As at 31 December 2024, the Enterprise had its registered office at Politických vězňů 909/4, Prague 1, Czech Republic. The Enterprise’s identification number is 471 14 983 and it is registered in the Commercial Register of the Municipal Court in Prague, Section A, Insert No. 7565. Česká pošta is a business entity pursuant to Act No. 77/1997 Coll., on State-Owned Enterprise, as amended.

The Enterprise’s activities in the provision of postal services and foreign postal services are regulated by the Czech Telecommunication Office.

The main business activities of the Group are as follows:

- provision of postal services,
- provision of international postal services,
- provision of services of central procurement for government (public) administration,
- security of property and persons,
- road motor transport,
- assembly, repairs, revision and testing of electrical equipment, pressure equipment and gas containers,

- provision of technical services for the protection of property and persons,
- production, installation and repairs of electrical machinery and tools, electronic and telecommunication equipment,
- technical and organisational activities in the field of fire protection.

The corporate bodies of the Enterprise are the Director General and the Supervisory Board. The Director General is the Enterprise's statutory body – for details see subsection 14.2.1.1 Introductory information about the Enterprise.

The Enterprise's mission is to perform the function of a public postal operator involving the provision of basic and other postal services in accordance with Postal Services Act in a manner that is in line with basic quality requirements and the public needs. The Enterprise was issued a certificate of authorisation to conduct business in the field of postal services in accordance with Section 19 of the Postal Services Act; the Enterprise also holds the postal license pursuant to Section 21 of the Postal Services Act. The postal license was granted to the Enterprise until 31 December 2029.

The content of the postal license establishes the duty to secure the general availability of basic postal services in the whole territory of the Czech Republic.

The rights and obligations of the Enterprise as the postal services provider and the postal license holder are enshrined in Title V of the Postal Services Act. The Enterprise must annually publish and submit complete and truthful information to CTO about the results of providing and securing basic services and an evaluation of the fulfilment of the quality parameters. The content, form and manner of publishing the information is determined by an implementing legal regulation to the Postal Services Act (Decree No. 433/2012 Coll.). Czech Telecommunication Office annually publishes the summary report on the fulfilment of obligations entrusted to the postal license holder.

The Group is part of the whole of the government consolidation.

15.2.2 Accounting Policies

The accounting policies and valuation methods applied by the Group during preparation of the consolidated financial statements as at 31 December 2024 were as follows:

15.2.2.1 Basis of Preparation of Consolidated Financial Statements

The Group's consolidated financial statements have been prepared in accordance with Accounting Act No. 563/1991 Coll. and related Decree No. 500/2002 Coll. and pursuant to the Czech Accounting Standards for Entrepreneurs applicable for 2024 and have been prepared under the historical cost convention except as disclosed below.

15.2.2.1.1 Going Concern of the Group

Česká pošta continues to hold a significant place in society and is an integral part of the state's critical infrastructure. In 2024, the Enterprise successfully obtained a postal license for the period 2025-2029. It also continues to strive for changes in certain parameters of the postal services law to increase the efficiency of its services as well as customer experience. To this end, an amendment to the postal services law has been proposed, with significant changes in increasing the limit of compensation for net costs of universal service (hereinafter "ČNUS") to a maximum amount CZK 2,000 million per year and changing the frequency of ČNUS payments from annual to quarterly.

The implementation of strategic steps defined in the medium term horizon continues, which includes expanding the portfolio of services offered to the state and cooperation with the public sector, developing technologies and innovations to build a modern logistics company oriented towards its customers, developing the provision of financial products, overall digitisation of Česká pošta, and many others.

By a resolution of the Czech government from June 2023, the project plan for the transformation of Česká pošta was approved, based on which the decision was made to create the joint-stock company Balíkovna, a.s. The aim is to separate part of the commercial parcel services from the existing ČP enterprise. This will separate the financing of commercial parcel services and basic postal services, which will better reflect the needs of both future enterprises.

The first milestone of this transformation is the establishment of the branch specialising in parcel services (Odštěpný závod Balíkové služby) on 1 April 2025, as a strategic intermediate step towards a full-fledged subsidiary company Balíkovna, a.s. This step will enable more efficient management of operational, financial, and organisational aspects within the existing structure without immediate separation into an independent entity. At the same time, it will provide the management and founder with a control and stabilisation mechanism before final independence. Parallel to this process, preparations are underway for the joint-stock company Balíkovna to enter a strategic partner.

As at 31 December 2024, Česká pošta had current assets in the amount of CZK 11.0 billion, while its short-term liabilities were CZK 14.2 billion. This resulted in a negative net working capital of CZK -3.2 billion. The main reason for this situation is the loss-making operations of Česká pošta in recent years. Year-on-year, the net working capital decreased by CZK 1.2 billion, which corresponds with Česká pošta's loss for the year 2024.

In the past year, Česká pošta has adopted a comprehensive set of measures aimed at improving its operations, and these measures will continue into 2025. Among the measures implemented in 2024 were the reduction of the number of employees in managerial and administrative functions, resulting in annual savings of 200 million CZK, and further optimisation, particularly in increasing revenue from commercial activities, automation and digitisation of processes, optimisation of management of real estate and movable assets (e.g., reduction of the number of managerial vehicles, etc.), which will continue into 2025.

For 2025, additional optimisation measures are prepared for further rationalisation of the employee base, with the largest reduction planned based on the modelling of a new and leaner logistics network using market benchmarks and will take place on the side of Balíkovna.

The Enterprise's operations are currently dependent on bank loans. Česká pošta is working hard to improve its operations. In addition to standard optimisation measures (reducing the number of employees, saving operating costs, increasing service prices, introducing new services), Česká pošta's plan to return to profitability is based on two key factors: the separation of commercial services into an independent Balíkovna and the increase in the limit of compensation for net costs of universal service (ČNUS). Under these assumptions, Česká pošta should generate a reasonable profit from 2026 onwards.

Financing of the Enterprise is dependent on bank loans at this moment. Current credit lines and other obligations are planned to be paid off from future profits and the potential sale of surplus assets and other surplus real estate.

During the past year, a network of contact specialists was also established to enable the provision of services to less mobile citizens. At the end of the year, the open infrastructure project was launched, offering the possibility of posting and delivering parcels to other logistics operators. A pilot cooperation was established with one of the competitors, and Česká pošta expects to gradually start cooperation with other entities.

In 2024, Česká pošta used credit lines provided by ČSOB, a.s., UniCredit Bank, a.s., Raiffeisenbank, a.s., ING Bank N.V., and Všeobecná úverová banka a.s. to ensure classic operational financing, which are tied to ČNUS.

As at 31 December 2024, the credit lines were provided in the following structure and amounts:

Bank	Terms and conditions	Maturity date	Total limit (mio. CZK)
ČSOB, a.s.	overdraft loan, unsecured	31/12/2027	1,000
ČSOB, a.s.	multipurpose credit line, unsecured	15/06/2025	750
ČSOB, a.s.	bridging loan tied to the sale of real estate and payment to the Digital Information Agency (for the operation of data mailboxes), secured based on a Letter to Creditors issued by the Ministry of the Interior of the Czech Republic	15/06/2025	700
UniCredit Bank, a.s.	multipurpose credit line, unsecured	15/06/2025	700
Raiffeisenbank, a.s.	purpose loan for ČNUS, unsecured	31/03/2025	1,500
ING Bank N.V.	purpose loan for ČNUS, unsecured	28/03/2025	750
Všeobecná úverová banka a.s.	purpose loan for ČNUS, unsecured	26/02/2027	750

In the context of future financing, club loan provided by a group of banks is being prepared, and negotiations are currently underway. The financing arrangement will be a combination of operational loans and loans tied to ČNUS ("Net Costs of Universal Service") payments, in the total amount of CZK 5,250 million. Additionally, negotiations for a bridging loan with Raiffeisenbank a.s. for the period until the club financing is agreed resulted in the approval of a loan of CZK 750 million on 7 March 2025, with maturity on 31 December 2025, tied to the payment of the ČNUS balance for 2024.

During February 2025, ČNUS payments for 2023 in the amount of CZK 1,500 million were made, along with an advance payment of ČNUS for 2024 in the amount of CZK 750 million. This repaid the aforementioned credit lines from ING Bank N.V. and Raiffeisenbank a.s.

Česká pošta plays an irreplaceable role in providing services for the state, which has not been questioned by the Founder. The Enterprise also received a patronage statement from the Founder, in which the Founder promised to take steps to support Česká pošta, s.p., ensuring financing and continuous operation of Česká pošta, s.p., for 12 months from the date of the auditor's opinion.

Although the agreement on the club loan had not been concluded by the date of the audit opinion, the ongoing negotiations with banks, the support expressed in the patronage statement by the founder, and the ongoing results of the implementation of all strategic transformation activities lead the management of Česká pošta to believe that there is no significant going concern risk for the Enterprise.

15.2.2.1.2 Consolidation System

To prepare the consolidated financial statements, the full consolidation was used.

Mutual transactions, balances and unrealised gains on transactions between consolidated companies were eliminated from the consolidated financial statements, along with unrealised losses on mutual transactions.

Profits from the sale of assets between the Group entities were also fully eliminated.

Financial statements of the companies included in the consolidation were prepared as at 31 December 2024.

For consolidation purposes, the major accounting policies were unified within the Group; these accounting policies, applied by individual consolidated entities, are described below.

15.2.2.2 Subsidiaries

For the purposes of consolidation, a subsidiary is a company over which the Controlling entity exercises a controlling influence through:

- direct or indirect enforcement of more than 50% of the voting rights in the subsidiary company, or
- demonstrable control of operative and strategic policies, wherein the Controlling entity is also a shareholder/partner in the given company.

15.2.2.3 Intangible Fixed Assets

Purchased intangible fixed assets are recorded at cost, which includes all costs related with their acquisition.

Intangible fixed assets with a unit cost exceeding CZK 40 thousand and estimated useful life longer than one year are amortised using the straight-line method over their estimated useful life in accordance with the Group's amortisation plans, i.e., over 4 years. In exceptional cases, the useful life is set for a longer period (e.g., according to the useful life of the related equipment). If technical improvements of intangible fixed assets are made, following the period in which the improvements are put into use, the amortisation period of the asset is extended by 4 years or more in the case of significant asset items that the Group uses and expects to use for more than four years (e.g. the SAP backbone economic system).

Intangible fixed assets with a unit cost of less than CZK 40 thousand are expensed upon acquisition and only carried in the operational evidence, resp. off-balance sheet.

The amortisation plan is updated during the useful life of the intangible fixed assets based on the expected useful life.

The cost limit for the capitalisation of the technical improvements of intangible fixed assets is CZK 40 thousand. An allowance for impairment is created when the carrying value of an asset is greater than its estimated recoverable amount. The estimated recoverable amount is determined based on expected future cash flows generated by the certain asset.

15.2.2.4 Tangible Fixed Assets

Purchased tangible fixed assets are initially recorded at cost, which includes all costs related with their acquisition. The Group does not include loan interest in the acquisition cost of tangible fixed assets.

Tangible fixed assets acquired free of charge are valued at their replacement cost and are recorded into other capital funds. The replacement cost of these assets is based on expert opinion or on market prices of comparable fixed assets in terms of their wear and tear and performance. The valuation of tangible fixed assets is decreased by subsidies for the acquisition of assets.

The depreciation plan is updated during the useful life of the tangible fixed assets based on the expected useful life.

An allowance for impairment is created when the carrying value of an asset is greater than its estimated recoverable amount. The estimated recoverable amount is determined based on expected future cash flows generated by this asset.

An allowance is created mainly in cases of projects whose realisation is uncertain or in cases of expected sales if the expected sales price net of transaction cost is lower than the book value disclosed in the records.

Technical improvement expenses of tangible fixed assets increase the acquisition costs if their expenses exceed the total amount of CZK 40 thousand and technical improvements are put into use in that year. Ordinary repairs and maintenance costs are expensed as incurred.

Tangible fixed assets with a unit cost of less than CZK 40 thousand are treated as inventory and are expensed upon consumption and are only carried in the operational record. The exceptions are selected low-value assets – selected information technology and postal technology, which is also considered tangible fixed assets. Tangible fixed assets with a unit cost exceeding CZK 40 thousand and selected low-value assets with an estimated useful life longer than one year are depreciated using the straight-line method over their estimated useful lives of assets. The estimated useful lives of tangible assets are as follows:

The estimated useful lives of tangible assets are as follows:

	Number of years
Buildings, halls and constructions	20 – 45
Plant, machinery and equipment	3 – 20
Vehicles	6 – 20
Furniture, fixtures and equipment	5 – 20
Handling equipment	6 – 20
Computers and related equipment	3 – 7
Centralised protection desk ("PCO")	5

15.2.2.5 Long-Term Investments

The Group's long-term investments consist of other long-term securities and investments, which represent available-for-sale securities.

The Group classifies securities and investments, other than investments in subsidiaries and associates, as held-to-maturity or available-for-sale.

Investments with a fixed maturity that management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, unless the date of maturity falls within 12 months of the balance sheet date.

Securities and investments intended to be held for an indefinite period of time, which may be sold in response to liquidity requirements, are classified as available-for-sale. These investments are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the balance sheet date, in which case they are included in current assets. The Group determines the form of securities and investments at the time of their acquisition and review them on a regular basis as at the consolidated financial statements' date.

All securities and investments are initially recorded at cost, including transaction costs. Held-to-maturity investments are subsequently accounted for at amortised cost. Other investments are subsequently accounted for at fair value. The fair value is determined as the market value of the securities as at the consolidated balance sheet date. Measurement of non-traded securities is based on management estimates.

Gains and losses arising from changes in the fair value of trading instruments are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in fair value of available-for-sale investments are recognised as a movement in equity and recognised into the income statement on realisation or when permanently impaired.

An allowance for impairment is established for held-to-maturity investments when their carrying value is greater than their estimated recoverable amount.

15.2.2.6 Inventories

Purchased inventories are stated at the lower of cost and net realisable amount. Cost includes all costs related with its acquisition (mainly transport costs, customs duty, etc.). The weighted average cost method is applied for all disposals.

An allowance is created for slow-moving and obsolete inventory based on an analysis of turnover and an individual evaluation of inventories.

For long-term contracts, the carrying value of work-in-progress also includes the allocation of administrative overheads. Subcontracted supplies received and other direct costs are expensed and simultaneously recorded in work-in-progress against revenues. Subcontracted supplies are valued at cost. Work-in-progress is derecognised once the respective revenues are recorded.

15.2.2.7 Receivables

Receivables are stated at nominal value less an allowance for doubtful amounts. An allowance for doubtful amounts is created on the basis of an ageing analysis and an individual evaluation of the credit worthiness of the customers.

15.2.2.8 Short-Term Financial Investments

Short-term financial assets consist of securities available for sale. Securities available for sale are securities held for the purpose of effecting transactions on the public market in order to make a profit from price fluctuations in the short-term, but with a maximum period of one year.

15.2.2.9 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, stamps and vouchers and cash in banks, including bank overdrafts.

Cash equivalents are short-term highly liquid investments that can be exchanged for a predictable amount of cash and no significant changes of value over time are expected. Cash equivalents are deposits with a maturity of less than 3 months from the date of acquisition and liquid debt securities traded in public markets. Cash equivalents also include Entrusted Resources – see subsection 15.2.2.10. – Entrusted Resources.

The Group prepared its consolidated statement of cash flow using the indirect method.

15.2.2.10 Entrusted Resources

In some cases, the financial resources of third parties are temporarily entrusted to the Enterprise in order to perform specific transactions (services for clients of Československá obchodní banka, a.s., hereinafter “ČSOB, a.s.”), collection of radio and television license fees, payment of pensions, collection of SIPO payments, betting games, sale of stamps, postal payment services, services for mobile operators, customs declarations, etc.). These resources are recorded in a separate accounting group apart from the Enterprise’s own financial resources, and are disclosed on separate lines in the balance sheet. The Enterprise charges an agreed commission for performing the specific transactions, which is recognised within its own resources using the accrual principle in the same period to which they relate.

15.2.2.11 Foreign Currency Translation

Transactions denominated in a foreign currency are translated and recorded at the rate of exchange ruling as at the first day of the current calendar month as published by the Czech National Bank.

Cash, receivables and liabilities balances denominated in foreign currencies have been translated at the exchange rate published by the Czech National Bank as at the balance sheet date. All exchange gains and losses on cash, receivables and liabilities balances are recorded in the consolidated income statement.

15.2.2.12 Equity

The Enterprise’s financial position and funds are being managed in accordance with Act No. 77/1997 Coll., on State-Owned Enterprise, as amended. Pursuant to this Act, the share capital of the Enterprise corresponds to the business capital to which the Enterprise has a title on its establishment. The share capital includes both registered and non-registered capital in compliance with accounting legislation. Other capital funds are created in accordance with the accounting standards for entrepreneurs.

In addition, the Enterprise creates a reserve fund from profit, which was created gradually up to 10% of the share capital.

The Enterprise creates a cultural and social needs fund (“FKSP”). The creation and use of this fund is being governed by Decree No. 114/2002 Coll., on Cultural and Social Needs Fund, as amended.

15.2.2.13 Provisions

Provisions are intended to cover liabilities or expenses, the nature of which is clearly defined and that are either likely or certain to occur as at the balance sheet date but that are not certain in terms of the amount or the moment of occurrence.

15.2.2.14 Employee Benefits

The Group creates a provision for accrued vacation. The Group creates an estimated payable for rewards and bonuses to employees who became entitled to payment as at the balance sheet date. In case of rewards and bonuses to employees who are entitled to a payment after the current financial year-end day after meeting specified criteria, the Group creates a provision on the current financial year-end day.

15.2.2.15 Loans

Long-term liabilities including loans and current liabilities including loans are carried at their nominal values. Any portion of long-term debt, which is due within one year of the balance sheet date, is regarded as short-term debt.

15.2.2.16 Expenses and Revenue Recognition

Revenues and expenses are recognised on an accrual principle in the period to which they relate.

Sales are recognised as at the date the services are rendered (with the exceptions disclosed below) or goods are sold to customers and are stated net of discounts and value added tax.

Sales of postal services realised in cash through sales of postal stamps are recognised when the stamps are sold. The Group does not have the necessary information that would allow it to record income from these sales on an accrual basis in respect to the accounting periods in which customers actually use the purchased postal stamps. The Group's management believes that the costs of collecting such information relating to the time allocation needed for these services realised through sales of postal stamps would exceed the benefits of such information.

Revenues from agency services include the commission received for the services provided in the relevant accounting period on an accrual basis.

Other operating income includes compensation for net costs of the provision of basic postal services. In the income statement, the revenue is presented on a separate line III.3.1. Compensation for net cost on providing of basic postal services within other operating income, observing the matching and accrual principles applied to accounting for incurred costs; for details, see subsection 15.2.6 – Net Cost of Universal Service Obligation.

15.2.2.17 Leases

The costs of assets held under both finance and operating leases are not capitalised as fixed assets. Lease payments are expensed evenly over the life of the lease. Future lease payments not yet due are disclosed in the notes to the consolidated financial statements but not recognised in the consolidated balance sheet. The Group activates the respective value of leased assets in the period when the lease agreement is being concluded and the purchase option is exercised. Lease payments made in advance are accrued over the lease period.

15.2.2.18 Use of Estimates

The preparation of financial statements requires management of the Group to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. The Group management prepared these estimates and predictions based on all available relevant information. These estimates and assumptions are based on information available as at the date of the financial statements and may differ from actual results.

15.2.2.19 Current Tax Expense

The income tax expense is calculated, using the valid tax rate, from the accounting profit increased or decreased by the permanent or temporary non-deductible expenses and non-taxable income (e.g. non-deductible provisions and allowances, representation expenses, differences between accounting and tax depreciation, etc.).

Corporate income tax is recognised in the balance sheet as a part of the item "Taxes and state subsidies payable" if the tax liability exceeds the tax advances paid. Otherwise, the amount exceeding the tax liability as a result of the advances paid is recorded as "Taxes - receivables from the state".

The tax expense is disclosed in the consolidated profit and loss as tax from ordinary activities.

15.2.2.20 Deferred Tax

Deferred tax is recognised on all temporary differences between the carrying amount of an asset or liability in the consolidated balance sheet and its tax base. Deferred tax asset is recognised if it is probable that sufficient future taxable profit will be available against which the asset can be utilised.

15.2.2.21 Related Parties

The Group's related parties are considered to be the following:

- the state represented by the Enterprise's founder, government institutions, state-owned enterprises and companies, and other legal entities, where the state has significant influence, while the nature of the relationship is also decisive and not merely the legal form;
- members of the Enterprise's statutory, supervisory bodies and management and related parties to these members, including companies or institutions or businesses, where these members and parties have controlling, proportional or significant influence.

Significant transactions and balances with related parties, related to other than the main postal services, are disclosed in subsection 15.2.21 – Related Party Transactions.

15.2.2.22 Subsequent Events

The effects of events, which occurred between the balance sheet date and the date of preparation of the consolidated financial statements, are recognised in the consolidated financial statements in the case that these events provide further evidence of conditions that existed as at the balance sheet date.

Where significant events occur subsequent to the balance sheet date but prior to the preparation of the consolidated financial statements, which are indicative of conditions that arose subsequent to the balance sheet date, the effects of these events are disclosed, but are not themselves recognised in the consolidated financial statements.

15.2.3 Fixed Assets

15.2.3.1 Intangible Fixed Assets

Cost

(in CZK millions)	Opening balance	Additions *)	Disposals *)	Closing balance
Software	2,051	36	-	2,087
Royalties	8	-	-	8
Other intangible fixed assets	23	-	-	23
Intangible fixed assets in the course of construction	27	39	(39)	27
Total as at 31 December 2024	2,109	75	(39)	2,145
Total as at 31 December 2023	2,114	41	(106)	2,109

*) Additions and Disposals also include transfers of intangible fixed assets in the course of construction.

Accumulated amortisation and net book value

(in CZK millions)	Opening balance of accumulated amortisation	Additions	Disposals	Closing balance of accumulated amortisation	Allowances	Net book value
Software	(1,757)	(68)	-	(1,825)	-	262
Royalties	(6)	(1)	-	(7)	-	1
Other intangible fixed assets	(21)	(1)	-	(22)	-	1
Intangible fixed assets in the course of construction	-	-	-	-	-	27
Total as at 31 December 2024	(1,784)	(70)	-	(1,854)	-	291
Total as at 31 December 2023	(1,751)	(70)	37	(1,784)	(3)	322

15.2.3.2 Tangible Fixed Assets

Cost

(in CZK millions)	Opening balance	Additions *)	Disposals *)	Closing balance
Land	7743	-	(28)	715
Constructions	11,566	80	(462)	11,184
Plant, machinery and equipment	4,343	268	(140)	4,471
Vehicles	1,030	162	(126)	1,066
Furniture and fixtures	673	7	(33)	647
Selected low-value tangible assets of less than CZK 40 ths.	895	24	(13)	906
Other movable assets	142	-	(9)	133
Art works and collections	5	-	-	5
Tangible fixed assets in the course of construction	224	398	(540)	82
Total as at 31 December 2024	19,621	939	(1,351)	19,209
Total as at 31 December 2023	19,995	624	(998)	19,621

*) Additions and Disposals also include transfers of tangible fixed assets in the course of construction. Disposals of tangible fixed assets in the course of construction also include depreciation of lost investments.

Accumulated depreciation, allowances and net book value

(in CZK millions)	Opening balance of accumulated depreciation	Additions	Disposals	Closing balance of accumulated depreciation	Allowances	Net book value
Land	-	-	-	-	-	715
Constructions	(6,423)	(276)	329	(6,370)	-	4,814
Plant, machinery and equipment	(3,910)	(163)	139	(3,934)	-	537
Means of transport	(880)	(46)	121	(805)	-	261
Furniture and fittings	(581)	(12)	31	(562)	-	85
Selected low-value tangible assets of less than CZK 40 thousand	(742)	(58)	14	(786)	-	120
Other movable assets	(142)	-	9	(133)	-	-
Art works and collections	-	-	-	-	-	5
Tangible fixed assets in the course of construction	-	-	-	-	(5)	75
Total as at 31 December 2024	(12,678)	(555)	643	(12,590)	(5)	6,612
Total as at 31 December 2023	(12,650)	(622)	594	(12,678)	(9)	6,934

Based on the stock-count performed, the Group adjusted the carrying value of the tangible fixed assets for diminution in value through an allowance (see subsection 15.2.7 – Allowances).

In 2024, the Group received long-term assets in the amount of CZK 4 million. In 2023, the Group did not receive any significant tangible fixed assets free of charge.

In 2024 and 2023, besides the easement in favour of PCS – Praha Center, spol. s r.o. created in relation to the post office building at Jindřišská, Prague 1 based on an agreement dated 16 April 1997, which is in force until 31 March 2042, the Group has another 386 (2023: 388) easements, or similar rights to tangible fixed assets (rights for sewage pipeline, water pipeline, power and gas connection, hot-water piping, right of entry, access, crossing, driving, parking of a company car, pre-emptive right and the right of use) mainly created in favour of the communal and municipal authorities, telecommunications infrastructure providers, and electricity producers and distributors.

In 2024, the Group received investment subsidies in the amount of CZK 81 million. In 2023, the Group did not receive any investment subsidies.

15.2.3.3 Long-Term Investments

The Group did not have other long-term securities and investments in its portfolio as at 31 December 2024 and 31 December 2023.

15.2.4 Inventories

The fair value of obsolete and slow-moving inventory is reduced to the selling price through the allowance account (see subsection 15.2.7 – Allowances).

15.2.5 Receivables

As at 31 December 2024 and 31 December 2023, the Group had no receivables with a maturity of more than five years. As at 31 December 2024 and 31 December 2023, overdue receivables amounted to CZK 214 million and CZK 572 million, respectively. Outstanding overdue receivables are not secured. The Group wrote off irrecoverable receivables of CZK 14 million and CZK 25 million in 2024 and 2023, respectively, due to cancellation of bankruptcy proceedings, failing to satisfy the claims in bankruptcy proceedings.

Receivables from related parties are described in subsection 15.2.21 – Related Party Transactions. The estimated receivables primarily comprise transactions related to international postal operations; balances of these transactions as at 31 December 2024 and 31 December 2023 amounted to CZK 1,199 million and CZK 968 million, respectively. Operating records on incoming mail not yet confirmed by individual postal offices were recorded as estimated receivables with the double entry in Sales of own products and services, based on operating statistics. As at 31 December 2024 and 2023, the compensation of net costs of providing basic postal services is included in estimated receivables and was recognised in short-term receivables in the amount of CZK 3,000 million and CZK 1,500 million, respectively (see 15.2.6 Net Cost of Universal Service Obligation).

15.2.6 Net Cost of Universal Service Obligation

The Enterprise as a postal license holder, as defined by Section 21 paragraph 2 of the Postal Services Act, is obliged to ensure the universal availability of basic services listed in decision on the granting of postal licence throughout all the territory of the Czech Republic. The Enterprise is required to fulfil its postal obligations (Section 33(1)(a) of the Postal Services Act) in accordance with the basic quality requirements set out in Decree No. 464/2012 Coll., dated 17 December 2012, on the specification of individual basic services and the basic quality requirements for their provision.

If, due to the obligation of providing basic services, the postal license holder incurs net costs representing an unfair financial burden for the postal license holder, these costs are reimbursed in such a way as stipulated by the Postal Services Act. The Czech Telecommunication Office (CTO) process of calculating the net cost of providing basic services is further specified in Decree No. 466/2012 Coll. of 17 December 2012 on the procedure of the CTO when calculating the net cost of fulfilling obligations to provide basic services. According to the law, net costs of providing basic services are paid up to CZK 1,500 million per year. Other net costs are not considered to be an unfair financial burden.

The provision of state compensatory payment for the provision of basic services is subject to a decision of the European Commission on the compatibility of state aid in the form of compensation of net costs of providing basic services according with Article 106 paragraph 2 of the TFEU. The notification of state compensation for the provision of basic services for the period 2023 to 2024 was officially submitted to the European Commission by the Czech Republic on 9 November 2024. The compatibility of state aid in the form of compensation for net costs of providing basic services with Article 106 paragraph 2 of the TFEU was confirmed by the European Commission's decision on 3 February 2025. Subsequently, the CTO, by decision dated 7 February 2025, granted the Enterprise preliminary net costs for providing basic services for 2024 in the amount of 750 million CZK and by decision dated 10 February 2025, net costs for providing basic services for 2023 in the amount of 1,500 million CZK.

15.2.7 Allowances

Allowances reflect a temporary decrease in the value of assets (disclosed in subsections 15.2.3 – Fixed Assets, 15.2.4 – Inventories and 15.2.5 – Receivables).

Allowances against: (in CZK millions)	Balance as at 1 January 2023	Additions	Reversal/use	Balance as at 31 December 2023	Additions	Reversal/Use	Balance as at 31 December 2024
Intangible fixed assets	10	3	(10)	3	-	(3)	-
Tangible fixed assets	17	2	(10)	9	1	(3)	7
Inventory	64	5	(12)	57	3	(5)	55
Receivables – other	126	14	(29)	111	11	(26)	96
Total tax non-deductible allowances	217	24	(61)	180	15	(37)	158
Receivables – legal	29	18	(20)	27	15	(10)	32
Total tax-deductible allowances	29	18	(20)	27	15	(10)	32
Total	246	42	(81)	207	30	(47)	190

Legal allowances are created pursuant to the Act No. 593/1992 Coll., on Provisions, as amended and are deductible for tax purposes; other allowances are not deductible for tax purposes.

15.2.8 Short-Term Financial Assets and Cash

The main bank used by the Enterprise is Československá obchodní banka, a.s., in which the Enterprise has two cash-pooling sets of accounts, a set of own funds accounts and a set of accounts with entrusted resources. An overdraft enabling the Enterprise to have a negative balance is agreed for the set of accounts with both the Enterprise's own and entrusted resources (see subsection 15.2.13 – Bank Loans and Borrowings).

As at 31 December 2024 and 31 December 2023, the Group did not have short-term securities or shares.

15.2.9 Equity

As at 31 December 2024 and 31 December 2023, share capital amounted to CZK 3,588 million.

Other capital funds mainly comprise contributions from the Group's profit or gifts received.

The reserve fund has been created gradually up to the level of 10% of share capital. Other funds from profit include the cultural and social fund.

The proposed compensation of the loss incurred for the year ended 31 December 2024 will be submitted to the founder of the Enterprise along with the request for approval of the annual report in accordance with Section 15 paragraph 1 point i) of the Act on State-Owned Enterprise, as amended.

15.2.10 Provisions

(in CZK millions)	Balance as at 1 January 2023	Additions	Reversal/use	Balance as at 31 December 2023	Additions	Reversal/use	Balance as at 31 December 2024
Social and health insurance	57	96	(57)	96	60	(97)	59
Untaken holidays	61	69	(61)	69	51	(68)	52
Provisions for severance pay incl. Competition clauses	328	106	(328)	106	246	(106)	246
Non-claimable component of salaries	20	110	(19)	111	19	(110)	20
Other	364	67	(125)	306	173	(278)	201
Total non-deductible provisions	830	448	(590)	688	549	(659)	578
Total	830	448	(590)	688	549	(659)	578

The provision for social and health insurance is created mainly for contributions to the unpaid part of contracted wages, profit-related bonuses, untaken holidays and other salary benefits.

A provision for compensation for severance pay and competition clauses was created in connection with the gradual reduction in the number of employees in subsequent years, which has been approved by the Group's management.

Other provisions were primarily created to cover risks known as at 31 December 2024 and probable loss from ongoing litigations and out-of-court disputes and related obligations.

The Group also created a provision for the non-claimable component of salaries which is composed of expected extraordinary wage bonuses estimated by the Director General and an additional subjective component of salaries including individual agreed salary bonuses.

15.2.11 Long-term Liabilities

As at 31 December 2024 and 31 December 2023, long-term liabilities consisted mainly of liabilities relating to the supply of assets paid in instalments.

As at 31 December 2024 and 31 December 2023, the Group did not recognise liabilities that are due after more than five years.

15.2.12 Short-term Liabilities

As at 31 December 2024 and 31 December 2023, the Group had overdue short-term payables in the total

amount of CZK 11 million and CZK 12 million, respectively.

The Group had no short-term or long-term liabilities bearing a security or lien in favour of a creditor as at 31 December 2024 and 31 December 2023.

Liabilities to related parties are described in subsection 15.2.21 – Related Party Transactions.

Estimated payables particularly consist of costs associated with international postal operations, where balances of transactions amounted to CZK 646 million and CZK 529 million as at 31 December 2024 and 31 December 2023, respectively. In addition, estimated payables included quantity discounts, uninvoiced operating deliveries of services and energy, and estimated staff bonuses.

The Group did not record any unpaid tax liabilities payable to the relevant tax authority as at 31 December 2024 and 31 December 2023.

15.2.13 Bank Loans and Borrowings

15.2.13.1 Denominated in CZK

Bank	Terms/conditions	Account	Valid until	Total limit 2024/2023 (in CZK millions)	31 December 2024 (in CZK millions)	31 December 2023 (in CZK millions)
ČSOB, a.s.	Overdraft account Interest rate: O/N PRIBOR + 0.12 % p.a.	Own resources	31 December 2027	1,000/1,000	967	912
ČSOB, a.s.	Overdraft account Interest rate: O/N PRIBOR + 0.85 % p.a.	Own resources	15 June 2025	750/750	-	-
ČSOB, a.s.	Overdraft account Interest rate: O/N PRIBOR + 0.12 % p.a.	Entrusted resources	31 December 2027	700/700	-	-
ČSOB, a.s.	Short-term loan Interest rate: O/N PRIBOR + 1.25% p.a.	Own resources	15 June 2025	700/700	-	-
ING Bank N.V.	Overdraft account Interest rate: O/N PRIBOR + 0.40 % p.a.	Own resources	28 March 2025	750/750	746	-
Raiffeisenbank, a.s.	Overdraft account Interest rate: O/N PRIBOR + 0.28 % p.a.	Own resources	31 March 2025	1,500/1,500	1,500	650
UniCredit Bank, a.s.	Overdraft account Interest rate: O/N PRIBOR + 0.82 % p.a.	Own resources	15 June 2025	700/750	119	-
Všeobecná úverová banka a.s.	Short-term loan Interest rate: O/N PRIBOR + 0.76% p.a.	Own resources	26 February 2027	750/0	750	-
					4,082	1,562

The overdraft on the own funds account from Československá obchodní banka, a.s., is to offset short-term cash-flow fluctuations. As at 31 December 2024, the Enterprise used CZK 967 million of the overdraft. As at 31 December 2023, the Enterprise used CZK 912 million of the overdraft. The overdraft is part of the main agreement with ČSOB, a.s.; the credit framework is valid until 31 December 2027.

Multi-purpose credit line from Československá obchodní banka, a.s. allows for the drawing of an overdraft,

short-term loan on the financial market, documentary letters of credit and different types of guarantees. The associated commitment fee is 0.10%. As at 31 December 2024, the credit line was not used. This credit agreement framework is valid until 15 June 2025.

The overdraft on the entrusted resources account from Československá obchodní banka, a.s., was provided to ensure sufficient financial liquidity of the Enterprise. As at 31 December 2024 and 31 December 2023, the overdraft facility was not used. The overdraft is part of the main agreement with ČSOB, a.s.; the credit framework is valid until 31 December 2027.

The credit line from Československá obchodní banka, a.s. allows for overdrafts and short-term loans on the financial market. The associated commitment fee is 0.25%. As at 31 December 2024, the credit line was not used. The respective credit framework is valid until 15 June 2025

The credit line from ING Bank N.V. allows for overdrafts and short-term loans on the financial market. The associated commitment fee is 0.12%. As at 31 December 2024, the Enterprise used of CZK 746 million of the overdraft. As at 31 December 2023, the credit line was not used. The respective credit framework is valid until 28 March 2025.

The credit line from Raiffeisenbank a.s. allows for overdrafts and short-term loans on the financial market. The associated commitment fee is 0.10%. As at 31 December 2024, the Enterprise used CZK 1,500 million of the overdraft. As at 31 December 2023, the Enterprise used CZK 650 million of the overdraft. The respective credit framework is valid until 31 March 2025.

The credit line from UniCredit Bank, a.s. allows for overdrafts, short-term loans on the financial market, documentary letters of credit and different types of guarantees. The associated commitment fee is 0.30%. As at 31 December 2024, the Enterprise used CZK 119 million of the overdraft. As at 31 December 2023, the credit line was not used. The respective credit framework is valid until 15 June 2025.

The credit line from Všeobecná úvěrová banka, a.s. allows for overdrafts, short-term loans on the financial market. The associated commitment fee is 0.17%. As at 31 December 2024, the Enterprise used CZK 750 million of the overdraft. As at 31 December 2023, the credit line was not used. The respective credit framework is valid until 26 February 2027.

The Group complies with all the terms and conditions of the loan agreements.

15.2.13.2 Denominated in EUR

Bank	Terms / conditions	Account	Valid until	Total limit (in EUR million)	31 December 2024		31 December 2023	
					(in EUR million)	(in CZK million)	(in EUR million)	(in CZK million)
ČSOB, a.s.	Overdraft account EURIBOR 3months + 0.1 % p.a.	Entrusted resources	31/12/2027	5	1	21	1	27

The above-mentioned bank overdraft is exclusively used for cash operations of the banking services provided at selected post-office counters in EUR. The overdraft is part of the main agreement with ČSOB, a.s.; the credit limit is valid until 31 December 2027.

The Group complies with all the terms and conditions of the loan agreements.

15.2.14 Accruals and Deferred Income

Deferred income primarily includes prepaid postal fees for offsetting remote credit machines.

15.2.15 Income Tax

Analysis of the Group's income tax expense is as follows:

(in CZK millions)	2024	2023
Current tax expense	1	3
Deferred tax	-	-
Total tax expense	1	3

The Group quantified current income tax as follows:

(in CZK millions)	2024	2023
Profit / (loss) before tax	(1,246)	(744)
Non-taxable revenues	16	(37)
Difference between book and tax depreciation	293	471
Tax non-deductible expenses (+), including changes in provisions and allowances (-)	(58)	(131)
Out of which:		
- change in allowances	(22)	(37)
- change in provisions	(110)	(142)
- other (e.g., accrued expenses, representation expenses, shortages and losses)	74	48
Tax loss	(1,000)	(462)
Taxable income	6	21
Tax base	6	21
Income tax rate	21%	19%
Calculated income tax	1	4
Tax relief (persons with disability or partial disability)	-	(1)
Current tax expense	1	3
Income tax expense from ordinary activities and total	1	3

The Group calculated the deferred tax asset / (liability) using the 21% tax rate for year 2024 and 2023 quantified as follows:

Deferred tax items	31 December 2024			31 December 2023		
	Base (in CZK millions)	Deferred tax asset (in CZK millions)	Deferred tax liability (in CZK millions)	Base (in CZK millions)	Deferred tax asset (in CZK millions)	Deferred tax liability (in CZK millions)
Difference between net book value of fixed assets for accounting and tax purposes	723	152	-	421	88	-
Allowances	157	33	-	180	38	-
Other provisions	579	121	-	688	145	-
Total	1,459	306		1,289	271	
Net deferred tax asset			306			271

As at 31 December 2024, the Group did not recognise a potential deferred tax asset from the 2024 tax loss in the amount of CZK 210 million on the basis that its recovery was uncertain. Further, the Group did not recognise a deferred tax asset from allowances and provisions in the amount of CZK 306 million on the basis that its recovery was uncertain. The tax loss from 2024 can be used until 2029.

As at 31 December 2023, the Group did not recognise a potential deferred tax asset from the 2023 tax loss in the amount of CZK 97 million on the basis that its recovery was uncertain. Further, the Group did not recognise a deferred tax asset from allowances and provisions in the amount of CZK 271 million on the basis that its recovery was uncertain. The tax loss from 2023 can be used until 2028.

Act No. 416/2023 Coll. on Top-up taxes for large multinational groups and large domestic groups was adopted based on EU Council Directive 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups. The aim of the Top-up taxes is to eliminate competition between states over different corporate tax rates by introducing a single minimum tax rate to ensure equal conditions for entities around the world and allow states to better protect their tax income. Top-up taxes will be collected if the calculated effective tax rate in the given jurisdiction is lower than 15 %. Companies in the group whose consolidated annual revenues reported in the consolidated financial statements of the highest parent entity amount to at least the equivalent of EUR 750 mil. in at least 2 of the 4 reporting periods immediately preceding the given tax period are liable for Top-up taxes.

The Group is a payer of the top-up taxes. Top-up taxes were not considered when calculating the deferred tax. The Group does not have a tax liability for the year 2024 in relation to the Top-up taxes.

15.2.16 Leases

The Group leases fixed assets, which are not recognised in the balance sheet accounts (see subsection 15.2.2.17 – Leases and subsection 15.2.17 – Commitments and Contingencies).

The assets leased by the Group in the form of operational leases amounted to CZK 381 million and CZK 366 million as at 31 December 2024 and 31 December 2023, respectively. The buildings leased by the Group amounted to CZK 379 million and CZK 380 million as at 31 December 2024 and 31 December 2023, respectively.

As at 31 December 2024 and 31 December 2023, the Group recorded financial lease rentals in the amount of CZK 148 million and CZK 143 million, respectively.

15.2.17 Commitments and Contingencies

The Group recognises particularly stamps and lottery tickets, the nature of which is recognised as valuables (these items are recognised below in nominal value) in its operational evidence as at 31 December 2024 and 31 December 2023. Furthermore, the Group recognised low-value assets in operating evidence and leased assets in off-balance sheet evidence (recognised in acquisition costs), which is not recognised in the balance sheet:

(in CZK millions)	31 December 2024	31 December 2023
Valuables incl. stamps and lottery tickets	8,357	9,039
Leased assets	2,720	2,822
Low-value tangible assets	1,299	1,344
Low-value intangible assets	39	39

The structure of the contracted future obligations from operating leases and rental of buildings is presented in the table below (in CZK millions):

(in CZK millions)	31 December 2024	31 December 2023
Due within 1 year	597	532
Due between 1 to 5 years	1,129	1,138
Due after 5 years	243	311
Total	1,969	1,981

The structure of the contracted future obligations from financial leases is presented in the table below (in CZK millions):

(in CZK millions)	31 December 2024	31 December 2023
Due within 1 year	147	148
Due between 1 to 5 years	268	416
Due after 5 years	-	-
Total	415	564

Provided and received bank guarantees for the Group, which are drawn under the framework agreements, on the provision of financial services, as at 31 December 2024 were as follows:

Type of provided guarantee	Guarantor	Creditor	Subject	Valid until	Amount (in CZK millions)
Payment	Československá obchodní banka, a.s.	Customs Directorate for the South Bohemian Region	Customs guarantee	indefinite	1
Payment	Československá obchodní banka, a.s.	Customs Directorate for the South Bohemian Region	Customs guarantee	indefinite	5
Payment	Československá obchodní banka, a.s.	Centrum Chodov, a.s.	Rental agreement	15/02/2025	1
Payment	Československá obchodní banka, a.s.	Košířská brána s.r.o.	Rental agreement	20/03/2025	5
Payment	Československá obchodní banka, a.s.	New Karolina Shopping Center Development, s.r.o.	Rental agreement	31/12/2024	1
Payment	UniCredit Bank, a.s.	Customs Directorate for the South Bohemian Region	Customs guarantee	indefinite	3
Payment	UniCredit Bank, a.s.	Customs Directorate for the South Bohemian Region	Customs guarantee	indefinite	7
Payment	UniCredit Bank, a.s.	Albert Česká republika, s.r.o.	Rental agreement	20/11/2026	1
Payment	UniCredit Bank, a.s.	Prologis Czech Republic LX s.r.o.	Rental agreement	31/12/2025	4
Payment	UniCredit Bank, a.s.	Keriani, a.s.	Rental agreement	09/10/2026	7
Payment	UniCredit Bank, a.s.	Charles Square Center, s.r.o.	Rental agreement	28/02/2025	1
Payment	UniCredit Bank, a.s.	OAMP Hall 2 s.r.o.	Rental agreement	31/08/2025	13
Payment	UniCredit Bank, a.s.	Rezidence Nusle s.r.o.	Rental agreement	01/07/2025	1
Payment	UniCredit Bank, a.s.	CONTERA Investment III. s.r.o.	Rental agreement	20/08/2026	2
Payment	UniCredit Bank, a.s.	New Karolina Shopping Center Development, s.r.o.	Rental agreement	20/11/2026	1
					53

Type of provided guarantee	Guarantor	Creditor	Subject	Valid until	Amount (in CZK millions)
Payment	UniCredit Bank, a.s.	GH-KLIMA s.r.o.	Postservis Č. Budějovice-VZT and air conditioning	31/01/2025	1
Payment	Československá obchodní banka, a.s.	LUSPOL SE	Pošta and Depo Prachatice 70 - reduction of energy consumption	30/09/2026	1
Payment	Česká spořitelna a.s.	NEO BUILDER a. s.	Prague 3, Olšanská – building modifications 5. NP	31/07/2027	1
Payment	Česká spořitelna a.s.	Nostica a.s.	2022/03812 DSPU Prague – office renovation 2.NP TB	31/03/2028	1
					4

Received and provided bank guarantees for the Group, which are drawn under the framework agreements, on the provision of financial services, as at 31 December 2023 were as follows:

Type of provided guarantee	Guarantor	Creditor	Subject	Valid until	Amount (in CZK millions)
Payment	Československá obchodní banka, a.s.	Charles Square Center s.r.o.	Rental agreement	15/02/2024	1
Payment	Československá obchodní banka, a.s.	Customs Directorate for the South Bohemian Region	Customs guarantee	indefinite	1
Payment	Československá obchodní banka, a.s.	CONTERA Investment III. s.r.o.	Rental agreement	10/09/2024	2
Payment	Československá obchodní banka, a.s.	Customs Directorate for the South Bohemian Region	Customs guarantee	indefinite	5
Payment	Československá obchodní banka, a.s.	OAMP Hall 2 s.r.o.	Rental agreement	01/08/2024	12
Payment	Československá obchodní banka, a.s.	Centrum Chodov, a.s.	Rental agreement	15/02/2025	1
Payment	Československá obchodní banka, a.s.	Košířská brána s.r.o.	Rental agreement	20/03/2025	5
Payment	Československá obchodní banka, a.s.	New Karolina Shopping Center Development, s.r.o.	Rental agreement	31/12/2024	1
Payment	UniCredit Bank, a.s.	Customs directorate for the South Bohemian Region	Customs guarantee	indefinite	3
Payment	UniCredit Bank, a.s.	Customs Directorate for the South Bohemian Region	Customs guarantee	indefinite	7
Payment	UniCredit Bank, a.s.	Albert Česká republika, s.r.o.	Rental agreement	31/12/2024	1
Payment	UniCredit Bank, a.s.	Prologis Czech Republic LX s.r.o.	Rental agreement	20/12/2024	3
Payment	UniCredit Bank, a.s.	Keriani,a.s.	Rental agreement	20/12/2024	6
					48

Type of received guarantee	Guarantor	Debtor	Subject	Valid until	Amount (in CZK millions)
Payment	Komerční banka, a.s.	SSK-stavby s.r.o.	SPU Prague 022, TB - reconstruction of road ramp, incl. gates	24/04/2024	1
Payment	Komerční banka, a.s.	SILBA-Elstav s.r.o.	SPU Plzeň 02 - provision of vehicle parking services	12/10/2024	1
Payment	UniCredit Bank, a.s.	GH-KLIMA s.r.o.	Postservis Č.Budějovice VZT and air conditioning	31/01/2025	1
Payment	Československá obchodní banka, a.s.	LUSPOL SE	Reduction of energy consumption - Post Office and Depot Prachatice 70	30/09/2026	1
Payment	Československá obchodní banka, a.s.	ZENOVA services s.r.o.	Provision of cleaning services - PRG region	31/12/2024	2
Payment	Československá obchodní banka, a.s.	ZENOVA services s.r.o.	Provision of cleaning services - SB region	31/12/2024	1
Payment	Československá obchodní banka, a.s.	ZENOVA services s.r.o.	Provision of cleaning services - WB region	31/12/2024	1
Payment	Československá obchodní banka, a.s.	ZENOVA services s.r.o.	Provision of cleaning services - NB region	31/12/2024	1
Payment	Československá obchodní banka, a.s.	ZENOVA services s.r.o.	Provision of cleaning services - EB region	31/12/2024	1
Payment	Československá obchodní banka, a.s.	ZENOVA services s.r.o.	Provision of cleaning services - NM region	31/12/2024	1
Payment	Česká spořitelna, a.s.	NEO BUILDER a.s.	Construction work - Olšanská, Prague 3	31/07/2027	1
Payment	Česká spořitelna, a.s.	Nostica a.s.	DSPU Prague – reconstruction of the office	31/03/2028	1
Payment	BNP Paribas S.A., pobočka Česká republika	INFINITE STYLES ECOMMERCE CO., LIMITED	Submitting shipments Corporate writing	30/11/2024	12
					25

15.2.18 Contingent Liabilities

The management of the Group is not aware of any other significant contingent liabilities as at 31 December 2024 of the Group.

15.2.19 Revenues and Other Operating Income

Breakdown of revenues and other operating income from the Group's main activities:

	2024			2023		
	Domestic (in CZK millions)	Foreign (in CZK millions)	Total (in CZK millions)	Domestic (in CZK millions)	Foreign (in CZK millions)	Total (in CZK millions)
Revenue from postal operations	10,519	1,198	11,717	11,637	1,212	12,849
Revenue from provision of procurement activities	2,393	-	2,393	2,368	-	2,368
Revenue from electronic services	455	-	455	389	-	389
Sales of goods	96	-	96	242	-	242
Revenues from data mailboxes	828	-	828	786	-	786
Total revenues	14,291	1,198	15,489	15 422	1,212	16,634
Other operating income	2,832	-	2,832	2,559	-	2,559

Total revenues and other operating income	17,123	1,198	18,321	17,981	1,212	19,193
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For net cost of universal service obligation, see separate subsection 15.2.6 – Net Cost of Universal Service Obligation. In the income statement, compensation for net costs of the provision of basic postal services is presented within other operating income on a separate line III.3.1. Compensation for net cost on providing basic postal services.

In 2024, the Group received subsidies for operating purposes in the amount of CZK 15 million. In 2023, the Group received subsidies for operating purposes in the amount of CZK 13 million.

15.2.20 Employees

Breakdown of Group's staff costs is as follows:

	2024		2023	
	Total personnel	Of which: Group's management and Supervisory Board	Total personnel	Of which: Group's management and Supervisory Board
Average number of employees	19,922	36	21,113	36
(in CZK millions)				
Wages and salaries	8,542	76	8,804	82
Social security and health insurance	2,832	19	2,859	20
Social costs	329	-	300	-
Total staff costs	11,703	95	11,963	103

Wages and salaries of the Group's management also include severance pay and anti-competitive clause.

15.2.21 Related Party Transactions

Apart from the bonuses disclosed in subsection 15.2.20 – Employees, in 2024 and 2023 members and former members of the Group's statutory and supervisory bodies and the Group's management did not receive any loans, guarantees, advance payments or other benefits besides the collective agreement, except to access to company cars that are made available by management for both business and private purposes.

During the year, the Group executed several transactions with related parties within its ordinary business activities. The transactions realised in 2024 and 2023 along with the related receivables from and liabilities to related parties are as follows:

Related parties	For the year ended 31 December 2024		As at 31 December 2024	
	Revenues	Expenses	Receivables	Liabilities
	(in CZK millions)	(in CZK millions)	(in CZK millions)	(in CZK millions)
ČEPRO, a.s.	3	317	-	31
Czech Social Security Administration	418	2,009	-	3,447
Czech Metrology Institute	-	6	-	1
ČEZ Distribuce, a. s.	10	-	1	-
ČEZ Prodej, a.s.	261	19	34	15
ČEZ, a. s.	9	-	1	-
Digital and Information Agency	824	-	78	-
General Financial Directorate	93	28	-	8
Municipal District Prague 3	10	-	1	8
Government ministries	43	-	5	3
Nemocnice Pardubického kraje, a.s.	3	-	-	-
Pražská plynárenská, a.s.	26	291	3	28
Labour Office of the Czech Republic	401	-	2	5
Prison service of the Czech Republic	1	30	-	2
Vodovody a kanalizace Hodonín, a.s.	2	-	-	1
Health insurance companies	230	-	21	18
Total	2,334	2,700	146	3,567

Related parties	For the year ended 31 December 2023		As at 31 December 2023	
	Expenses	Receivables	Expenses	Receivables
	(in CZK millions)	(in CZK millions)	(in CZK millions)	(in CZK millions)
ČEPRO, a.s.	4	294	-	30
Czech Social Security Administration	497	2,032	-	2,254
Czech Metrology Institute	-	7	-	2
ČEZ Distribuce, a. s.	10	-	2	-
ČEZ Prodej, a.s.	256	17	42	50
ČEZ, a. s.	10	-	1	-
Digital and Information Agency	578	-	456	-
General Financial Directorate	116	15	-	7
CAPITAL CITY OF PRAGUE	468	11	4	5
Municipal District Prague 3	10	-	1	9
Government ministries	493	-	4	3
Nemocnice Pardubického kraje, a.s.	2	-	-	-
Pražská plynárenská, a.s.	28	397	1	92
Labour Office of the Czech Republic	403	-	2	5
Prison service of the Czech Republic	1	25	-	2
Vodovody a kanalizace Hodonín, a.s.	2	-	-	2
Health insurance companies	196	-	12	10
Total	3,074	2,798	525	2,471

15.2.22 Fees Paid and Payable to the Audit Company

The fees paid to audit companies for the statutory audit of the financial statements, including the consolidated financial statements audit, totalled CZK 2 million and CZK 2 million, respectively in 2024 and 2023.

15.2.23 Entrusted Resources

The entrusted resources analysis as at 31 December 2024 and 31 December 2023 is as follows:

(in CZK millions)	31 December 2024	31 December 2023
ASSETS		
Short-term receivables	97	173
Cash in hand and at bank	4,722	3,667
Total assets	4,819	3,840
<hr/>		
(in CZK millions)	31 December 2024	31 December 2023
LIABILITIES AND EQUITY		
Short-term liabilities	4,798	3,813
Short-term bank loans	21	27
Total liabilities and equity	4,819	3,840

Short-term receivables consist primarily of short-term receivables for agency services (e.g., card transactions, cheque transactions, etc.) provided to ČSOB, a.s.

At the end of 2024 and 2023, the Group received advance payments in the amount of CZK 3,100 million and CZK 1,900 million, respectively, for January 2025 and 2024 pension payments from the Czech Social Security Administration.

All these liabilities in respect of entrusted resources were within the maturity period.

15.2.24 Statement of Cash flows

As at 31 December 2024 and 31 December 2023, the Group did not consider the used overdraft facilities as cash equivalents for the purpose of the consolidated statement of cash flow (see subsection 15.2.13 – Bank Loans and Overdrafts).

Cash and cash equivalents disclosed in the consolidated statement of cash flow can be analysed as follows:

(in CZK millions)	31 December 2024	31 December 2023
Cash on hand	3,252	3,481
Cash at bank	1,643	420
Cash and cash equivalents	4,895	3,901

15.2.25 Subsequent Events

The Enterprise will quantify the net costs of providing basic services for the accounting period of 2024 and will request the CTO to reimburse these costs, which represent an unfair financial burden for the Enterprise as the holder of a postal license. The application deadline is 31 August 2025.

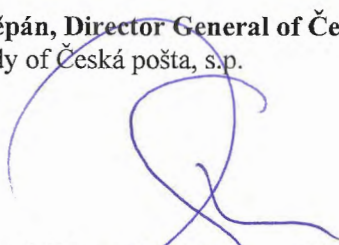
As at 1 January 2025, Balíkovna a.s. was registered in the commercial register as a subsidiary of the Enterprise.

No other events have occurred between the balance sheet date and the date of preparation of the annual report and the financial statements, that would have a material impact on the financial statements as at 31 December 2024.

21 March 2025



Miroslav Štěpán, Director General of Česká pošta, s.p.
Statutory body of Česká pošta, s.p.



Ondřej Škorpil, Executive Director of Shared Service Division
Person responsible for accounting of Česká pošta, s.p.



Milan Hladík, Executive Director of Finance Department
Person responsible for financial statements of Česká pošta, s.p.

