

**JOINT STOCK COMPANY UKRPOSHTA**

**FINANCIAL STATEMENTS**

**ACCORDING TO INTERNATIONAL FINANCIAL**

**REPORTING STANDARDS**

As of and for the year ended 31 December 2024

Together with the Independent Auditor's Report

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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Management of JSC Ukrposhta  
The National Securities and Stock Market Commission

### Report on the audit of financial statements

#### Opinion

We have audited the accompanying financial statements of Joint Stock Company Ukrposhta (EDRPOU code: 21560045, registered office: 22 Khreshchatyk Str., Kyiv, 01001, Ukraine; hereinafter referred to as the "Company"), which comprise:

- Balance sheet (statement of financial position) as of 31 December 2024;
- Income statement (statement of comprehensive income) for 2024;
- Statement of cash flows (using the indirect method) for 2024;
- Statement of changes in equity for 2024;
- Notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" No. 996-XIV dated 16.07.1999 on the preparation of financial statements.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Ukraine, and we have fulfilled our other ethical responsibilities in accordance with those requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 3 to these financial statements, which describes the events and conditions that have arisen as a result of the military invasion of Ukraine by the Russian Federation on 24 February, which has had an unforeseeable impact on the Company's operations.

As described in Note 3, these events or conditions together with other matters described in Note 3 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

## Emphasis of matter

We draw attention to Note 31 to the financial statements, which describes the impact of certain legal proceedings that may have a material effect on the future operations of the Company. Our opinion is not modified in respect of this matter.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's financial statements for the current period. These matters were considered in the context of our audit of the Company's financial statements as a whole and were taken into account in forming our opinion thereon, and we do not express a separate opinion on them. In addition to the matters described in the Basis for qualified opinion and Going concern sections, we determined that the matters described below are the key audit matters that should be communicated in our report.

### Key audit matter

### Description of audit procedures performed

1

#### Assessment of impairment of capital investments in progress and property, plant and equipment

As at 31 December 2024, the total book value of the Company's investments in progress and property, plant and equipment amounted to UAH 4,670,843 thousand, which represents 41% of the total value of the Company's assets.

Management has assessed the value in use of non-current assets by cash-generating units.

As a result of management's testing, no impairment of property, plant and equipment was identified as at 31 December 2024. The recoverable amount is either greater than or equal to the carrying amount and there were no reasons for the recognition or reversal of previously recognized impairment losses.

We paid particular attention to the assessment of impairment of capital investments in progress and property, plant and equipment as at 31 December 2024, because the assessment process is complex, involves significant management judgment and is based on assumptions that are affected by projected future market and economic conditions that are inherently uncertain.

The impairment test is sensitive to reasonably possible changes in assumptions. The most significant judgments relate to the discount rate used, together with the assumptions underlying the respective projected cash flows, growth rates and key planning periods.

See Notes 3 and 9 to the accompanying financial statements.

We obtained and analysed the financial models used by management to assess the impairment of capital investments in progress and property, plant and equipment. We engaged our valuation experts to form an opinion on the assumptions and methodology used in the impairment test.

Our audit procedures in relation to management's assessment of impairment of capital investments in progress and property, plant and equipment were as follows:

- Reviewing the methodology used by the Company's management in performing the impairment test;
- Reviewing on a sample basis the key assumptions used in the financial models and their consistency with the approved financial plan, externally available and reliable information and our industry-specific expertise;
- Reviewing the accuracy and appropriateness of inputs used by management in financial models for impairment testing of capital investments in progress and property, plant and equipment;
- Obtaining management's explanations on the assessment of capital investments in progress and property, plant and equipment for impairment.

In addition, we assessed the adequacy of the disclosures in Note 9 to the Company's financial statements.

## Key audit matter

## Description of audit procedures performed

2

### Effect of a covenant breach on the Company's financial statements, including classification of liabilities and related disclosures

The Company has a loan agreement in accordance with the terms of which the Company's management is required to determine whether the specific terms of the loan agreement have been breached and report accordingly and, if appropriate, reclassify long-term liabilities to current liabilities. The Company has received letters from the lender not to exercise the right of early repayment of the loan.

The Company has recorded the respective loans in non-current liabilities and provided the related disclosures in Note 15 "Borrowings".

Given the significance of this matter, we have planned procedures to verify the availability of the relevant lender exemption and the completeness and accuracy of the disclosures.

Our audit procedures in respect of subsequent events were as follows:

- Discussing with management the existence of a breach of covenants and related disclosures in the financial statements;
- Establishing the requirements of the loan agreement and recalculation of relevant obligations by the auditors based on the latest data from the Company's financial statements for 2024;
- Receipt of a letter from the Lender not to exercise the right to early demand repayment of the loan;
- Confirmation of the classification of the Company's liabilities as long-term/short-term;

In addition, we assessed the adequacy of the disclosures in Note 15 "Borrowings" to the Company's financial statements

## Other information

The Company's management is responsible for the other information prepared as at and for the year ended 31 December 2024.

Other information consists of:

- Management Report for 2024, prepared in accordance with the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" dated 16.07.1999 No. 996-XIV;
- Annual information of the issuer of securities for 2024, prepared in accordance with the requirements of the Regulation on Disclosure of Information by Issuers of Securities and Persons Providing Collateral for Such Securities, approved by the Decision of the National Securities and Stock Market Commission dated 06.06.2023 No. 608;

Our opinion on the Company's financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

### Management Report for 2024

The company has prepared the Management Report for 2024 and plans to publish it along with the financial statements. In the Management Report for 2024, we did not identify any significant discrepancies between the other information and the financial statements, or our knowledge obtained during the audit, nor did we find any information that appears to contain material misstatements. Additionally, we did not identify any facts that would need to be included in our independent auditor's report.

## Annual Information of the Issuer of Securities for 2024

The Company has prepared the Annual Information of the Issuer of Securities for 2024 and plans to publish it together with the financial statements. In the Annual Information of the Issuer of Securities for 2024 we did not identify any significant discrepancies between the other information and the financial statements, or our knowledge obtained during the audit, nor did we find any information that appears to contain material misstatements. Furthermore, we did not identify any facts that would need to be included in our Independent Auditor's Report.

## Responsibilities of management and those charged with governance for the financial statements

The Company's management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" dated 16.07.1999 No. 996-XIV on financial reporting and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's responsibility 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 it does not provide assurance that an audit conducted in accordance with ISAs will always detect a material misstatement, if any. 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.

In conducting an audit in accordance with ISAs, we exercise professional judgement and professional scepticism throughout the audit engagement. In addition, we:

- 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 greater than that of a misstatement resulting from error because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or overrides of internal controls;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

## Report on the requirements of other laws and regulations

### Reporting pursuant to the requirements of part 4 of Article 14 of the Law of Ukraine "On the Audit of Financial Statements and Auditing Activities" dated 21.12.2017 No. 2258-VIII on the provision of additional information on the results of the mandatory audit of a public interest entity:

- BDO LLC was appointed to perform this statutory audit engagement at the meeting of the Audit Committee of JSC Ukrposhta, Minutes No. 1 dated 30 January 2023, based on a competitive tender. The Report on the audit of the financial statements section of this independent auditor's report discloses the scope of the audit and inherent limitations.
- The total duration of the statutory audit engagement of the Company's financial statements by BDO LLC, considering extensions of powers that have taken place and reappointments, is two years. For BDO LLC, this is also the second year of the statutory audit of the Company's financial statements after the Company was recognized as a public interest entity in accordance with the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" dated 16.07.1999 No. 996-XIV.
- In the Material uncertainty related to going concern and Key audit matters sections of this report, we have described the matters of significance in our audit of the current period's financial statements that, in our professional judgement, should be brought to attention. These matters were considered in the context of our audit of the financial statements as a whole and were taken into account in forming our opinion thereon, and we do not express a separate opinion on these matters.
- In the course of this statutory audit engagement, we did not identify any matters in relation to our audit estimates other than those described in the Material uncertainty related to going concern and Key audit matters sections of this report, which we consider appropriate to disclose in accordance with the requirements of paragraph 4.3 of Article 14 of the Law of Ukraine "On Audit of Financial Statements and Auditing Activities" dated 21.12.2017 No. 2258-VIII.
- The information contained in this independent auditor's report on the audit of the Company's financial statements has been consistent with the information in the Additional Report to the Audit Committee dated 19 March 2025.
- During 2024, BDO LLC provided the Company with services for the review of the condensed interim financial statements of the Company as of 30 June 2024, and the related explanatory notes, except for the statutory audit services as of 31 December 2024 and for the year then ended.

- BDO LLC and the Key Audit Partner are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). During our audit, we did not identify any additional facts or matters that could affect our independence that we would like to bring to your attention. BDO LLC did not provide the Company with any other services prohibited in accordance with the requirements of Article 6 of the Law of Ukraine "On the Audit of Financial Statements and Auditing Activities" dated 21.12.2017 No. 2258-VIII during 2024 and in the period from 1 January 2025 to the date of signing of this independent auditor's report.

**Reporting pursuant to the requirements of the Decision of the NSSMC dated 22.07.2021 No. 555 "On Approval of the Requirements for Information Related to the Audit or Review of Financial Statements of Participants in Capital Markets and Organized Commodity Markets Supervised by the NSSMC"**

The financial statements of JSC Ukrposhta were audited in accordance with the agreement No. 260123-05E on the provision of audit services dated 27 January 2023 for the period from 20 November 2024 to the date of this report. The Company is a public interest entity in accordance with the Law of Ukraine "On Accounting and Financial Reporting" dated 16.07.1999 No. 996-XIV. The Company is not a controller/participant of a non-banking financial group.

The Company is not a professional participant in the capital markets and organized commodity markets. The Company is not subject to the requirement to calculate prudential indicators established for professional participants in capital markets and organized commodity markets in accordance with the "Regulations on Prudential Standards for Professional Activity in the Stock Market and Requirements for the Risk Management System" approved by the National Securities and Stock Market Commission (NSSMC) No. 1597 dated 01.10.2015.

**Information on the ultimate beneficial owner and ownership structure**

In our opinion, the information on the Company's shareholders, the ultimate beneficial owner as of 31 December 2024, disclosed in Note 1 of the accompanying financial statements, complies, in all material respects, with the disclosure on the ultimate beneficial owner and ownership structure as of the reporting date and the date of the audit, in accordance with the requirements established by the Regulation on the Form and Content of the Ownership Structure, approved by Order of the Ministry of Finance of Ukraine dated 19 March 2021 No. 163, registered with the Ministry of Justice of Ukraine on June 08, 2021 with No. 768/3639.

**Information about the Company's parent and subsidiaries**

As disclosed in Note 1 to these financial statements, as at the beginning and end of the reporting period, the Company had no parent company and no subsidiaries.

**Reporting on the Corporate Governance Report as part of the Management Report, which in turn is part of the Annual Information of the Issuer of Securities**

The information set out in this report is the result of our procedures as part of the audit of the Company's financial statements for 2024 and procedures for the Corporate Governance Report as an integral part of the Management Report, which in turn is an integral part of the Annual Information of the Issuer of Securities for 2024 specified in Other information section of this Independent Auditor's Report. These procedures included verifying whether the information in the Corporate Governance Report contradicts the financial statements and reviewing the compliance of the presentation of information in the Corporate Governance Report with the requirements of part three of Article 127 of the Law of Ukraine "On Capital Markets and Organised Commodity Markets" and paragraph 43 of the Regulation on Disclosure of Information by Issuers of Securities and Persons Providing Collateral for Such Securities approved by the NSSMC Regulation No. 608 dated 06.06.2023 (hereinafter - Regulation 608).

The Company's management is responsible for the preparation of the Corporate Governance Report in accordance with the requirements of part three of Article 127 of the Law of Ukraine "On Capital Markets and Organised Commodity Markets" and Regulation 608.

Based on the audit procedures performed, taking into account the knowledge and understanding of the Company's activities formed during the audit, in all material aspects:

- The information required by paragraphs 1-4 of part three of Article 127 of the Law of Ukraine "On Capital Markets and Organised Commodity Markets" and subparagraphs 1-5 of paragraph 43 of the Regulation on Disclosure of Information by Issuers of Securities and Persons Providing Collateral for Such Securities, approved by the Decision of the National Securities and Stock Market Commission No. 608 dated 06.06.2023, is disclosed in the Company's Corporate Governance Report for 2024;
- The information required by paragraphs 5-9 of part three of Article 127 of the Law of Ukraine "On Capital Markets and Organised Commodity Markets" and subparagraphs 6-11 of paragraph 43 of the Regulation on Disclosure of Information by Issuers of Securities and Persons Providing Collateral for Such Securities, approved by the Decision of the National Securities and Stock Market Commission No. 608 dated 06.06.2023, in our opinion, is disclosed in the Company's Corporate Governance Report for 2024.

In Section IV of the Corporate Governance Report, which is an integral part of the Management Report, which in turn is part of the Annual Information of the Issuer of Securities of JSC Ukrposhta for 2024, discloses the information required by paragraphs 5-9 of part three of Article 127 of the Law of Ukraine "On Capital Markets and Organized Commodity Markets" and subparagraphs 6-11 of paragraph 43 of Regulation No. 608. This information is consistent with the corporate governance information received by us during the audit and complies with the requirements of the current legislation.

The audit was performed under the supervision of the Key Audit Partner, Nikolayenko Oleksandr M.

Key Audit Partner

O. M. Nikolayenko

Number of registration with the Register of auditors and auditing entities: 101534

Kyiv, 25 April 2025

BDO Limited Liability Company. Identification code according to EDRPOU: 20197074. Registration number in the Register of Auditors and Auditing Entities: 2868. Legal address: 4, Andriy Fabra Str., Dnipro, 49070. Tel 044-393-26-87, website [www.bdo.ua](http://www.bdo.ua)

BDO LLC is included in the Register of Auditors and Audit Entities in section 4 "Audit Entities entitled to conduct statutory audits of financial statements of enterprises of public interest". Link to the register: <https://www.apu.com.ua/subjekty-audytorskoj-dijalnosti-jaki-majut-pravo-provodyty-obovjazkovyj-audyt-finansovoi-zvitnosti-pidpryjemstv-shho-stanovljat-suspilnyj-interes/>

**STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL  
OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

Management is responsible for the preparation of the financial statements that present fairly the financial position of Joint Stock Company Ukrposhta (the "Company") as at 31 December 2024 and its financial performance, cash flows and changes in equity for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" on the preparation of financial statements (the "Law on Accounting and Financial Reporting").

In preparing the financial statements, management is responsible for:

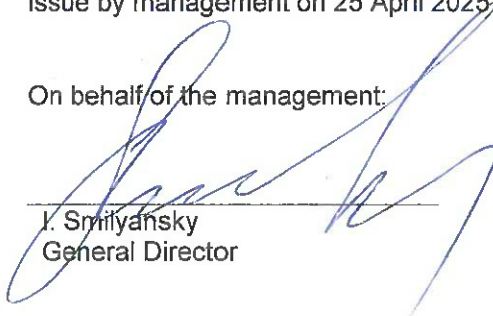
- Appropriate selection and application of accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of transactions, other events and conditions on the Company's financial position and financial performance; and
- Assessing the Company's ability to continue as a going concern.


Management is also responsible for:

- Developing, implementing and maintaining an effective and reliable system of internal control throughout the Company;
- Maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and which enable management to ensure that the Company's financial statements comply with IFRS;
- Maintaining accounting records in accordance with Ukrainian legislation and IFRS;
- Taking reasonably available measures to preserve the Company's assets; and
- Preventing and detecting fraud and other irregularities.

The Company's audited financial statements for the year ended 31 December 2024 were authorized for issue by management on 25 April 2025.

On behalf of the management:

  
I. Smilyansky  
General Director

  
M. Paliy  
Deputy General Director for  
Finance

  
D. Sklyarevska  
Chief Accountant

**JSC Ukrposhta**  
**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
All amounts are presented in thousands of Ukrainian hryvnias

Company: JSC "Ukrposhta"  
Territory: Ukraine, Kyiv, Shevchenkivskiy district  
Organisational and legal form of business: State joint-stock company (company)  
Type of economic activity: National postal services  
Average number of employees: 31 739  
Address, phone number: 22 Khreshchatyk Street, Kyiv  
Unit of measurement: UAH thousand, without decimal point  
Prepared (mark a "v" in the appropriate cell):  
under the Accounting Regulations (Standards)  
in accordance with International Financial Reporting Standards

v

**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**


Asset	Note	Line code	Form No. 1	Code under	1801001
			DKUD	DKUD	
			31 December 2023	31 December 2024	
<b>I. Non-current assets</b>					
Intangible assets	9	1000	123 622	173 781	
historical cost		1001	153 625	208 733	
amortization		1002	(30 003)	(34 952)	
Capital investments in progress	9	1005	324 447	347 097	
Property, plant and equipment	9	1010	4 041 107	4 323 746	
historical cost		1011	7 521 947	8 466 463	
depreciation		1012	(3 480 840)	(4 142 717)	
Investment property	9	1015	65 522	62 941	
historical cost		1016	78 166	78 162	
depreciation		1017	(12 644)	(15 221)	
Other financial investments	11	1035	13 418	14 676	
Long-term receivables		1040	166	129	
Deferred tax assets	30	1045	255 571	334 423	
<b>Total for section I</b>		<b>1095</b>	<b>4 823 853</b>	<b>5 256 793</b>	
<b>II. Current assets</b>					
Inventory	10	1100	455 388	473 800	
production stock		1101	331 631	345 025	
work in progress		1102	-	12	
goods for resale		1104	123 757	128 763	
Receivables for goods, works and services	11	1125	555 585	632 362	
Receivables from settlements: for advances issued	11	1130	150 544	121 295	
with the budget	11	1135	8 481	8 295	
including corporate profit tax prepaid		1136	20	361	
from accrued income	11	1140	7 802	5 677	
Other current receivables	11	1155	130 809	149 696	
Current financial investments	12	1160	-	210 195	
Cash and cash equivalents	12	1165	5 233 842	4 544 101	
Cash on hand		1166	118 937	102 567	
Current accounts with banks		1167	5 114 905	4 441 534	
Other current assets		1190	76 110	80 755	
<b>Total for section II</b>		<b>1195</b>	<b>6 618 561</b>	<b>6 226 176</b>	
<b>III. Non-current assets held for sale and disposal groups</b>	<b>9</b>	<b>1200</b>	<b>60 539</b>	<b>55 930</b>	
<b>BALANCE</b>		<b>1300</b>	<b>11 502 953</b>	<b>11 538 899</b>	

**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) (CONTINUED)**

		Form No. 1	Code under DKUD	1801001
Liabilities	Note	Line code	31 December 2023	31 December 2024
<b>I. Equity</b>				
Registered (share) capital	14	1400	6 518 597	6 518 597
Revaluation effect on corporatisation	14	1416	(5 254 038)	(5 254 038)
Retained earnings		1420	(641 120)	(1 054 324)
<b>Total for section I</b>		<b>1495</b>	<b>623 439</b>	<b>210 235</b>
<b>II. Long-term liabilities and provisions</b>				
Deferred tax liabilities	30	1500	-	-
Long-term bank borrowings	15	1510	795 276	833 028
Other long-term liabilities	15	1515	451 034	542 974
<b>Total for section II</b>		<b>1595</b>	<b>1 246 310</b>	<b>1 376 002</b>
<b>III. Current liabilities and provisions</b>				
Current payables for: long-term liabilities	15	1610	485 913	593 873
goods, works, services	16	1615	3 498 755	4 145 017
settlements with the budget		1620	96 248	143 232
including income tax		1621	-	-
insurance		1625	47 310	56 406
payroll		1630	185 917	210 690
Current payables for advances received		1635	172 698	143 122
Accruals and other provisions	17	1660	919 501	1 006 530
Deferred revenue	18	1665	344 135	387 302
Other current liabilities	19	1690	3 882 727	3 266 490
<b>Total for section III</b>		<b>1695</b>	<b>9 633 204</b>	<b>9 952 662</b>
<b>BALANCE</b>		<b>1900</b>	<b>11 502 953</b>	<b>11 538 899</b>

Approved for issue and signed on 25 April 2025.

  
 I. Smilyansky  
 General Director

  
 M. Paliy  
 Deputy General Director for  
 Finance

  
 D. Sklyarevska  
 Chief Accountant

**INCOME STATEMENT (STATEMENT OF COMPREHENSIVE INCOME)**

for 2024

Form No. 2

Code under DKUD

1801003

**I. FINANCIAL RESULTS**

Item	Note	Line code	For the reporting period - 2024	For the previous reporting period - 2023
1		2	3	4
Net revenue from sales of goods, works and services	20	2000	12 978 008	11 581 111
Cost of sales of goods, works and services	21	2050	(11 539 535)	(10 656 528)
<b>Gross:</b>				
Profit		2090	1 438 473	924 583
Loss		2095	-	-
Other operating income	27	2120	394 248	305 082
Administrative expenses	23	2130	(1 630 437)	(1 429 681)
Selling expenses	22	2150	(287 424)	(281 252)
Other operating expenses	24	2180	(317 704)	(379 726)
<b>Financial result from operating activities:</b>				
Profit		2190	-	-
Loss		2195	(402 844)	(860 994)
Other financial income	25	2220	123 408	127 299
Other income	28	2240	82 294	99 216
Financial expenses	26	2250	(206 993)	(177 920)
Other expenses	29	2270	(87 920)	(151 881)
<b>Financial result before tax:</b>				
Profit		2290	-	-
Loss		2295	(492 055)	(964 280)
Income tax (expense)/credit	30	2300	78 851	167 919
<b>Net financial result:</b>				
Profit		2350	-	-
Loss		2355	(413 204)	(796 361)

**II. COMPREHENSIVE INCOME**

Item	Note	Line code	For the reporting period - 2024	For the previous reporting period - 2023
1		2	3	4
Revaluation of non-current assets		2400	-	-
Other comprehensive income		2445	-	-
<b>Other comprehensive income before taxation</b>		2450	-	-
Income tax arising on other comprehensive income		2455	-	-
<b>Other comprehensive income after taxation</b>		2460	-	-
<b>Total comprehensive income (total of lines 2350, 2355 and 2460)</b>		2465	(413 204)	(796 361)

**INCOME STATEMENT (STATEMENT OF COMPREHENSIVE INCOME)**  
 for 2024  
 (continued)

Form No. 2

**III. ELEMENTS OF OPERATING EXPENSES**

Item	Note	Line code	For the reporting period - 2024	For the previous reporting period - 2023
1		2	3	4
Material expenses		2500	1 160 503	1 122 506
Payroll		2505	6 377 063	5 974 643
Social security tax		2510	1 363 670	1 300 245
Depreciation/amortization		2515	874 968	718 363
Other operating expenses		2520	3 734 454	3 298 839
Cost of goods sold		2530	264 442	332 591
<b>Total</b>		<b>2550</b>	<b>13 775 100</b>	<b>12 747 187</b>

**IV. CALCULATION OF SHARES PROFITABILITY**

Item	Note	Line code	For the reporting period - 2024	For the previous reporting period - 2023
1		2	3	4
Average annual number of ordinary shares		2600	-	-
Adjusted average annual number of ordinary shares		2605	-	-
Net profit/(loss) per ordinary share		2610	-	-
Adjusted net profit/(loss) per ordinary share		2615	-	-
Dividends per ordinary share		2650	-	-

Approved for issue and signed on 25 April 2025.

  
 I. Smilyansky  
 General Director

  
 M. Paliy  
 Deputy General Director for Finance

  
 D. Sklyarevska  
 Chief Accountant

**STATEMENT OF CASH FLOWS (INDIRECT METHOD)**

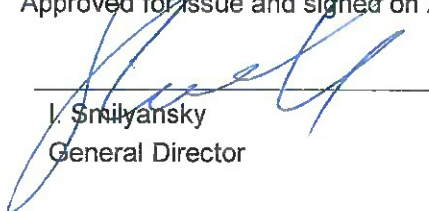
for 2024

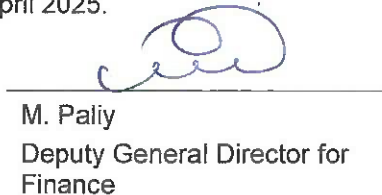
Form No. 3

Code under DKUD 1801004

Item	Note	Line code	For the reporting period - 2024	For the previous reporting period - 2023
1		2	3	4
<b>I. Cash flows from operating activities</b>				
Profit(loss) before taxation		3500	(492 055)	(964 280)
Adjustments for:				
Depreciation, amortization and impairment of non-current assets		3505	875 005	724 518
Increase (decrease) in provisions		3510	68 389	315 356
Unrealized foreign exchange loss (gain)		3515	246 897	242 006
Loss (gain) from non-operating activities and other non-cash transactions		3520	89 211	103 286
Financial expenses	26	3540	206 993	177 920
Financial income	25	3524	(123 408)	(127 299)
Decrease (increase) of current assets		3550	(70 797)	(238 245)
Increase (decrease) of current liabilities		3560	81 301	2 387 458
Increase (decrease) of deferred income		3566	43 167	24 882
<b>Cash flows from operating activities</b>		<b>3570</b>	<b>924 703</b>	<b>2 645 602</b>
Income tax paid		3580	-	-
Interest paid		3585	(222 067)	(189 928)
<b>Net cash flows from operating activities</b>		<b>3195</b>	<b>702 636</b>	<b>2 455 674</b>
<b>II. Cash flows from investing activities</b>				
Refund of short-term deposits		3200	-	585 098
Proceeds from sale of non-current assets		3205	67 727	44 173
Interest received		3215	104 931	138 265
Placement of short-term deposits		3255	(210 195)	-
Acquisition of property, plant and equipment and intangible assets		3260	(890 441)	(455 363)
<b>Net cash flows from investing activities</b>		<b>3295</b>	<b>(927 978)</b>	<b>312 173</b>
<b>III. Cash flows from financing activities</b>				
Proceeds from borrowings		3305	302 077	59 335
Repayment of lease liabilities		3365	(287 452)	(306 066)
Repayment of borrowings		3350	(232 127)	(177 306)
<b>Net cash flows from financing activities</b>		<b>3395</b>	<b>(217 502)</b>	<b>(424 037)</b>
Net cash flows for the reporting period		3400	(442 844)	2 343 810
Cash and cash equivalents at the beginning of the year		3405	5 233 842	3 132 038
Impact of changes in foreign exchange rates		3410	(246 897)	(242 006)
<b>Cash and cash equivalents at the end of the year</b>	12	<b>3415</b>	<b>4 554 101</b>	<b>5 233 842</b>

Approved for issue and signed on 25 April 2025.

  
I. Smilyansky  
General Director

  
M. Paliy  
Deputy General Director for  
Finance

  
D. Sklyarevska  
Chief Accountant

**STATEMENT OF CHANGES IN EQUITY**

for 2024

Form No. 4

Code under DKUD 1801005

Item	Line code	Registered (share) capital	Revaluation effect of corporatization	Retained earnings	Total
1	2	3	4	5	6
Balance at the beginning of the year	4000	6 518 597	(5 254 038)	(641 120)	623 439
Adjusted balance at the beginning of the year	4095	6 518 597	(5 254 038)	(641 120)	623 439
Net loss for the reporting year	4100	-	-	(413 204)	(413 204)
Total changes in equity	4295	-	-	(413 204)	(413 204)
Balance at the end of the year	4300	6 518 597	(5 254 038)	(1 054 324)	210 235

**STATEMENT OF CHANGES IN EQUITY**

for 2023

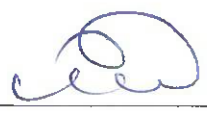
Form No. 4


Code under DKUD 1801005

Item	Line code	Registered (share) capital	Revaluation effect of corporatization	Retained earnings	Total
1	2	3	4	5	6
Balance at the beginning of the year	4000	6 518 597	(5 254 038)	155 241	1 419 800
Adjusted balance at the beginning of the year	4095	6 518 597	(5 254 038)	155 241	1 419 800
Net loss for the reporting year	4100	-	-	(796 361)	(796 361)
Total changes in equity	4295	-	-	(796 361)	(796 361)
Balance at the end of the year	4300	6 518 597	(5 254 038)	(641 120)	623 439

Approved for issue and signed on 25 April 2025.

  
 I. Smilyansky  
 General Director

  
 M. Paliy  
 Deputy General Director for Finance

  
 D. Sklyarevska  
 Chief Accountant

**NOTES TO THE FINANCIAL STATEMENTS****As at and for the year ended 31 December 2024****1. JOINT STOCK COMPANY UKRPOSHTA**

Joint Stock Company Ukrposhta (JSC Ukrposhta or the “Company”) is an entity with its 100% shares held by the State of Ukraine, which is managed by the Ministry for Development of Communities and Territories of Ukraine. The Company was established in 1947 during the rule of the Soviet Union. It was reorganised as Ukrainian State Enterprise of Postal Service Ukrposhta (hereinafter - USEPS Ukrposhta) in 1994. In February 2016, the Government of Ukraine decided to re-organise Ukrposhta from a state-owned enterprise to a JSC. In March 2017, Ukrposhta was registered as a PJSC under the laws of Ukraine. The Company’s shares are not listed on any international or local exchanges. In December 2018, a type of a public joint stock company was changed from public to private and the Company was renamed into Joint Stock Company Ukrposhta.

The Company’s principal business is provision of universal postal and related services to the general public, governmental entities and businesses, namely:

- postal services (delivery of letters, parcels and postcards locally and internationally);
- delivery of pensions and selected social payments to individuals;
- financial services (acceptance of payment for utilities; domestic and international money transfers);
- distribution of periodicals (managing subscription and delivery of periodicals); and
- sale of merchandise (including where the Company acts as an agent selling merchandise which belongs to other parties) and other services.

The founder and sole shareholder of JSC Ukrposhta is the State of Ukraine represented by the Ministry for Development of Communities and Territories of Ukraine. The Ministry for Development of Communities and Territories of Ukraine manages the state corporate rights in relation to the Company.

The Company’s Supervisory Board is a collegial body that protects shareholder rights and supervises and regulates the Company’s activities. Members of the Supervisory Board consisting of 6 persons, including 4 independent members, are elected by the General Meeting for a term of up to 3 years.

The composition of the Supervisory Board as at the date of approval of these financial statements is set out below:

<b>Position</b>	<b>NAME</b>
Chairman of the Supervisory Board	Mr Igor Mitiukov
Deputy Chairman of the Supervisory Board	Mr Serhii Derkach
Member of the Supervisory Board	Mr Rinat Abdrasilov
Member of the Supervisory Board	Mr Gary John Carroll
Member of the Supervisory Board	Ms Olena Malynska
Member of the Supervisory Board	Mr Timur Tkachenko

The General Director manages the Company’s day-to-day operations.

As a national postal operator, the Company represents Ukraine, a member of the Universal Postal Union since 1947, in the Universal Postal Union and carries out postal operations with more than 100 national postal operators from other countries.

As of 31 December 2024, the Company had approximately 28,9 points of service in Ukraine and 32,182 employees.

The Company’s registered address and principal place of business is 22 Khreshchatyk Street, Kyiv, 01001, Ukraine.

## 2. OPERATING ENVIRONMENT

The Company operates in Ukraine, which is currently engaged in a full-scale war with the Russian Federation and is subject to martial law.

In 2024, Ukraine's economy demonstrated resilience, with a continued recovery that was primarily driven by robust domestic consumer demand. Economic growth was also boosted by significant public capital expenditures, particularly in the defence industry, and a surge in exports, driven by stable seaport operations and expanded production in metallurgy and mining. The NBU estimates that Ukraine's real GDP grew by 3.4% in 2024. However, this growth rate was slower than that recorded in 2023. This slowdown can be attributed not only to weaker than expected external demand and poorer harvests, but also to the realisation of the risks associated with increased hostilities, intensified Russian air attacks and related electricity shortages. The ongoing nature of these security risks has also hindered the return of migrants and led to a significant labour shortage. Considering these challenges, the NBU has revised its real GDP growth forecast for 2025 to 3.6%. However, the NBU's baseline scenario still assumes a gradual return of the economy to normal operating conditions.

In 2024, inflation accelerated to 12% year-on-year, exceeding previous forecasts. This price trend was driven by higher business costs for raw materials, supplies, and electricity, as well as higher wages amid a persistent staff shortage. Conversely, the strengthening of the hryvnia against the euro has led to a moderation in price growth, a development that is crucial for Ukrainian imports. Inflation is forecast to slow to 8.4% in 2025 and 5% in 2026. This slowdown is expected to be supported by the NBU's interest rate and exchange rate policies, as well as higher harvests, an improvement in the energy sector, a lower fiscal deficit, and moderate external price pressures.

In December, the NBU raised its key policy rate by 0.5 pp to 13.5% to avoid unbalancing inflation expectations. The tightening of monetary conditions will halt the decline in commercial bank rates that had been going on for more than a year.

Significant international support, coupled with a high level of business and population adaptability to the war, has enabled Ukraine's economy to continue its recovery. In 2024, Ukraine received USD 42 billion in loans and grants from international partners. It is anticipated that in 2025, Ukraine will receive USD 38.4 billion in external financing. The government's measures to increase its own revenues and to raise funds on the domestic debt market should ensure that these funds are sufficient to fully cover the planned budget deficit for the next year without the need to issue debt.

A full-scale war remains the key risk to inflationary dynamics and economic development. The Russian aggression poses risks of a further decline in economic potential, due to the loss of people, territory, and production facilities. The speed of the economy's return to normal operating conditions will depend on the nature and duration of hostilities.

There are also risks that international aid will become less regular and that foreign economic trends will be less favourable than currently expected, due to greater geopolitical polarisation and the corresponding fragmentation of global trade.

The search for a peace formula for Ukraine continues with the participation of international partners. The results of the US election have led to an improvement in the assessment of international investors regarding the likelihood of resolving the war. This was evident in the growth of the value of Ukrainian Eurobonds. However, the parameters and possible timeframe for achieving peace remain uncertain, and the risks of prolonging the war remain high.

The war between Ukraine and the Russian Federation continues, resulting in significant destruction of property and assets in Ukraine and other material consequences. The consequences of the war are evolving daily and their impact in the longer term is difficult to determine. The future impact on the Ukrainian economy is contingent on the war's outcome, the successful implementation of new reforms by the Ukrainian government, the country's recovery and transformation strategy with a view to EU membership, and cooperation with international funds.

Management continues to take steps to identify and mitigate the impact on the Company. However, there are factors beyond its knowledge or control, including the duration and severity of the hostilities, the level of international support for Ukraine, and further governmental and diplomatic actions.

### 3. SIGNIFICANT ACCOUNTING POLICIES

**Basis of preparation.** These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention, except for other financial investments that are measured at fair value. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated (refer to Note 3).

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates.

It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Areas involving a particular degree of judgement, or areas of complexity, and areas where assumptions and estimates are critical to the preparation of the financial statements are described in Note 4.

These financial statements are presented in the national currency of Ukraine (UAH) and all amounts are rounded to the nearest thousand.

**Going concern.** As of 31 December 2024, the Company's current liabilities exceeded its current assets by UAH 3 726 485 thousand (31 December 2023: by UAH 3 014 643 thousand).

On 24 February 2022, the Russian Federation launched a full-scale military invasion of Ukraine. This was followed by the immediate adoption of martial law by the Decree of the President of Ukraine, approved by the Verkhovna Rada of Ukraine and with the corresponding introduction of temporary restrictions that continue to affect the economic environment in 2024. Taking into account the above, the Company has made an assessment of the going concern assumption on the basis of which the 2024 financial statements were prepared. The Company's operations have been significantly affected by the war, and there is currently significant uncertainty regarding the development of the military invasion of Ukraine by the Russian Federation, its duration and the consequent impact on the Company's operations, personnel, liquidity and safety of assets.

The main specific risk factors include:

- safety of the Company's personnel and lack of employees to ensure sustainable operations;
- property, plant and equipment security, which depends on the development of military events. Property losses include both physical destruction, property damage and write-offs due to loss of access or control;
- disruption of operations due to operational failures, including hacker attacks and Russia's ongoing attacks on the country's energy and other critical infrastructure;
- other factors.

As a result of the hostilities, the Company temporarily lost control over approximately 12% of its post offices, mostly in the occupied areas of Luhansk, Donetsk, Kherson, Kharkiv and Zaporizhzhia regions.

To analyse the impact of the risk of revenue shortfall due to military actions and the Company's ability to continue as a going concern, management has prepared an updated financial forecast for the period up to 30 June 2026, which shows that the Company has sufficient cash flows from operating activities that allow it not only to fulfil its current obligations, but also to pay off its liabilities of previous periods, actively invest in its development and competitiveness in the foreseeable future.

The forecast was made using the principle of due care based on the data available as of the date of approval of the financial statements, taking into account the macro indicators of the adopted budget of Ukraine for 2025 and assumptions and measures taken or planned by management:

- 2.7% real GDP growth, 9.5% inflation rate, dollar exchange rate at the end of 2025 of UAH 45.6 per USD 1, average annual dollar exchange rate of UAH 45.0 per USD 1.
- the measures taken to optimize the Company's processes and structure made it possible to reduce the number of employees by 15.7% (the headcount as of 31 December 2024 was 32,182, as of 31 December 2023 – 38,198) with a simultaneous increase in salaries. In 2025, the Company plans to continue optimizing the number of employees, increasing their productivity as a result of a number of investment projects, and raising salaries;

- the volume of letters processed by the Company in 2024 increased by 7.4% compared to the previous year. The Company plans to further develop the sale of art stamps in 2025;
- domestic parcel volumes in 2024 decreased by 3.3% year-on-year due to a drop in business activity in the market. In 2025, the Company plans to increase volumes by 36.6% year-on-year, for which the Company has taken investment, marketing and organizational measures;
- pension payments in 2024 decreased by 9.5% compared to the previous year. The plans for 2025 take into account a 3% reduction in the number of pensioners and recipients of cash benefits through the Ukrposhta network and an average 10% indexation;
- an increase in payments in 2024 of about 1% compared to last year. For 2025, the volume is expected to increase by 2.5% compared to 2024 and the average payment amount by 19.4%;
- the volume of international shipments (exports) for 2025 is planned at the same level as in 2024, with income indexed to the forecasted growth of the exchange rate;
- in 2024, the Company fulfilled its financial obligations on time and does not plan to restructure its credit debt in 2025. The repayment of principal amounts is planned according to the schedule. The financial lenders have confirmed their intention not to demand early repayment of liabilities even in case of breach of financial covenants or other terms of the loan agreements;
- In 2024 and 2025, the state postal service will take measures to further improve the terms of payment with foreign postal operators;
- the implementation of strategic investment projects, such as the automation of the logistics network, the completion of the network automation and the strengthening of its resilience to power and communication disruptions, the renewal of the Company's vehicle fleet and the replacement of critical IT systems, will be financed mainly by loans from international financial institutions and accumulated liquidity reserves;
- intensification of the Company's marketing activities in the market, increasing its competitiveness.

Management constantly monitors the dynamics of actual performance indicators and takes into account current changes in circumstances when making management decisions. Management believes that, considering the probability of possible scenarios, cash flows from operating activities for the 12 months to the end of Q2 2026 are positive, the Company is and will be in compliance with its debt obligations to creditors and is actively investing in development.

Due to the uncertainty of the future development of the military invasion based on the above-mentioned material assumptions underlying the forecasts, management has concluded that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern, and therefore, the Company may not be able to realize its assets and discharge its liabilities in the ordinary course of business.

However, based on the above steps taken by the Company, management has concluded that it is appropriate to prepare the financial statements on a going concern basis.

**Foreign currency translation.** The Company's functional currency is the Ukrainian hryvnia (UAH), the currency of the primary economic environment in which the Company operates.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the official exchange rate of the National Bank of Ukraine (the "NBU") at the end of each reporting period. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities are recognized in profit or loss.

The principal exchange rates used to translate foreign currency amounts and transactions were as follows:

<i>In UAH</i>	<b>31 December 2024</b>	<b>31 December 2023</b>
UAH/USD exchange rate at the end of the year	42,04	37,98
Average annual exchange rate of UAH to USD	40,15	36,57
Exchange rate of UAH to SDR at the end of the year	54,93	51,16
Average annual exchange rate of UAH to SDR	53,32	48,80

Foreign currencies can be converted into UAH and UAH can be converted into foreign currencies at exchange rates influenced by the National Bank of Ukraine. The exact exchange rate at which the Company can exchange currency depends on negotiations with its commercial banks and the balance of supply and demand in the interbank foreign exchange market during the conversion period.

A Special Drawing Right (SDR) is a unit of account of the International Monetary Fund used as a monetary unit by the Universal Postal Union, of which the Company is a member.

**Financial instruments – key measurement terms.** The Company recognizes financial assets and liabilities on its balance sheet when it becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are represented by cash and cash equivalents, net trade and other receivables, current financial investments, loans, lease liabilities, trade and other payables. Financial instruments are carried at fair value or amortized cost depending on their classification. These valuation methods are described below.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is the price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial instruments traded in an active market is measured as the product of the quoted market price for the individual asset or liability and the quantity held by the Company. This principle is followed even if the market's normal daily trading volume is not sufficient to absorb the quantity held by the Company and if an order to sell the entire position in a single transaction could affect the quoted price.

The amortized cost is the amount at which the financial instrument is recognized at initial recognition minus principal repayments plus accrued interest, and for financial assets minus any reduction for incurred impairment losses. Accrued interest includes amortization of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method.

The Company uses a practical expedient whereby the amortized cost of financial assets with maturities of one year or less is equal to their nominal value.

Accrued interest income and accrued interest expense, including accrued coupon income, are not presented separately and are included in the carrying amounts of related items in the statement of financial position as current or non-current liabilities depending on their respective maturities.

The effective interest rate method is a method of allocating interest income or interest expense over the relevant period to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount of an instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument. Premiums or discounts are amortized over the expected life of the instrument. The present value calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate.

**Financial instruments – initial recognition.** Financial assets and financial liabilities are initially recognized at fair value, except for trade receivables, which are initially recognized at nominal value in accordance with IFRS 15. Financial instruments at fair value through profit or loss are initially recognized at fair value. All other financial instruments are initially recognized at fair value, adjusted for transaction costs. The best evidence of fair value at initial recognition is the transaction price. A gain or loss on initial recognition is only recognized if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. Upon initial recognition, for financial assets measured at amortized cost and investments in debt instruments at fair value through other comprehensive income, an allowance for expected credit losses is recognized, which results in the recognition of an accounting loss immediately after initial recognition of the asset.

All purchases and sales of financial assets that require delivery within the period generally established by regulation or convention in the marketplace ("regular way" purchases and sales) are recognized on the trade date, i.e., the date that the Company commits to deliver a financial asset. All other purchases of financial instruments are recognized when the entity becomes a party to the contractual provisions of the instrument.

**Financial assets – classification and subsequent measurement – measurement categories.** The Company classifies its financial assets into the following measurement categories: at fair value through profit or loss, at fair value through other comprehensive income and at amortized cost. The classification and

subsequent measurement of debt financial assets depends on (i) the Company's business model for managing the respective portfolio of assets and (ii) the asset's cash flow characteristics.

**Financial assets – classification and subsequent measurement – business model.** A business model is a way in which the Company manages assets to earn cash flows. The Company's objective is to collect contractual cash flows from assets solely ("holding assets to receive contractual cash flows").

**Impairment of financial assets – allowance for expected credit losses.** The Company estimates expected credit losses and recognized net impairment losses for financial assets and assets under contracts with customers at each reporting date. The estimation of expected credit losses reflects: (i) an objective and probability-weighted amount determined by evaluating a range of possible outcomes, (ii) the time value of money and (iii) all reasonable and supportable information about past events, current conditions and expected future economic conditions that are available at the reporting date without undue cost or effort.

Financial instruments measured at amortized cost are carried in the statement of financial position net of any allowance for expected credit losses.

For trade receivables, the Company applies a simplified approach to calculating the allowance for expected credit losses. The Company does not monitor changes in credit risk, instead, the allowance is calculated for the entire term of the receivable and is reassessed at each reporting date. The Company uses a loss allowance matrix based on historical credit loss experience adjusted for the effect of future changes in the economic environment that will affect debtors.

The Company's other financial assets do not have significant credit risk.

The Company considers that a default (event of default) occurs when a financial asset is past due by more than 90 days, unless the Company has other reasonable information that a criterion with longer periods of default is more appropriate.

**Financial assets – write-offs.** Financial assets are written off in full or in part when the Company has exhausted all practical possibilities of recovery and has concluded that no future recovery is probable. A write-off is a derecognition event.

**Financial assets – derecognition.** The Company derecognizes financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the Company has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated party without needing to impose additional restrictions on the resale.

**Financial liabilities – derecognition.** A financial liability is derecognized when the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

**Presentation of financial instruments by measurement categories.** As of 31 December 2024, and 2023, all the Company's financial assets and liabilities, except for other financial investments, were carried at amortized cost. Their carrying amounts approximate their fair values. Other financial investments were carried at fair value through profit or loss. The fair value of other financial investments was estimated using quoted prices in active markets (Level 1 of the fair value hierarchy).

**Property, plant and equipment.** Property, plant and equipment (PPE) are carried at cost, less accumulated depreciation and provision for impairment, where required.

Construction in progress represents the cost of property, plant and equipment under construction, less accumulated impairment. This includes the cost of construction works, process equipment and other direct costs. Expenses for day-to-day repairs and maintenance are recognized as an expense as incurred.

Costs of replacing major parts of property, plant and equipment are capitalized and the cost of the replaced part is retired.

At the end of each reporting period, management assesses whether there is any indication that property, plant and equipment may be impaired. If any such indication exists, management estimates the recoverable

amount, which is the higher of an asset's fair value less costs to sell and its value in use. If any such indication exists, the carrying amount is reduced to the recoverable amount and the impairment loss is recognized in profit or loss for the year.

An impairment loss recognized for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's value in use or fair value less costs to sell.

Gains and losses on disposals determined by comparing proceeds with carrying amount are recognized in profit or loss for the year.

**Depreciation.** Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost, less their estimated residual values, over their estimated useful lives.

	<b>Remaining useful lives, years</b>
Buildings and structures	10-50
Production and other equipment	5-35
Vehicles	5-10
Office furniture and equipment	2-5

From 1 January 2023, the Company changed its accounting estimates and judgements for the recognition of low-value non-current tangible assets, resulting in adjusting entries in 2023 to reflect the changes in accounting.

Items of property, plant and equipment with an acquisition cost not exceeding UAH 20 thousand and meeting the following conditions of the lower cost criterion:

- with a value exceeding UAH 3,000 for tools (manual, with electric or other motors);
- without setting a lower cost criterion for furniture and fire extinguishers;
- with a value exceeding UAH 1,000 for other objects

The Company recognizes low-value non-current tangible assets and depreciates them at 100% of their cost in the first month of use.

The residual value of an asset is the estimated amount that the Company would currently obtain from disposal of the asset less the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

**Intangible assets.** Acquired intangible assets that have finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses.

The Company recognizes as intangible assets those items that will be used for more than a year and whose cost is greater than or equal to UAH 1 thousand at the date of recognition. For internally generated assets and land use rights, the cost criterion for their recognition as intangible assets is not applied.

The Company carries intangible assets at cost. Subsequent expenditure on intangible assets, once acquired or generated, is recognized as an expense in the period in which it is incurred, unless it is probable that the expenditure will enable the asset to generate future economic benefits beyond those originally expected and the expenditure can be measured reliably.

An intangible asset with a definite useful life is amortized over the period specified in the contract, patent or license. The amortization period of an intangible asset with a definite useful life is reviewed at the end of each financial year. The average useful life of intangible assets is 4 years. Assets with indefinite useful lives are not amortized but are assessed annually for impairment and possible transfer to amortizable assets.

Amortization is charged on the basis of the cost of an asset using the straight-line method over its estimated useful life from the date that it is available for use. Amortization expense is recognized in the Statement of Comprehensive Income.

**Investment property.** Investment property is property held by the Company to earn rental income or for capital appreciation or both. Refer to Note 4 for a description of significant judgements made in classifying non-current assets as investment property.

The Company's investment property is formed at the expense of existing properties as a result of their change of use and transfer from the category of property occupied by the Company to the category of investment property. If an item of property consists of a part held to earn rental income and a part held to provide postal and related services, the parts are accounted for separately if they are available for sale or lease back under a finance lease. Otherwise, an item of property is an investment property only if an insignificant part of the property is held for the Company's operating activities.

The cost of investment property is the actual expenditure of cash and cash equivalents or the fair value of other consideration at the time of acquisition.

After initial recognition, the Company carries investment property at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation on investment property is calculated on a straight-line basis over its estimated useful lives.

The useful life of investment property is determined in the same way as for items in the property, plant and equipment group "buildings and structures".

Earned rental income is recognized in profit or loss within other operating income. Gains or losses on disposals of investment property are calculated as proceeds from disposal less carrying amount.

Subsequent expenditures are capitalized to the carrying amount of an asset only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the asset can be measured reliably. All other repair and maintenance costs are recognized when incurred.

**Right-of-use assets.** The Company leases premises and vehicles. The arrangements may include both lease and non-lease components. The Company allocates the consideration of a contract between the lease and non-lease components based on their relative stand-alone prices.

Assets arising from leases are initially measured at cost.

Right-of-use assets are measured at cost, which includes:

- the amount of the initial measurement of the lease liability;
- lease payments at or before the commencement date, less any lease incentive payments received;
- any initial direct costs; and
- costs to restore the asset to the condition required by the lease.

Right-of-use assets are depreciated on a straight-line basis over the estimated useful life of the asset or the lease term, whichever is shorter. If the Company is reasonably certain to exercise the purchase option, the Company amortizes the right-of-use asset over the estimated useful life of the underlying asset. The Company calculates depreciation of right-of-use assets on a straight-line basis over their estimated useful lives.

**Non-current assets held for sale and disposal groups.** The Company classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. To qualify, the asset (or disposal group) must be available for immediate sale in its present condition with terms that are usual and customary for sales of such assets (or disposal groups) and its sale is highly probable.

An asset classified as held for sale or included in a disposal group is not depreciated. The asset (or disposal group) must be sold within one year. Events or circumstances may extend the period to complete the sale of an asset held for sale beyond one year.

An extension of the period for completion of a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is due to events or circumstances beyond the Company's control and there is sufficient evidence that the Company does not intend to continue using the property.

The Company measures non-current assets held for sale at the lower of carrying amount and fair value less costs to sell.

**Income tax.** Income taxes have been provided for in the financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period.

The income tax charge comprises current tax and deferred tax and is recognized in profit or loss for the year, except if it is recognized in other comprehensive income or directly in equity because it relates to transactions that are also recognized, in the same or a different period, in other comprehensive income or directly in equity.

Current tax is the amount expected to be paid to or recovered from the taxation authorities in respect of taxable profits or losses for the current and prior periods. Where financial statements are authorized for issue before the relevant tax returns are filed, taxable profits or losses are recorded based on estimates. Taxes other than on income are recorded as a component of operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax losses and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred tax is not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination and, when initially recorded, affecting neither accounting nor taxable profit. Deferred tax assets and liabilities are measured at tax rates that have been enacted or substantively enacted at the end of the reporting period and are expected to apply to the period when the temporary differences will reverse, or the tax loss carry forwards will be utilized. Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

**Inventories.** Inventories are carried at cost or net realizable value, whichever is lower. The cost of inventories includes direct materials, direct labour and an appropriate proportion of variable or fixed production overheads.

The Company uses the first-in, first-out method to value inventories on disposal, i.e., inventories of the same type are written off first.

The cost of purchased inventories is determined after deducting discounts. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of bringing the inventories to their present condition and the estimated costs of selling.

**Trade and other receivables.** Trade and other receivables are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest rate method, less any allowance for impairment. The Company calculates the allowance for receivables that meet the criteria for a financial asset within the meaning of IFRS 9 Financial Instruments, differentiated into the following categories: current (not overdue), overdue for no more than 30 calendar days, overdue from 31 to 60 days, overdue from 61 to 90 days, overdue for more than 90 days. Overdue means receivables that are past due. The amount of the provision is determined using the method of applying expected credit loss ratios.

Impairment of receivables is assessed based on an analysis of expected credit losses on a group basis.

The carrying amount of the asset is reduced through an allowance account and the amount of the loss is recognized in profit or loss within other operating expenses. When a trade receivable is uncollectible, it is written off against other operating expenses. Receivables are not written off against an allowance account. The amount of the provision at the financial statements date is calculated taking into account amounts previously written off. Subsequent recoveries of amounts previously written off are credited to profit or loss within other operating income.

Trade and other receivables that are renegotiated are measured at amortized cost based on the new structure of the renegotiated cash flows. The related gain or loss is recognized in profit or loss on the date of renegotiation and subsequently amortized using the effective interest rate method. If the terms of a receivable are renegotiated or otherwise modified because of financial difficulties of the borrower or issuer, the impairment loss is measured using the original effective interest rate before the modification of terms.

**Cash and cash equivalents.** Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Cash that is restricted for use is excluded from cash and cash equivalents. Cash and cash equivalents are carried at amortized cost using the effective interest rate method.

The Company estimates expected credit losses on cash and cash equivalents balances with banks based on a low probability of default within the contractual terms of less than 3 months. The probability of default was determined based on the external credit rating of the respective banks and publicly available default data from rating agencies. No allowance for expected credit losses was recognized in these financial statements

as management assessed the effect to be immaterial.

**Advances and prepayments.** Advances and prepayments are carried at cost less provision for impairment. Advances and prepayments are classified as non-current if the goods or services for which the advance is made will be obtained after one year, or if the advance relates to an asset that will be classified as non-current upon initial recognition.

Advances and prepayments made to acquire an asset are added to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. Other prepayments and advances are recognized in profit or loss when the goods or services for which they are made are obtained. If there is an indication that the assets, goods or services for which the prepayments are made will not be received, the carrying amount of prepayments made is reduced accordingly and a corresponding impairment loss is recognized in profit or loss for the year.

Prepayments are presented in these financial statements net of VAT as they are expected to be settled by delivery of goods or services.

**Value added tax.** Sales of goods and services in Ukraine are generally subject to value added tax (VAT) at a rate of 20%. Certain of the Company's transactions are exempt from VAT or are not subject to VAT (such as sales of postage stamps, pension deliveries, payment acceptance and money transfers).

The VAT liability arises on the date of delivery of goods/services or receipt of payments, whichever occurs first. Input VAT is recognized upon registration of a VAT invoice in accordance with the established procedure in the Unified Register of Tax Invoices. Input VAT paid by the Company on the purchase of goods or services that can be directly attributed to activities subject to VAT is fully refundable from the state budget, while input VAT directly related to activities that are exempt from VAT or not subject to VAT is not refundable from the state budget and is therefore treated as an expense. Input VAT paid on purchases of goods and services used in both types of transactions (i.e., VATable and VAT-exempt or VAT-non-exempt) is recognized on a pro rata basis (i.e., only the portion of VAT related to VATable transactions is recovered).

The positive amount of the difference between VAT liabilities and VAT input is transferred to the state budget. VAT related to sales and purchases is recognized on a net basis in the balance sheet and is presented as an asset or liability in the amount reported in VAT returns. Otherwise, VAT is recognized on a gross basis.

**Share capital.** Prior to 1 March 2017, the Company was registered as a state-owned enterprise. The Company had registered capital but no shares in issue. On 1 March 2017, the Company was incorporated as a JSC, and its shares were registered by the regulator. From that date, ordinary shares are classified as share capital.

When the Company was a state-owned enterprise, the registered capital included adjustments in accordance with IAS 29 to account for the effects of inflation when Ukraine was a hyperinflationary economy.

As at the date of creation of JSC Ukrposhta, the effect of corporatization was recorded separately. This equity item was calculated as the difference between the registered capital of JSC Ukrposhta and the previous carrying amount of the capital of the state-owned enterprise.

**Dividends.** Dividends are recognized as a liability and deducted from equity at the balance sheet date only if they are declared before or on the balance sheet date. Dividends are disclosed when they are declared after the balance sheet date but before the financial statements are authorized for issue.

In accordance with Ukrainian legislation, dividends are limited to the amount of net profit for the reporting year or any other distributable reserves not exceeding the amount of retained earnings as recognized in the financial statements prepared in accordance with IFRS. The company must decide on the payment of dividends by 30 April and pay dividends to the state budget by 30 June of the year following the reporting year. The Cabinet of Ministers of Ukraine approves the percentage of net profit to be distributed each year by a separate resolution. If such a resolution is not adopted by 30 June, the Company is obliged to transfer 30% of its net profit to the state budget of Ukraine as provided for by the Law of Ukraine "On Management of State-Owned Property" No. 185-V dated 21 September 2006.

**Classification of financial liabilities.** The Company classifies its financial liabilities as other financial liabilities. The Company's financial liabilities are carried at amortized cost.

**Borrowings.** Borrowings are recognized initially at fair value, net of transaction costs incurred, and are subsequently measured at amortized cost using the effective interest rate method. Any difference between

the proceeds, net of transaction costs, and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest rate method. Borrowings are recorded as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**Trade payables and other payables.** Trade and other payables are recognized when the counterparty has performed in accordance with the terms of the contract. Payables are classified as a current liability if it is due to be paid within one year (or within the normal operating cycle of the business if longer). Otherwise, they are accounted for as non-current liabilities. Trade payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. The amortized cost is calculated by taking into account transaction costs and all premiums and discounts on settlement.

**Advances received.** Advances received relate to amounts received in advance of goods, works or services in the ordinary course of business. They are carried at the amount initially received, net of VAT, as it is expected that the amounts will be settled by delivery of the underlying goods or services.

**Revenue.** Revenue is income arising in the ordinary course of the Company's business. Revenue is recognized at the amount of the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring control of promised goods or services to a customer, excluding amounts received on behalf of third parties.

Revenue is recognized net of discounts, rebates and value added taxes. Typically, the Company's contracts do not contain variable consideration, or the effect of variable consideration is not material. Revenue primarily comprises revenue from the provision of the following services (sales of goods):

- 1) sending parcels and letters (including international ones);
- 2) payment and delivery of pensions and other social benefits;
- 3) making payments and money transfers;
- 4) subscription and delivery of periodicals;
- 5) retail trade and other services.

Revenues from transactions with customers are earned in accordance with the contracts concluded with them and are recognized upon completion of delivery of the parcels, as management believes that the moment when control over the goods or services of the Company is transferred occurs when the Company has fully performed its obligations to the customer. Revenues from contractual services that have not yet been rendered as at the balance sheet date are classified as deferred revenue. Revenue is deferred until the corresponding services are provided to the customer. The Company derecognizes a contractual obligation and recognizes revenue when it transfers the services and therefore satisfies a performance obligation. The Company provides services under fixed fee contracts. It is the Company's normal practice to receive prepayments or to receive payments within one month of performance. The moment of transfer of goods and services under contracts for which deferred revenue was recognized is determined by the customer. There are no significant financing components in the Company's contracts.

Revenues from sales of goods and services through the own online service and other Internet platforms are recognized upon receipt of 100% prepayment. The performance obligations under such contracts are transportation services and transfer of purchased goods. In the obligation to transfer goods, the Company may act as an agent.

Revenue from shipments under the Universal Postal Convention is recognized upon completion of delivery of the relevant items. The Company undertakes to transfer mail and goods transportation services from customers. The Company's customers under contracts that provide for the transfer of mail from Ukraine outside the country are individuals and legal entities in Ukraine. The Company's customers under contracts providing for the import of goods from abroad are foreign postal services and delivery services.

In the case of sales of goods under agency arrangements, commission income is recognized as a receivable at the time of sale and the related gross cash proceeds are recognized as a liability to the supplier. The Company acts as an agent in such transactions.

Revenues related to the provision of stamping and franking services to the public, retailers and commercial organizations are recognized at the time of sale at the nominal value of the postage stamp with postmark, adjusted to reflect the cost of the service paid for but not used by the customer. For more information on this

adjustment to deferred revenue, refer to the Critical accounting estimates and judgements in applying accounting policies section below.

In contracts for the payment and delivery of pensions and other social benefits, as well as payments and money transfers, the Company acts as an agent to transfer funds between the customer and the recipient. Revenue for such services is recognized when the funds are delivered to the ultimate recipient. The Company may receive either a fixed fee for payment processing services or a percentage of the pension and other social benefits delivered, and payments made. The Company recognizes a corresponding asset and liability within other assets and other liabilities in respect of customer funds received that have not been delivered as at the date of these financial statements.

Own and commissioned goods are traded in the Company's branches. Control over the goods is transferred immediately in exchange for a fixed amount of remuneration. The Company does not use loyalty programs or other elements of variable compensation for retail sales.

If the Company acts as principal in a transaction, revenue is recognized at gross amount. If the Company acts as an agent in a transaction, revenue is recognized at the net amount and represents the margin earned.

**Recognition of expenses.** Expenses are recognized on an accrual basis. The cost of goods sold, and services rendered includes labour costs, depreciation, direct material costs, transportation and directly attributable overheads.

The Company receives discounts from postal operators in other countries for the delivery of letter mail, parcels and EMS services in the form of cancelled invoices, the amount of such discounts depends on the volume of delivery services provided. Cancellation invoices received from postal operators are recognized as a component of cost of services, thereby reducing amounts due to postal operators, and cancelled invoices receivable in cash are classified as other receivables.

**Financial income and expenses.** Finance income and expenses comprise interest income on funds invested and interest expense on borrowed funds. All interest and other costs on borrowed funds are recognised as expenses using the effective interest rate method. Interest income is recognised as it accrues, taking into account the effective yield on the asset.

**Lease liabilities.** Liabilities arising from leases are initially measured at present value. Lease liabilities include the net present value of future lease payments:

- fixed payments (including essentially fixed payments) less any lease incentive payments receivable,
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date,
- amounts expected to be paid by the Company under residual value guarantees,
- the exercise price of a purchase option, provided that the Company is reasonably certain to exercise the option, and
- payment of penalties for lease termination if the lease term reflects the exercise of the Company's option to terminate the lease.

Lease extension and termination options are provided for in a number of the Company's leases. These terms are used to provide maximum operational flexibility in managing the assets used by the Company in its operations. Options to extend (or a period after the termination date specified in the terms of termination options) are included in the lease term only if it is reasonably certain that the lease will be extended (or not terminated).

The measurement of the liability also includes lease payments to be made under extension options if it is reasonably certain that the lease will be extended.

Lease payments are discounted using the interest rate implicit in the lease. If this rate is not readily determinable, which is generally the case for the Company's leases, the Company uses the incremental borrowing rate, which is the rate at which the Company could obtain for a similar term and on similar collateral the borrowing required to obtain an asset of similar value to the right-of-use asset in similar economic circumstances.

The Company is exposed to the risk of potential future increases in variable lease payments dependent on an index or a rate that are not recognised in the lease liability until they become effective. After adjustments

to lease payments that depend on the index or rate are made, the lease liability is remeasured, and the value of the right-of-use asset is adjusted.

Lease payments are apportioned between the principal amount of the liability and finance costs. Finance costs are recognised in profit or loss over the lease term so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period.

**Employee benefits.** Wages, salaries, paid annual leave and bonuses are accrued in the year in which the associated services are rendered by the employees of the Company. The Company makes a single social security contribution for the benefit of its employees. The contribution is calculated as a percentage of current gross salaries and is expensed in the period in which it is incurred.

**Offsetting.** Financial assets and liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to either settle on a net basis or to realise the asset and settle the liability simultaneously. The right to set-off (a) must not be contingent on a future event and (b) must be legally enforceable in all the following circumstances: (i) in the normal course of business, (ii) in the event of an event of default, and (iii) in the event of insolvency or bankruptcy.

Receivables and payables from postal operators in other countries are presented in the statement of financial position on a net basis for transactions that are settled on a net basis.

**Contingent assets and liabilities.** A contingent asset is not recognised in the financial statements. It is disclosed when an inflow of economic benefits is probable. Contingent liabilities are not recognised in the financial statements unless it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made. Contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

**Government grants and other government assistance.** A government grant is recognised when there is reasonable assurance that the Company will comply with the conditions attached to it and that it will receive the grant. The receipt of a grant does not in itself provide conclusive evidence that the conditions attached to it have been or will be met.

Grants are accounted for using the same method, regardless of whether they are received in the form of cash or as a reduction of liabilities to the government.

The Company recognises government grants classified as assets in profit or loss on a systematic basis over the periods in which the Company recognises the related expenses for which the grants were intended, namely:

- Grants relating to depreciable assets are recognised as deferred income over the periods and in the proportions that the assets are depreciated;
- Grants related to non-amortising assets may also require performance conditions and will be recognised as revenue over the periods in which the performance conditions are met.

The Company recognises a receivable and simultaneously recognises income from a government grant in the period the related expenses are incurred if the government grant is to be received as compensation for costs or losses already incurred.

If a government grant is to be received in the form of immediate financial support to the Company without future related expenditures, the Company recognises income in the period in which it is received or when it is reasonably certain that it will be received within a short period of time.

#### **4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

The preparation of financial statements requires management to make estimates and assumptions that can have a material effect on the financial statements. These estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgement, or areas of complexity, and areas where assumptions and estimates are critical to the preparation of the financial statements are described below.

**Deferred revenue.** The Company recognises prepayments from customers on its balance sheet primarily in respect of sales of postage stamps not used as at the balance sheet date, delivery of parcels and small

packages not delivered to their destination as at the balance sheet date and subscriptions to periodicals to be delivered after the year end.

A significant portion of this balance consists of revenues from the sale of postage stamps to the public. Estimates of deferred revenue are based on various methods of estimation and sampling, with external expert evidence used where appropriate. Estimates of sales of stamps held by the public are based on the results of an annual survey conducted by an independent third-party organisation, which asks citizens how many stamps they buy each year and how many stamps they hold as at the balance sheet date.

The value of stamps held by retailers and commercial organisations is more accurately estimated based on the analysis of actual sales and responses provided by customers in independent surveys.

The results of the above procedures are reviewed by management to make judgements about the carrying number of accruals. The total amount of accruals is recorded as a current liability as most of the amounts credited for postage stamps and mail sorting and dispatch services are used within one year after the balance sheet date.

Part of the balance of deferred revenue consists of revenue from the delivery of parcels and small packages that have not been delivered to their destination as at the balance sheet date. The estimation of deferred revenue is based on analytical calculations based on the Company's available actual data on the type, quantity, weight, destination, date of departure, tariff applied and actual or expected delivery time.

**Extension and termination options under lease agreements.** Extension and termination options are provided for in a number of the Company's building leases. These options are used to provide maximum operational flexibility in managing the assets used by the Company in its operations. The Company has a pre-emptive right to extend a number of lease agreements.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the option to extend the lease or to waive the option to terminate it. Extension options (or a period after the termination date specified in the terms of termination options) are included in the lease term only if it is reasonably certain that the lease will be extended (or not terminated).

The Company's leases of buildings are divided into leases of privately owned properties and leases of state/municipal property, which differ in the judgements used to determine the lease term. Considering the possibility of entering into renewal agreements or a high probability of entering into new lease agreements for the same privately owned properties, the Company applies a term of 8 years to lease agreements for privately owned properties as at the date of adoption of IFRS 16.

Leased state and municipally owned real estate is subject to the Law of Ukraine "On Lease of State and Municipal Property", effective from October 2019. According to the Law, initial leases and lease extensions are subject to a mandatory auction.

In view of this fact, as well as the lack of certainty regarding the renewal of these leases, the Company defines the lease term as a non-cancellable lease period specified in the contract. Vehicle lease agreements are concluded for fixed periods of 1.5 to 3 years, which can be extended by agreement of the parties.

The Company has made an estimate of the number and value of leased assets and lease expenses and applies the following judgements to the recognition of right-of-use assets and lease liabilities at the commencement date. For operating leases, a right-of-use asset and a lease liability are recognised if the following conditions are simultaneously met at the commencement date:

- the lease term exceeds 12 months,
- the amount of lease payments per month exceeds UAH 10,000 (ten thousand).

The Company applies the lessee practical expedient in IFRS 16 for short-term leases with a lease term of 12 months or less. That is, for operating leases with a term of up to 12 months, regardless of the amount of lease payments per month, no right-of-use asset is recognised, and lease payments are recognised as part of cost of sales (goods, works, services) in the period when the related services are actually provided.

Lease agreements are reviewed monthly to determine whether they meet the contractual measurement criteria of IFRS 16, and right-of-use assets and lease liabilities are recognised.

**Classification of dual-use properties as property, plant and equipment, investment property and non-current assets held for sale.** The Company maintains separate accounting records for properties that can be classified as property, plant and equipment or investment property. In the case of dual-use properties

(parts held for own use and parts held to earn rental income), classification of a part of such property as investment property is possible only if such part can be sold or leased under a finance lease agreement separately from the other part of the property. If this is not possible, the Company classifies the entire item as investment property only if the portion of the item used for own needs is less than 20 per cent of the total area of the item.

The Company has assessed the quantitative and cost characteristics of its investment properties and rental income and applies the following judgements in classifying and reclassifying properties as investment properties:

- Items that are leased out by 70% or more (by usable area) are considered to be fully investment property (provided that the key criteria described in the previous paragraph are met);
- Items leased out for less than 70% of the total useful area, but with aggregate rental income from the leased property in excess of UAH 50 thousand per month, are classified as investment property (provided that the main criteria described in the previous paragraph are met) in respect of the total useful area leased out and as property, plant and equipment in respect of the total useful area used for own needs;
- The Company considers leased assets with less than 70% of the total useful area and aggregate rental income of less than UAH 50 thousand per month to be insignificant and retains them as property, plant and equipment.

The Company's management transfers properties from property, plant and equipment to investment property using the cost model as its accounting policy (refer to Note 3). Management estimated the expected range of fair value of investment property as of 31 December 2024 without the involvement of independent appraisers and disclosed the information in Note 9.

**Estimates of income and expenses from international postal exchange.** While providing international postal services, the Company conducts transactions with postal operators in other countries. Revenues and expenses from international postal services and related amounts receivable and payable are recognised during the year based on estimates made by management based on the total weight of interstate mail, parcels and small packages, which is subsequently agreed by postal operators, and tariffs approved by the Universal Postal Convention (UPU) and its circulars. If the volume of mail between countries exceeds the established volume (50 tonnes in 2024 and 2023), separate tariffs are applied to different formats of mail, as well as an additional tariff for the number of items. The number of postal units, which is calculated on the basis of the number of units per kilogram of correspondence, parcels and small packages, is also subject to agreement with postal operators in other countries.

Taking into account significant time delays in reconciliation of data on weight of mail items, total interstate volume of mail items, number of mail items per kilogram of correspondence, parcels and small packages and applicable MIC tariffs (up to 6 months for reconciliation of volume of mail items and up to one year for reconciliation of monetary value of mail items), such estimates are subject to management judgement and are subject to adjustment. Management has disclosed the amount of income and expense on transactions with major postal operators in other countries for which the reconciliation process was completed or partially completed as at the date of issue of these financial statements in Notes 20 and 21.

Discounts granted by international postal operators for the delivery of written correspondence, parcels and small packages, international express delivery "EMS" shipments in connection with the Company's support during the military aggression of the Russian Federation are recognised in cost of services sold in the period of receipt of the cancelled invoice for payment for services. Given the significant delays in the timing of information from postal operators in other countries, management attempts to estimate the amounts of these invoices as accurately as possible at the date of approval of the financial statements and to present the most reconciled transactions for services received from postal operators. However, such estimates are subject to management judgement and are subject to change.

## 5. ADOPTION OF NEW OR REVISED STANDARDS AND INTERPRETATIONS

The following amended IFRS standards and amendments to IFRS standards and interpretations issued by the IASB are effective for periods beginning on or after January 1, 2024. However, their adoption did not have a material impact on the disclosures or amounts recognised in these financial statements. The Company has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective:

- Amendments to IAS 1 — Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements — Non-current Liabilities with Covenants
- Amendments to IFRS 16 Leases — Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures — Supplier Finance Arrangements

#### **6. NEW STANDARDS AND INTERPRETATIONS NOT YET APPLIED**

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. Up to the date of authorisation of these financial statements, the Company has not adopted any of the following new or revised standards that are in issue but not yet effective.

	<b>Effective date</b>
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Postponed for an indefinite period
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates — Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to IFRS 9 and IFRS 7 – Amendments to the classification and measurement of financial instruments	1 January 2026
Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards.	1 January 2026
Amendments to IFRS 7 Financial Instruments: Disclosures.	1 January 2026
Amendments to IFRS 9 Financial Instruments.	1 January 2026
Amendments to IFRS 10 Consolidated Financial Statements.	1 January 2026
Amendments to IAS 7 Statement of Cash Flows.	1 January 2026

Management does not expect the adoption of the Standards listed above to have a material impact on the Company's financial statements in future periods.

#### **7. SETTLEMENTS AND TRANSACTIONS WITH RELATED PARTIES**

The Company is an entity 100% owned by the State of Ukraine and is managed by the Ministry for Development of Communities and Territories of Ukraine. As the Company is ultimately controlled by the Government of Ukraine, all government-controlled entities are related parties under common control. Related parties also include governmental authorities, including the Cabinet of Ministers of Ukraine, line ministries, the judiciary, state-owned or state-controlled entities, and entities that are jointly controlled by, or significantly influenced by, the government.

Related party transactions are carried out on general terms and conditions that do not differ from those available to non-related parties and include sending letters, parcels and postcards, delivery of pensions and other social benefits to citizens from the state and local budgets, subscription and delivery of periodicals, parcel delivery, acceptance of payments from third parties and certain types of money transfers. During both periods, the Company was engaged by the Pension Fund of Ukraine to deliver pensions to individuals. Please refer to Note 20 for a summary of revenue generated from this activity.

As of December 31, 2024, and December 31, 2023, the majority of the Company's cash balances were placed in three state-owned banks of Ukraine (Note 12).

Compensation to key management personnel, consisting of 7 persons, for 12 months of 2024 amounted to UAH 26 390 thousand (12 months of 2023: UAH 26 700 thousand). Compensation consists of short-term salaries and bonuses, reimbursement of expenses directly related to the performance of their duties. Key management personnel do not receive any post-employment benefits.

#### **8. SEGMENT INFORMATION**

For decision-making purposes, the Company's CEO and the management team analyse internal revenue reports for each of the following four business lines:

- national postal services (including private individuals and legal entities)
- financial services (including pension delivery, money transfers and third-party payments)
- retail trade (including sales of goods under commission agreements and own goods)
- other commercial services.

These business lines provide different services and use different technologies and market strategies and are therefore managed separately.

The Company's expenses are not allocated to these business lines and therefore their performance is not assessed separately. The CEO assesses the performance of the Company as a whole. On this basis, management concluded that the Company operates in one segment - provision of postal and other related services.

Sources and geographical distribution of revenue are disclosed in Note 20. All the Company's non-current assets are in Ukraine.

#### **Main clients**

In 2024 and 2023, the only customer with revenue exceeding 21% of the Company's total revenue was the Pension Fund of Ukraine. The Pension Fund is represented by more than 25 regional offices in each region and the city of Kyiv, with which the Company has concluded contracts for the provision of services for the delivery and payment of pensions to the population of Ukraine. The amount of income received as remuneration for the delivery of pensions and other social benefits amounted to UAH 2 787 848 thousand in 2024 (in 2023 – 2 801 123 thousand).

**9. PROPERTY, PLANT AND EQUIPMENT, CONSTRUCTION IN PROGRESS, INVESTMENT PROPERTY AND INTANGIBLE ASSETS**

The following changes occurred in the carrying amounts of property, plant and equipment and construction in progress:

	<b>Buildings and structures</b>	<b>Plant and equipment</b>	<b>Vehicles</b>	<b>Office furniture and equipment</b>	<b>Total property, plant and equipment</b>	<b>Capital investments in progress</b>
<b>As of 1 January 2023</b>						
Historical cost	3 392 904	689 121	2 017 259	748 058	6 847 342	295 454
Accumulated depreciation and impairment	(1 017 595)	(609 640)	(620 289)	(728 917)	(2 976 441)	-
<b>Carrying amount as of 1 January 2023</b>	<b>2 375 309</b>	<b>79 481</b>	<b>1 396 970</b>	<b>19 141</b>	<b>3 870 901</b>	<b>295 454</b>
<b>As of 31 December 2023</b>						
Additions	-	-	-	-	-	802 972
Transfers (at cost)	260 136	121 057	155 356	237 260	773 809	(773 809)
Adjustments to right-of-use assets resulting from revaluation	172 465	-	-	-	172 465	-
Disposal (at cost)	(124 695)	(50 046)	(7 761)	(90 186)	(272 688)	-
Disposal (at accumulated depreciation)	55 718	55 442	9 365	87 202	207 727	-
Transfer to investment property from PPE (at cost)	(33)	-	-	-	(33)	-
Transfer to investment property from PPE (at accumulated depreciation)	1	-	-	-	1	-
Transfers from investment property to PPE (at cost)	1 052	-	-	-	1 052	-
Transfers from investment property to PPE (at accumulated depreciation)	(324)	-	-	-	(324)	-
Depreciation charges	(215 121)	(30 451)	(222 332)	(240 920)	(708 824)	-
Impairment losses	(2 022)	(1)	(956)	-	(2 979)	(170)
<b>As of 31 December 2023</b>	<b>3 701 830</b>	<b>760 132</b>	<b>2 164 854</b>	<b>895 132</b>	<b>7 521 948</b>	<b>324 617</b>
Historical cost	3 701 830	760 132	2 164 854	895 132	7 521 948	324 617
Accumulated depreciation and impairment	(1 179 344)	(584 650)	(834 212)	(882 635)	(3 480 841)	(170)
<b>Carrying amount as of 31 December 2023 / 1 January 2024</b>	<b>2 522 486</b>	<b>175 482</b>	<b>1 330 642</b>	<b>12 497</b>	<b>4 041 107</b>	<b>324 447</b>
<b>As of 31 December 2024</b>						
Additions	-	-	-	-	-	1 176 499
Transfers (at cost)	459 921	136 426	249 159	308 287	1 153 793	(1 153 793)
Adjustment of right-of-use assets as a result of revaluation	43 445	-	-	-	43 445	-
Disposals (at cost)	(134 238)	(66 731)	(20 442)	(31 722)	(253 133)	-
Disposal (at accumulated depreciation)	82 602	66 569	20 136	31 066	200 373	-
Transfer from/to investment property from PPE (at cost)	-	2	-	1	3	-
Transfer from/to investment property from PPE (at accumulated depreciation)	-	(1)	-	-	(1)	-
Transfer from/to non-current assets held for sale	-	4	-	-	4	-
Recognition (inventories) received free of charge	401	-	-	2	403	-
Depreciation charges	(308 842)	(34 801)	(234 524)	(281 806)	(859 973)	-
Impairment losses	(5 495)	(306)	3 592	(66)	(2 275)	(56)
<b>As of 31 December 2024</b>	<b>4 071 359</b>	<b>829 833</b>	<b>2 393 571</b>	<b>1 171 700</b>	<b>8 466 463</b>	<b>347 323</b>
Historical cost	4 071 359	829 833	2 393 571	1 171 700	8 466 463	347 323
Accumulated depreciation and impairment	(1 411 079)	(553 189)	(1 045 008)	(1 133 441)	(4 142 717)	(226)
<b>As of 31 December 2024</b>	<b>2 660 280</b>	<b>276 644</b>	<b>1 348 563</b>	<b>38 259</b>	<b>4 323 746</b>	<b>347 097</b>

Capital investments in progress mainly represent construction and refurbishment of buildings and structures and acquisition of property, plant and equipment that are not yet in operation. Upon completion, the assets are transferred to the appropriate category of property, plant and equipment.

As at 31 December 2024, the Company had contractual commitments to purchase property, plant and equipment in the amount of UAH 864 269 thousand (31 December 2023: UAH 609 979 thousand).

As at 31 December 2024, the Company had fully depreciated property, plant and equipment in the amount of UAH 1 749 217 thousand, but not withdrawn from service (31 December 2023: UAH 2 185 743 thousand)

Until 1 March 2017, the ownership of all property, plant and equipment and construction in progress under the Company's management, which it uses in its business activities, was registered with the Government of Ukraine. In accordance with Article 73 of the Commercial Code of Ukraine, the property of a state-owned enterprise is owned by the Government and is provided to such enterprise on the basis of economic or operational management. Thus, the property remained legally owned by the Government. However, in essence, the relationship between the Company and the Government provides for the right to use the relevant assets for an unlimited period of time (until they are fully depreciated, worn out or destroyed - the Government retains no risk elements associated with the residual value of the assets at the end of their useful lives) and to receive economic benefits from the use of the assets. Therefore, the Company recognised these items of property, plant and equipment and construction in progress in its financial statements.

In March 2017, the Government of Ukraine completed the reorganisation of the Company from a state-owned enterprise into a joint stock company (Note 14). In July 2018, the Ministry for Development of Communities and Territories of Ukraine and the Company signed an act on the transfer of property to JSC Ukrposhta, the successor of the state-owned enterprise.

During 2024, the Company acquired property, plant and equipment (vehicles) under lease agreements for a total cost of UAH 17 729 thousand (2023: UAH 108 882 thousand). As at 31 December 2024, the net carrying amount of property, plant and equipment held under lease agreements in force was UAH 142 090 thousand (31 December 2023: UAH 388 228 thousand). The assets are included in the respective groups of property, plant and equipment.

#### ***Impairment of property, plant and equipment and capital investments in progress***

As at the reporting date, the Company determined that there was some indication that the recoverable amount of property, plant and equipment and capital investments in progress may be less than their carrying amount. As at 31 December 2024, the Company assessed the value in use of its non-current assets for impairment at the level of a cash-generating unit (CGU), considering the entire Company as a CGU.

CGUs are the aggregate of property, plant and equipment, capital investments in progress and intangible assets related to the Company's operating activities. The exclusion of any operating assets entails changes to operating activities and generating cash flows. It is impractical to separate smaller cash-generating units. The business processes are managed by one group of managers, and it is determined to allocate and distribute within the financial plan the cash flows related to the cost and expenses for certain types of services sold on a reasonable basis and with an adequate amount of assumptions.

As a basis for the calculation model for estimating the value in use of non-current assets, management prepared two scenarios of the Company's development for the period 2025 - 2027, namely "Continuation of hostilities" and "Victory and de-occupation of territories" based on assumptions about the expected income and expenses under these scenarios.

In accordance with the requirements of Appendix A, IAS 36 Impairment of Assets, the Company applied the expected cash flow approach to measure the value in use of its non-current assets, which takes into account all expectations regarding possible future cash flow scenarios. As a result, the Company calculated the weighted average expected cash flows weighted by assumptions about the probability of the Company's future development based on scenarios prepared by management.

The value in use of non-current assets in accordance with IAS 36 was determined as the total discounted value of net operating cash flows on a pre-tax basis, excluding depreciation and amortisation expense, outflows on capital investments and flows from financing activities.

Based on the results of the assessment, the Company determined that the value in use of property, plant and equipment and capital assets under construction as at the date of the assessment exceeded their carrying amount as at the same date by UAH 6 110 789 thousand, i.e., there was no impairment.

The Company impaired property, plant and equipment and capital investments in progress located in the occupied territories and in the territories where military operations are ongoing as at the reporting date and, accordingly, their carrying amount in the impairment test is zero.

The key assumptions used in the value in use calculation are those related to the discount rate, growth rate and expected changes in revenues and operating expenses. Management determined the discount rate using the weighted average cost of capital before tax. The growth rate is based mainly on the growth of parcel business, international business, financial services and retail trade volumes, etc. in accordance with the Company's development strategy for 2025-2027. Expected changes in revenues and operating expenses are based on experience and expectations of future changes in the market. Cash flow projections are based on the most recent financial budgets for the next 3 years. Beyond this period, the Company's management extrapolated cash flows based on the expected growth rate not exceeding the average long-term growth rate for the respective markets. The calculations were based on the legislation in force as at 31 December 2024.

### Intangible assets

As at the reporting dates, intangible assets are mainly represented by software, which is amortised over its useful life.

As of 31 December 2024, the Company has contractual commitments to purchase intangible assets in the total amount of UAH 263 335 thousand (31 December 2023 – UAH 218 638 thousand).

### Right-of-use asset

In the normal course of business, the Company leases equipment and buildings.

Vehicle lease agreements are concluded for fixed periods of up to 3 years, renewable at the agreement of the parties. These assets are included in property, plant and equipment in the balance sheet.

Movements in the carrying amount and movements in the right-of-use asset for 2024 are disclosed below:

	<b>Buildings and structures</b>	<b>Vehicles</b>	<b>Total</b>
<b>1 January 2024</b>	<b>506 120</b>	<b>388 228</b>	<b>894 348</b>
Additions	447 953	17 729	465 682
Adjustment to right-of-use assets as a result of revaluation of lease liabilities	43 445		43 445
Depreciation charge	(249 950)	(35 751)	(285 701)
Disposals	(50 112)		(50 112)
Transfers		(228 116)	(228 116)
<b>31 December 2024</b>	<b>697 456</b>	<b>142 090</b>	<b>839 546</b>

The carrying amount and movements in the right-of-use asset for 2023 are as follows:

	<b>Buildings and structures</b>	<b>Vehicles</b>	<b>Total</b>
<b>1 January 2023</b>	<b>294 669</b>	<b>345 274</b>	<b>639 943</b>
Additions	256 433	108 882	365 315
Adjustment to right-of-use assets as a result of revaluation of lease liabilities	172 465	-	172 465
Depreciation charge	(156 658)	(52 652)	(209 310)
Disposals	(60 789)	-	(60 789)
Transfers	-	(13 276)	(13 276)
<b>31 December 2023</b>	<b>506 120</b>	<b>388 228</b>	<b>894 348</b>

Lease liabilities related to the above right-of-use assets are disclosed in Note 15.

**Investment property**

	<b>2024</b>	<b>2023</b>
<b>Investment property as at 1 January</b>	<b>65 522</b>	<b>68 961</b>
Transferred to property, plant and equipment (at cost)	(3)	(1 052)
Transferred to property, plant and equipment (at accumulated depreciation)	1	324
Additions to investment property	-	81
Transfer to investment property (at cost)	-	33
Transfer to investment property (at accumulated depreciation)	-	1
Depreciation and impairment losses	(2 578)	(2 824)
<b>As at 31 December</b>		
Cost	78 163	78 166
Accumulated depreciation and impairment	(15 221)	(12 644)
<b>Carrying amount</b>	<b>62 942</b>	<b>65 522</b>

Management estimated the expected range of fair value of investment property as of 31 December 2024 at UAH 395 000 thousand to UAH 484 000 thousand (31 December 2023: from UAH 332 000 thousand to UAH 406 000 thousand) without engaging independent appraisers.

If the Company is a lessor, the future minimum payments receivable under operating leases and for all properties as of 31 December 2024 are as follows:

	<b>Future rental cash flows</b>
On demand and less than a month	4 752
From 1 to 3 months	9 504
From 3 to 12 months	42 770
From 12 months to 5 years	98 800
<b>Total undiscounted future rental cash flows from operating leases</b>	<b>155 826</b>

As of 31 December 2023, future minimum payments receivable under operating leases were as follows:

	<b>Future rental cash flows</b>
On demand and less than a month	7 534
From 1 to 3 months	14 910
From 3 to 12 months	56 950
From 12 months to 5 years	66 499
<b>Total undiscounted future rental cash flows from operating leases</b>	<b>145 893</b>

In 2024, operating lease income amounted to UAH 137 334 thousand (2023: UAH 111 718 thousand) and was recognised in other operating income.

The total amount of accrued depreciation and impairment for the years ended 31 December is as follows:

	<b>2024</b>	<b>2023</b>
Cost of sales of products (goods, works, services)	831 183	680 020
Administrative expenses	37 875	30 091
Selling and distribution expenses	582	1 767
Other operating expenses	5 328	3 494
Other expenses (Note 29)	-	6 140
<b>Total depreciation and amortisation and impairment losses</b>	<b>874 968</b>	<b>721 512</b>

**Non-current assets held for sale**

As disclosed in Note 4, starting from 20 October 2019, due to changes in the Legislation of Ukraine, the Company obtained the right to dispose of property through open auction systems. Based on the decision of the shareholder represented by the Ministry for Development of Communities and Territories of Ukraine, the Company transferred the real estate from property, plant and equipment to non-current assets held for sale.

Movements in non-current assets held for sale were as follows:

	<b>2024</b>	<b>2023</b>
<b>Non-current assets held for sale as at 01 January 2024</b>	<b>60 539</b>	<b>73 819</b>
Transferred from investment property	(4)	-
Sold	(4 605)	(13 280)
<b>Non-current assets held for sale as at 31 December 2024</b>	<b>55 930</b>	<b>60 539</b>

Net income from sale of non-current assets held for sale in 2024 amounted to UAH 67 728 thousand (2023: UAH 30 634 thousand) and is included in other income.

**Assets pledged as collateral**

The Company has signed loan agreements with international financial institutions (Note 15) under which the Ministry of Finance of Ukraine acts as a guarantor for the repayment of debt. Real estate with a carrying amount of UAH 731 491 thousand as of 31 December 2024 (31 December 2023: UAH 827 784 thousand) was pledged as collateral under the guarantee.

**10. INVENTORIES**

	<b>31 December 2024</b>	<b>31 December 2023</b>
Raw materials	345 025	331 631
Goods for resale	128 763	123 757
Work in progress	12	-
<b>Total inventories</b>	<b>473 800</b>	<b>455 388</b>

Raw materials are mainly represented by motor fuel, spare parts for vehicles and various materials used in postal activities.

The amount of inventories recognised as an expense during the period 2024 is UAH 1 160 503 thousand (during the period of 2023 – UAH 1 122 506 thousand) (Notes 21, 22, 23, 24).

Inventories are carried at the lower of cost or net realisable value. The carrying amount of inventories is reduced to their net realisable value through the provision for impairment of inventories. As at 31 December 2024, provision for impairment of inventories amounted to UAH 46 722 thousand (31 December 2023: UAH 40 567 thousand).

**11. ACCOUNTS RECEIVABLE FOR GOODS, WORKS, SERVICES, ADVANCES MADE AND OTHER CURRENT RECEIVABLES**

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Receivables for goods, works and services:</b>	<b>674 158</b>	<b>621 125</b>
For services from postal operators in other countries	442 156	372 656
For postal services with domestic business entities	97 746	106 538
For accrued remuneration amounts due to the Company	105 215	101 313
For other goods, works, services	29 041	40 618
<b>Other current receivables:</b>	<b>184 262</b>	<b>167 725</b>
With payment systems	79 285	57 195
To compensate for losses incurred as a result of shortages	44 826	41 170
With the Pension Fund, state trust funds	33 778	34 917
For services from postal operators in other countries	3 314	9 207
For other current receivables	23 059	25 236
<b>Total financial receivables (gross carrying amount)</b>	<b>858 420</b>	<b>788 850</b>
Advances made	121 295	150 544
Other receivables	13 971	16 283
<i>including settlements on accrued income</i>	5 677	7 802
Estimated provision for impairment	(76 362)	(102 456)
<b>Total receivables, advances made, and other receivables</b>	<b>917 324</b>	<b>853 221</b>

Financial receivables, net of estimated allowance for impairment as of 31 December, are denominated in the following currencies:

	<b>2024</b>	<b>2023</b>
- Hryvnias	303 901	310 599
- US dollars	42 847	182 281
- SDR	105 425	109 457
- Euro	329 885	84 057
<b>Total financial receivables</b>	<b>782 058</b>	<b>686 394</b>

In accordance with the requirements of IFRS 7.13a and IAS 32.42, 43, 45, 46, the Company offset debts and liabilities arising from international postal exchange transactions at each reporting date:

- has a legal right – international postal exchange operations are carried out in accordance with the Universal Postal Union Convention;

- intends to settle the liability on a net basis – the normal business practice of Ukrposhta and UPU member postal operators regarding the expected future cash flows from the settlement of financial instruments: “the aggregate settlement mechanism will have features that eliminate or reduce credit and liquidity risk and that process receivables and payables in a single process or settlement cycle”.

**Offsetting debts and liabilities on international postal exchange operations for 2024:**

	Carrying amount to curtailment	Offset	Gross carrying amount
Financial receivables	1 365 416	(733 054)	632 362
Advances made	136 041	(14 746)	121 295
Other current receivables	259 833	(110 137)	149 696
Trade payables	4 975 527	(830 510)	4 145 017
Advances received	109 282	33 840	143 122
Other current liabilities	3 289 323	(22 833)	3 266 490
<b>Total:</b>	<b>10 135 422</b>	<b>(1 677 440)</b>	<b>8 457 982</b>

As of 31 December 2024 and 31 December 2023, accounts receivable, advances made, and other receivables are non-interest bearing and are repaid in the normal course of business.

The Company applies the simplified approach to allowance for expected credit losses under IFRS 9, which allows for the use of a lifetime allowance for all receivables. For the purpose of estimating the expected credit loss, receivables are grouped into categories based on common credit risk characteristics and the number of days overdue. The levels of expected credit losses (ECL) are based on the characteristics of sales payments for the 24 months to 31 December 2024 or 31 December 2023, respectively, and similar historical credit losses incurred during this period. Historical loss levels are adjusted to reflect current and forecast information about macroeconomic factors that affect the ability of customers to collect their receivables.

The estimated allowance for credit losses on receivables is determined in accordance with the allowance matrix presented in the table below. The allowance matrix is based on the number of days an asset is overdue.

ECL matrix as at 31 December 2024:

	Level of losses	Gross carrying amount	Lifetime ECL
In % of gross value - not overdue			
• Postal operators of other countries	0,00%	445 470	-
• State institutions and state-owned entities	1,06%	186 610	1 985
• Utility companies	2,45%	7 106	174
• Other entities	4,18%	84 512	3 535
• End consumers	0,92%	54 007	495
		<b>777 705</b>	<b>6 189</b>
- less than 30 days overdue	16,75%	6 967	1 167
- overdue from 31 to 60 days	26,88%	4 806	1 292
- overdue from 61 to 90 days	55,89%	2 786	1 557
- overdue for more than 90 days	100,00%	66 156	66 157
<b>Total financial receivables as at 31 December 2024 (gross carrying amount)</b>		<b>858 420</b>	<b>76 362</b>
Estimated allowance for credit losses		(76 362)	-
<b>Total financial receivables as at 31 December 2024</b>		<b>782 058</b>	<b>-</b>

ECL matrix as at 31 December 2023:

	Level of losses	Gross carrying amount	Lifetime ECL
In % of gross value - not overdue			
• Postal operators of other countries	0,00%	381 862	-
• State institutions and state-owned entities	2,30%	195 060	1 815
• Utility companies	2,31%	6 831	158
• Other entities	2,78%	74 714	2 074
• End consumers	2,36%	15 333	362
		<b>673 800</b>	<b>4 409</b>

	Level of losses	Gross carrying amount	Lifetime ECL
- less than 30 days overdue	29,15%	12 695	3 700
- overdue from 31 to 60 days	43,66%	9 373	4 092
- overdue from 61 to 90 days	62,97%	7 365	4 638
- overdue for more than 90 days	100,00%	85 617	85 617
<b>Total financial receivables as at 31 December 2023 (gross carrying amount)</b>		<b>788 850</b>	<b>102 456</b>
Estimated allowance for credit losses		(102 456)	-
<b>Total financial receivables as at 31 December 2023</b>		<b>686 394</b>	<b>-</b>

The following changes occurred in the provision for impairment of financial and other receivables:

	2024	2023
<b>Provision for doubtful debts as of 1 January</b>	<b>102 456</b>	<b>106 781</b>
Use of provisions during the year	(15 303)	(1 827)
Reversal of provision during the year	(45 012)	(10 247)
Provision charged during the year	34 221	7 749
<b>Provision for doubtful debts as of 31 December</b>	<b>76 362</b>	<b>102 456</b>

The Company uses the payment method of accounting whereby cash received under a contract is recorded against the receivable with the earliest date of occurrence. Accordingly, accounts receivable are updated on an ongoing basis, which results in the reversal of the provision for balances with the longest overdue periods as a result of their payment and the accrual of additional provision for those balances for which the days overdue have increased.

As at the reporting dates, the carrying amounts of financial instruments, including receivables, approximate their fair values.

	31 December 2024	31 December 2023
<b>Financial assets</b>		
Other financial investments (1035)	14 676	13 418
Financial receivables (1125)	632 362	555 585
Other current receivables* (1130+1135+1140+1155)	172 200	207 743
Cash and cash equivalents (1165)	4 544 101	5 233 842
Short-term deposits with a maturity of more than 3 months	210 195	-
<b>Total financial assets</b>	<b>5 573 534</b>	<b>6 010 588</b>
<b>Financial liabilities</b>		
Trade payables (1615)	4 145 017	3 498 755
Loans (1510+1610)	1 099 166	1 008 015
Lease liabilities (1515+1610)	870 710	724 208
Other current liabilities (1690)	3 266 490	3 882 726
<b>Total financial liabilities</b>	<b>9 381 383</b>	<b>9 113 704</b>

\*Only other current receivables that meet the definition of financial assets are included in financial instruments. As of 31 December 2024, the total value of other current receivables was UAH 284 962 thousand (31 December 2023: UAH 297 636 thousand).

Other financial investments are carried at fair value. The fair values are categorised within Level 1 of the fair value hierarchy.

All other financial assets and liabilities are carried at amortised cost. Fair value is classified as Level 3 of the fair value hierarchy.

#### **Fair value of the EBRD loan**

The EBRD loan is part of a special programme for the implementation of a logistics network development project. The loan is part of a specific market of instruments with specific terms and objectives. There are a limited number of lenders in the market for such instruments, supranational institutions that finance the specific needs of many companies that meet the conditions for obtaining financing. Consequently, management believes that such lenders are the 'Market-makers' of this specific market.

The loan was obtained on standard terms for the market and at interest rates that do not differ materially from those for the market in similar circumstances. Management believes that the fair value of this instrument does not differ significantly from its carrying amount.

Financial liabilities are carried at amortised cost.

At the reporting dates, the carrying amounts of financial assets and financial liabilities approximate their fair values.

## 12. CASH, CASH EQUIVALENTS AND CURRENT FINANCIAL INVESTMENTS

Cash and cash equivalents consist of cash on hand, demand deposits with banks, cash in transit and short-term deposits of up to 3 months.

	31 December 2024	31 December 2023
<b>Cash on demand bank accounts</b> including	<b>4 441 534</b>	<b>4 583 152</b>
General purpose bank accounts	2 176 651	1 743 327
Special purpose bank accounts	2 264 883	2 839 824
<b>Short-term deposits with a maturity of up to 3 months</b>	<b>-</b>	<b>531 754</b>
<b>Cash on hand</b>	<b>102 567</b>	<b>118 937</b>
<b>Total cash and cash equivalents</b>	<b>4 544 101</b>	<b>5 233 842</b>
<b>Short-term deposits with maturity over 3 months</b>	<b>210 195</b>	<b>-</b>
<b>Total cash, cash equivalents and current financial investments</b>	<b>4 754 296</b>	<b>5 233 842</b>

Special purpose bank accounts represent funds received from the Pension Fund and the Government of the State for the specific purpose of delivering pensions and other social benefits to citizens under government projects such as E-Restoration and Winter Support.

In 2024, Ukrposhta will continue to perform its functions in accordance with the Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Procedure for Providing Compensation for Destroyed Real Estate Objects" No. 600 dated 30 May 2023 to finance the purchase of housing using a housing certificate.

As of 31.12.2024, the balance of funds on the special purpose bank account for financing the purchase of housing using a housing certificate amounted to UAH 1 240 512 thousand.

In accordance with the Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Procedure for Implementation of the Pilot Project on Providing One-time State Financial Assistance "Winter Support" within the framework of the All-Ukrainian Economic Platform "Made in Ukraine" No. 952 dated 20 August 2024, JSC Ukrposhta is a participant in the project on providing one-time state financial assistance "Winter Support". The source of funding for the pilot project is the state budget. In December 2024, JSC Ukrposhta received funds in the amount of UAH 1 885 357 thousand on the basis of the agreement between the Ministry of Economy of Ukraine and JSC Ukrposhta dated 29.11.2024 No. 291124-41 to a special purpose bank account in JSC Oschadbank, intended exclusively for the provision of one-time state financial assistance "Winter Support".

As at 31.12.2024, the balance of funds on the special purpose bank account for the provision of one-time state financial assistance "Winter support" amounted to UAH 927 168 thousand.

Short-term deposits with a maturity of more than 3 months are presented in the statement of financial position within current financial investments.

As at 31 December 2024, short-term deposits were placed with Ukrainian banks with a maturity of 96 days and an average interest rate for foreign currency deposits of 1.6% per annum. Interest earned on deposits is recognised in the statement of comprehensive income within finance income.

As at 31 December 2024, cash, cash equivalents and current financial investments are denominated in the following currencies:

	2024	2023
- UAH	3 729 042	4 397 867
- US dollars	775 576	809 020
- Euros	243 416	15 709
- Swiss francs	6 262	12 053
<b>Total cash, cash equivalents and current investments</b>	<b>4 754 296</b>	<b>5 234 649</b>

The table below summarises cash, cash equivalents and current investments by credit quality based on Moody's Investors Service ratings:

	<b>31 December 2024</b>	<b>31 December 2023</b>
Funds on demand bank accounts		
<i>Neither past due nor impaired</i>		
AA	1 236 759	751 550
A2	-	4 259
B1	-	37
Caa3	2 756 232	4 144 966
without rating	658 738	214 093
<b>Total</b>	<b>4 651 729</b>	<b>5 114 905</b>

As at 31 December 2024, demand deposits and placements in the amount of UAH 2 386 846 thousand (31 December 2023: UAH 2 275 081 thousand) were placed with three major Ukrainian state-owned banks.

### **13. ASSETS AND LIABILITIES IN THE OCCUPIED TERRITORIES**

The Company has assets and initially recognised liabilities in the Donetsk and Luhansk regions, where armed conflict continued until the full-scale invasion, and in Crimea. After various dates in 2014, the Company impaired all assets and did not conduct any operations using these assets or transfer them to the territory controlled by the Government of Ukraine.

As at 31 December 2017, management took the decision to derecognise liabilities arising from operations in the temporarily occupied Autonomous Republic of Crimea and certain territories of the Donetsk and Luhansk regions. The amount in question was UAH 111 846 thousand. This decision was made on the basis that the limitation period for such liabilities had expired and there were no claims for repayment.

On 24 February 2022, the Russian Federation instigated a full-scale military invasion of Ukraine, marking a new phase of armed conflict. This has resulted in significant destruction of assets, occupation of part of the country's territory by the military forces of another state and temporary loss of access to the Company's assets located in the temporarily occupied territories of Luhansk, Kherson, Donetsk, Kharkiv and Zaporizhzhia regions. The Company is continuing to assess the impairment of assets and liabilities located in the uncontrolled territories. As at 31 December 2024, the Company is continuing to assess the impairment of assets located in the temporarily occupied territories and territories of hostilities. As at 31 December 2024, the amount of impairment of non-current assets was UAH 229 935 thousand.

### **14. SHARE CAPITAL**

As of 31 December 2016, the Company was registered as a state-owned enterprise as defined by Ukrainian legislation. In March 2017, Ukrposhta was registered as a JSC with 100% of shares owned by the state of Ukraine. JSC Ukrposhta is the legal successor of the state-owned enterprise.

As a part of the Government, the Company is directly subordinated to the Ministry for Development of Communities and Territories of Ukraine. The formal owner of the Company is the State Property Fund of Ukraine, which owns 100% of the Company's share capital.

In March 2017, the Government of Ukraine completed the reorganisation of the Company from a state-owned enterprise into a joint stock company. The reorganisation into a joint-stock company was carried out in accordance with the Transformation Plan, which was approved by the Ministry for Development of Communities and Territories of Ukraine. The transformation was carried out by way of corporatisation and registration as a JSC with 6 518 597 authorised and issued ordinary shares with a nominal value of UAH 1,000 per share. The issued shares were fully paid at par.

As of 31 December 2024 and 2023, 100% of the Company's shares are owned by the State of Ukraine, are not subject to alienation, are not listed on a stock exchange and are not traded on the market.

The valuation of Ukrposhta shares was carried out with the involvement of an independent appraiser who assessed the fair value of the Company's assets and liabilities in accordance with the rules for valuation of shares developed by the State Property Fund of Ukraine. The value of the share capital was calculated as the fair value of assets less the fair value of liabilities at the valuation date. The fair measurement is required by the corporatisation rules to enable the Government to determine the value of the share capital of the new entity. As the new entity, which is JSC Ukrposhta, is a continuation of the existing business, assets and liabilities of the previous legal entity, the above fair values of assets and liabilities could not

be recognised in the Company's financial statements.

Accordingly, the effect of the formation of the share capital of the new company was presented as a corporatisation effect in the amount of UAH 5 254 038 thousand as a separate reserve in equity.

	Number of ordinary shares	Registered capital	Effect of corporatisation	Total
<b>As of 31 December 2024 / 31 December 2023</b>	6 518 597	6 518 597	(5 254 038)	<b>1 264 559</b>

As of 31 December 2024 and 31 December 2023, net assets in the total amount of UAH 210 235 thousand and UAH 623 439 thousand, respectively, were less than the Company's registered share capital of UAH 6 518 597 thousand. In accordance with the requirements of the Law of Ukraine "On Joint Stock Companies" (the "Law"), if the net assets according to the latest annual financial statements are less than 50 per cent of the registered share capital or have decreased by more than 50 per cent compared to the same indicator as at the end of the previous year, the Supervisory Board of the Company is obliged within three months from the date of approval of such financial statements to take all actions related to the preparation and holding of the general meeting, the agenda of which includes the following items: measures to improve financial position of the Company, decrease of share capital or liquidation of the Company.

Management believes that this matter will not have a material adverse effect on the Company's operations or financial statements and will be resolved by taking measures envisaged by the Company's strategy to gradually improve the Company's financial position over the next 3 years or earlier. Therefore, the issue of reducing the Company's share capital is not an adequate and necessary measure.

#### **Dividend distribution**

The amount of profit distributable as dividends is determined based on the Company's financial statements prepared in accordance with IFRS. In accordance with Ukrainian legislation, the amount of dividends may not exceed net profit for the reporting year or other distributable reserves and is limited to the amount of retained earnings in the IFRS financial statements.

The decision to pay dividends must be made by 30 April, and they must be transferred to the state budget by 30 June of the year following the reporting year.

The Cabinet of Ministers of Ukraine approves the rate of profit distribution for dividends on an annual basis through a separate resolution. In the absence of such approval by 30 June, the Company is obliged to transfer 30% of its net profit to the state budget in accordance with the Law of Ukraine "On Management of State-Owned Property" No. 185-V dated 21 September 2006.

Based on the results of its financial and economic activities in 2024, the Company does not pay dividends due to the losses incurred as a result of the significant negative impact of the war on its operations.

#### **15. BORROWED FUNDS**

Borrowings are represented by a bank loan. The carrying amount of borrowed funds is shown below:

	31 December 2024	31 December 2023
Long-term bank loans (line 1510)	833 028	795 276
Current portion of bank loans (line 1610)	266 138	212 739
<b>Total</b>	<b>1 099 166</b>	<b>1 008 015</b>

The cash and non-cash movements in borrowings for the period are set out in the table below:

	2024	2023
<b>Opening balance as at 1 January</b>	<b>1 008 015</b>	<b>1 034 707</b>
<b>Cash flows</b>		
Payment of interest	(64 315)	(58 563)
Loan repayment	(232 126)	(177 306)
Raising funds	302 077	59 335
<b>Non-cash flows</b>		
Amortisation of discount (premium)	(20 752)	11 303
Interest accrued during the period	63 673	57 454
Foreign exchange loss accrued during the period	42 594	81 085
<b>Closing balance as at 31 December</b>	<b>1 099 166</b>	<b>1 008 015</b>

**Term loans**

In October 2020, the Company signed a financing agreement with the European Investment Bank for the implementation of a project to develop a logistics network. The total cost of the project is estimated at EUR 62 million, of which EUR 30 million is to be financed by the EIB. The agreement provides for financing for a term of up to 20 years with a fixed or floating rate.

In November 2020, the Company signed a loan agreement with the EBRD (European Bank for Reconstruction and Development) for a loan of EUR 63 million. The loan consists of three tranches, namely:

Tranche 1 and Tranche 3 in the amount of EUR 23 million and EUR 10 million respectively to finance the completion of the Rural Post Office project, which involves the purchase of new equipped vehicles (up to 1900 vehicles) for mobile post offices in 17 regions, POS terminal equipment (3-in-1 devices) and the implementation of a new Front Office system for the digitalisation and automation of postal services. Tranches 1 and 3 are provided for a period of up to 8 years.

Tranche EUR 2 - 30 million to finance the second half of the investment project for the development of the logistics network. The tranche is available for up to 12 years.

Under the EBRD loan agreement, a fixed or floating rate may be applied.

Both loan agreements are secured by state guarantees. The Company, in its turn, signed respective agreements with the Ministry of Finance of Ukraine on repayment of the debt to the state for fulfilment of the guarantee obligations, which provide for the provision of the following collateral:

- pledge of rights to the Company's real estate for an amount equal to the amount of financing under the EBRD and EIB loan. As of 31 December 2024, mortgage agreements dated 01.10.2021 and 27.10.2023 were concluded with the Ministry of Finance of Ukraine in the amount of EUR 63 million and EUR 30 million, respectively;
- the right to contractually write off funds in the amount of outstanding obligations in favour of the State of Ukraine and at the request of the Ministry of Finance from the Company's main accounts, except for accounts with a special regime of use.

As at 31 December 2024, financing under the loan agreement with the EBRD was received in the amount of EUR 37 078 thousand, repaid in the amount of EUR 11 635 thousand, total debt as at 31 December 2024 was EUR 25 443 thousand, and the amortised cost of loan liabilities was UAH 1 099 166 thousand.

The company formally requested that the EBRD provide a waiver for possible non-compliance with the financial covenants in 2024. In response, the EBRD issued a letter in June 2024 confirming that the financial covenants for 2024 are not applicable. Consequently, the liability pertaining to the EBRD loan is categorised as non-current as at 31 December 2024. The company's management anticipates that the financial covenants will be adhered to in accordance with the terms of the loan agreement during 2025.

**Analysis of compliance with financial covenants.**

Based on the calculation of covenants as at 31.12.2024:

- EBITDA to Net Financial Expenses ratio = 6.3 (with the minimum required  $\geq 5.0$ ) – the requirement is met.
- Financial debt / EBITDA ratio = 3.7 (with the maximum allowed  $\leq 3.5$ ) – exceeded by 0.2 points.

However, the materiality factor indicates a minimal deviation, as the Company lacked only UAH 40 million of additional EBITDA to reach the regulatory value. This is less than 1% of total revenues and has no material impact on the Company's financial position.

**Other liabilities**

Other liabilities are as follows:

	31 December 2024		31 December 2023	
	short-term	long-term	short-term	long-term
Liabilities under finance leases (transport)	49 022	52 069	96 519	73 662
Lease liabilities (real estate)	278 713	489 889	176 655	376 265
Other liabilities	-	1 016	-	1 106
<b>Total lease liabilities</b>	<b>327 735</b>	<b>542 974</b>	<b>273 174</b>	<b>451 034</b>

The movements in lease liabilities in 2024 are presented below:

	<b>Lease liabilities (transport)</b>	<b>Lease liabilities (real estate)</b>
<b>1 January 2024</b>	<b>170 181</b>	<b>552 920</b>
Receipts	-	447 953
Revaluation of the liability	-	43 446
Accrued interest	13 048	130 155
Payments	(99 180)	(346 025)
Disposals	-	(59 847)
Other changes	17 042	-
<b>31 December 2024</b>	<b>101 091</b>	<b>768 602</b>

The movements in lease liabilities in 2023 are presented below:

	<b>Lease liabilities (transport)</b>	<b>Lease liabilities (real estate)</b>
<b>1 January 2023</b>	<b>197 505</b>	<b>330 962</b>
Receipts	132 053	256 432
Revaluation of the liability	-	172 465
Accrued interest	22 973	80 488
Payments	(221 910)	(215 036)
Disposals	-	(72 391)
Other changes	39 560	-
<b>31 December 2023</b>	<b>170 181</b>	<b>552 920</b>

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. However, vehicle lease agreements are used as collateral for borrowings. The total value of such collateral as of 31 December 2024 is UAH 142 090 thousand (31 December 2023: UAH 388 228 thousand).

The Company revised its right-of-use asset and related liability due to changes in material terms of the lease. Renegotiation of the lease agreement for a new term and at a new value was treated as a new liability. The balances of assets and liabilities under the previous agreements were eliminated and the corresponding adjustments were recognised in the financial statements.

No new finance lease agreements were entered into in 2024.

Future minimum lease payments and the present value of lease payments are as follows:

	<b>2024</b>		<b>2023</b>	
	<b>Minimum rental payments</b>	<b>Present value of lease payments</b>	<b>Minimum rental payments</b>	<b>Present value of lease payments</b>
Up to one year	481 655	327 735	371 318	273 174
From one to five years	763 830	510 077	716 196	420 308
More than five years	83 770	31 881	81 863	29 619
Total amount of minimum lease payments	<b>1 329 254</b>	<b>869 693</b>	<b>1 169 377</b>	<b>723 101</b>
Less: future finance charges	(459 561)	-	(446 276)	-
Present value of minimum lease payments	<b>869 693</b>	<b>869 693</b>	<b>723 101</b>	<b>723 101</b>

Short-term lease expenses for low-value non-current assets amounted to UAH 39 million.

## **16. TRADE ACCOUNTS PAYABLE**

Trade accounts payable are mainly represented by liabilities payable to other postal operators and other payables.

As at 31 December 2024, 92% of trade payables were denominated in SDR, 7% in UAH, 0.3% in USD and 0.3% in EUR (as at 31 December 2023, 93% of trade payables were denominated in SDR, 6% in UAH, 1% in USD and 0.3% in EUR).

As at 31 December 2024, trade payables in the amount of UAH 3 848 655 thousand represent liabilities payable to other postal operators (31 December 2023: UAH 3 270 430 thousand).

Trade payables represent unsecured financial liabilities. Trade payables to counterparties in Ukraine are generally due within 60 days of recognition.

The Company is a member of the Universal Postal Union. The Company uses the services of foreign postal operators to deliver letters and parcels from Ukraine to recipients abroad. The cost of such services

is regulated by the Universal Postal Convention. Accounts payable to postal operators in other countries are usually settled within 6 months to 2 years.

The fair value of trade payables approximates their carrying amount.

#### 17. CHARGES AND OTHER PROVISIONS

The Company expects that the charged provision for unused vacation will be largely utilised within twelve months after the reporting date. Accrued bonuses are payable within three months after the reporting date.

<i>(in thousand UAH)</i>	<b>Provisions as at 01 January 2024</b>	<b>Charged for the reporting period</b>	<b>Used in the reporting period</b>	<b>Provisions as at 31 December 2024</b>
Provision for vacation	613 828	663 602	(511 055)	766 375
Provisions for bonuses	105 712	274 934	(277 692)	102 954
Provisions for legal claims	28 988	4 510	-	33 498
Provisions for other claims	170 973	(67 270)	-	103 703
<b>Total provisions</b>	<b>919 501</b>	<b>875 776</b>	<b>(788 747)</b>	<b>1 006 530</b>

As of 31 December 2024 provisions for other claims include charged provision for unsettled payments with social security departments based on a legal obligation as a result of past events in the amount of UAH 104 million.

As of 1 January 2024 the provisions also included a reserve for NBU fines in the amount of UAH 17 million for violation of financial monitoring rules. This fine was fully paid in 2024.

#### 18. DEFERRED INCOME

Deferred income consists of the following components:

<i>(in thousand UAH)</i>	<b>31 December 2024</b>	<b>31 December 2023</b>
Delivery of parcels, small packages	84 393	70 773
Unused postage stamps	150 767	128 786
Delivery of periodicals	141 201	132 865
Acceptance of cash payments and electronic transfers	10 733	11 208
Other	208	503
<b>Total deferred income</b>	<b>387 302</b>	<b>344 135</b>

Unused postage stamps represent advance payments for stamps purchased by individuals and businesses but not yet used as at the reporting date. Estimates of this item of deferred revenue are based on various estimation and sampling techniques with external experts' input whenever appropriate (refer to Note 4).

#### 19. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following accounts payable items:

<i>(in thousand UAH)</i>	<b>31 December 2024</b>	<b>31 December 2023</b>
Advances received for pensions and other social benefits	1 354 288	2 774 835
Financial assistance "Winter support"	923 325	-
Remittances to be issued to customers	402 321	379 436
Payables to publishers	207 570	218 089
Payments received to utility companies	140 968	298 905
Receivables for goods sold	127 870	88 872
Other	110 148	122 589
<b>Other current liabilities</b>	<b>3 266 490</b>	<b>3 882 726</b>

Other current liabilities are unsecured financial liabilities denominated primarily in UAH and are generally due within 60 days of recognition. The fair value of other current liabilities approximates their carrying amounts.

Advances received for pensions and other social benefits are liabilities for cash received for the payment of pensions and other social benefits that have not yet been delivered to the recipient.

**20. REVENUE FROM SALES OF GOODS, WORKS AND SERVICES**

Revenue from sales of goods, works and services comprised the following:

<i>(in thousand UAH)</i>	<b>2024</b>	<b>2023</b>
<b>National postal services</b>	<b>7 662 591</b>	<b>6 481 499</b>
Delivery of parcels and small packages	3 986 973	3 448 725
Letters	1 690 882	1 535 661
International postal exchange	1 333 897	919 587
Delivery of bills and information materials	293 226	300 061
Subscription and delivery of periodicals	272 732	197 853
Other postal services	84 881	79 612
<b>Financial and related services</b>	<b>4 518 976</b>	<b>4 213 515</b>
Delivery of pensions and other social benefits	2 787 848	2 801 123
Utility payments	1 302 641	1 014 988
Postal money transfers	332 345	317 187
Other financial services	96 142	80 217
<b>Sale of own and commissioned goods</b>	<b>790 538</b>	<b>873 322</b>
<b>Other commercial services</b>	<b>5 903</b>	<b>12 775</b>
<b>Total revenue from sales of goods, works and services</b>	<b>12 978 008</b>	<b>11 581 111</b>

Revenues derived from sales to customers whose geographical location is shown below\*:

<i>(in thousand UAH)</i>	<b>2024</b>	<b>2023</b>
Ukraine	11 644 791	10 661 524
Latvia	671 080	444 142
Estonia	326 938	149 596
Poland	44 737	57 445
China	44 202	9 121
Georgia	42 413	782
Japan	38 538	31 425
USA	16 888	15 816
Hong Kong	15 615	56 416
Germany	14 767	23 698
Netherlands	10 586	17 355
Singapore	-	17 066
Israel	10 558	12 934
France	8 906	14 564
United Kingdom	5 835	15 316
Other countries	82 154	53 911
<b>Total revenue from sales of products (goods, works, services)</b>	<b>12 978 008</b>	<b>11 581 111</b>

\* geographical analysis is presented based on the location of the counterparty to which the Company provides services.

The timing of revenue recognition (separately for each source) is set out below:

<i>(in thousand UAH)</i>	<b>2024</b>	<b>2023</b>
<b>At a certain point in time</b>	<b>12 747 203</b>	<b>11 425 616</b>
Delivery of parcels and small packages	3 986 973	3 448 725
Delivery of pensions and other social benefits	2 787 848	2 801 123
Letters	1 690 882	1 535 661
International postal exchange	1 333 897	919 587
Utility payments	1 302 641	1 014 988
Sale of own and commissioned goods	790 538	873 322
Other postal services	378 107	379 673
Postal money transfers	332 345	317 187
Other financial services	96 142	80 217
Subscription fee	41 927	42 358
Other commercial services	5 903	12 775
<b>During the period</b>	<b>230 805</b>	<b>155 495</b>
Delivery of periodicals	230 805	155 495
<b>Total revenue</b>	<b>12 978 008</b>	<b>11 581 111</b>

A considerable portion of revenue from international postal exchanges is subject to partial reconciliation with postal operators in foreign countries. As of the date of approval of these financial statements, a corresponding adjustment has been made to the estimated amounts of revenue.

**21. COST OF SALES OF GOODS, WORKS AND SERVICES**

Cost of sales of goods, works and services for the year comprised the following:

<i>(in thousand UAH)</i>	<b>2024</b>	<b>2023</b>
Payroll	4 956 711	4 685 751
Payments to foreign postal operators	1 297 799	1 033 510
Material cost	1 119 535	1 095 001
Social security taxes	1 067 817	1 031 641
Depreciation and amortisation	831 183	680 020
Cost of goods sold	264 442	332 591
Current repairs and maintenance of premises	251 428	265 311
Bank fees	167 398	165 284
Maintenance of non-current assets	149 640	126 789
Communication costs	132 708	106 195
Lease of property	38 957	37 756
Other	1 261 917	1 096 679
<b>Total cost of sales of goods, works and services</b>	<b>11 539 535</b>	<b>10 656 528</b>

Payments to foreign postal operators reflect costs incurred for international postal exchange. A significant portion of these costs relate to the process of reconciliation with postal operators in other countries, which was partially completed as at the date of approval of these financial statements. A corresponding adjustment has been made to the estimated costs.

**22. SELLING EXPENSES**

Selling expenses for the year consisted of the following components:

<i>(in thousand UAH)</i>	<b>2024</b>	<b>2023</b>
Payroll	204 342	222 842
Social security taxes	42 010	45 094
Advertising costs	24 364	4 269
Costs of materials	15 256	6 279
Depreciation and amortisation	582	1 767
Other	870	1 000
<b>Total selling and distribution expenses</b>	<b>287 424</b>	<b>281 252</b>

**23. ADMINISTRATIVE EXPENSES**

Administrative expenses for the year consisted of the following components:

<i>(in thousand UAH)</i>	<b>2024</b>	<b>2023</b>
Payroll	1 179 645	1 033 392
Social security taxes	230 318	202 393
Mandatory payments, taxes and duties	106 660	91 036
Depreciation and amortisation	37 875	30 091
Costs of materials	19 851	14 939
Other	56 088	57 829
<b>Total administrative expenses</b>	<b>1 630 437</b>	<b>1 429 681</b>

Administrative expenses include, among other things, expenses for the statutory audit of the annual financial statements and services for the performance of agreed-upon procedures with respect to financial information.

**24. OTHER OPERATING EXPENSES**

Other operating expenses for the year consisted of the following components:

<i>(in thousand UAH)</i>	<b>2024</b>	<b>2023</b>
Foreign exchange losses	187 212	119 748
Provision for other claims	(67 270)	-
Compensation for the cost of lost postal items	59 339	55 597
Wages and salaries	36 365	32 658
Fines and penalties	25 161	2 554
Social security taxes	23 526	21 117
Shortage of inventories and cash	12 256	14 578
Charge of provision for doubtful debts	10 768	(70 459)
Costs of materials	5 861	8 298
Provision for legal claims	4 510	190 647
Depreciation and amortisation	2 977	3 494
Impairment of non-current assets	2 351	-
Other	14 648	1 494
<b>Total other operating expenses</b>	<b>317 704</b>	<b>379 726</b>

**25. OTHER FINANCIAL INCOME**

Finance income for the year comprised the following components:

<i>(in thousand UAH)</i>	<b>2024</b>	<b>2023</b>
Interest received on balances with banks	102 516	121 614
Other	20 892	5 685
<b>Total financial income</b>	<b>123 408</b>	<b>127 299</b>

**26. FINANCIAL EXPENSES**

Finance costs for the year consisted of the following components:

<i>(in thousand UAH)</i>	<b>2024</b>	<b>2023</b>
Accrued interest on lease liabilities	130 155	80 488
Finance costs on bank loans	63 673	68 212
Interest expense on finance lease liabilities	13 048	26 641
Expenses related to servicing of bonds	-	545
Other	117	2 034
<b>Total financial expenses</b>	<b>206 993</b>	<b>177 920</b>

**27. OTHER OPERATING INCOME**

Other operating income for the year comprised the following components:

<i>(in thousand UAH)</i>	<b>2024</b>	<b>2023</b>
Gain on write-off of accounts payable	187 913	-
Rental income	137 334	111 718
Compensation for lost postal parcels	14 785	13 579
Income from unpaid transfers after the expiry of their storage period	12 225	-
Income from current assets received free of charge	5 110	146 348
Income from currency exchange services	92	114
Other	36 789	33 323
<b>Total other operating income</b>	<b>394 248</b>	<b>305 082</b>

In 2024, the Company recognised income from the write-off of accounts payable in the amount of UAH 156, 6 million, based on the decision of one postal operator to forgive the debt that arose as at 31.12.2024.

**28. OTHER INCOME**

<i>(in thousand UAH)</i>	<b>2024</b>	<b>2023</b>
Gain on sale of real estate	67 728	30 634
Gain on disposal of right-of-use assets	10 268	12 198
Income from donated non-current assets	1 608	54 940
Gain from change in value of financial instruments	1 258	839
Other	1 432	605
<b>Total other income</b>	<b>82 294</b>	<b>99 216</b>

**29. OTHER EXPENSES**

<i>(in thousand UAH)</i>	<b>2024</b>	<b>2023</b>
Non-operating foreign exchange loss	59 684	122 981
Impairment of non-current assets	-	6 140
Deductions to trade unions	19 540	16 360
Write-off of non-current assets	7 253	1 987
Other	1 443	4 413
<b>Total other expenses</b>	<b>87 920</b>	<b>151 881</b>

**30. INCOME TAX**

	<b>2024</b>	<b>2023</b>
Current income tax expense	-	-
Income from deferred income tax	(78 851)	(167 919)
<b>Income tax expense/(income)</b>	<b>(78 851)</b>	<b>(167 919)</b>

The Company is subject to taxation in Ukraine. In 2024 and 2023, the Company's income tax was levied on taxable income less deductible expenses at the rate of 18%.

The reconciliation of the effective tax rate is as follows:

	<b>2024</b>	<b>2023</b>
<b>Profit/(loss) before taxation</b>	<b>(492 055)</b>	<b>(964 280)</b>
Statutory income tax rate	18%	18%
<b>Tax expense/(income) at the statutory rate</b>	<b>(88 570)</b>	<b>(173 570)</b>
Net effect of non-deductible expenses/(income) exempt from taxation	9 719	5 651
Items for which no deferred taxes were recognised in prior periods	-	-
<b>Income tax expense/(income)</b>	<b>(78 851)</b>	<b>(167 919)</b>

Differences between Ukrainian statutory taxation regulations and IFRS give rise to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

Movements in recognised temporary differences during the year ended 31 December 2024 are as follows:

	<b>1 January 2024</b>	<b>Charged to profit or loss</b>	<b>31 December 2024</b>
Property, plant and equipment and investment property	(147 463)	7 116	(140 347)
Intangible assets	(503)	49	(454)
Non-current assets held for sale	(4 773)	(132)	(4 905)
Inventories and provisions	44 197	(10 255)	33 942
Receivables from customers	13 858	3 570	17 428
Cash and financial assets	6 588	(904)	5 684
Tax losses of previous periods	343 667	79 407	423 074
<b>Net deferred tax assets (liabilities)</b>	<b>255 571</b>	<b>78 851</b>	<b>334 422</b>

The main negative factor in the accumulation of tax losses is undoubtedly the impact of the military conflict. The Company's management expects that the deferred tax asset recognised for accumulated tax losses in the amount of 435 089 as of 31 December 2024 will be recovered within the next 5 years after the reporting date, subject to the terms and conditions of the current tax legislation.

Movements in recognised temporary differences during the year ended 31 December 2023 are as follows:

	1 January 2023	Charged to profit or loss	31 December 2023
Property, plant and equipment and investment property	(153 479)	6 016	(147 463)
Intangible assets	(493)	(10)	(503)
Non-current assets held for sale	(6 899)	2 126	(4 773)
Inventories and provisions	6 518	37 679	44 197
Receivables from customers	20 289	(6 431)	13 858
Cash and financial assets	14 348	(7 760)	6 588
Tax losses of previous periods	207 368	136 299	343 667
<b>Net deferred tax assets (liabilities)</b>	<b>87 652</b>	<b>167 919</b>	<b>255 571</b>

All tax differences, except for those related to property, plant and equipment and investment property, are expected to be realised within the next two accounting periods.

### 31. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

**Tax legislation.** Ukrainian tax, currency and customs legislation is subject to rapid changes and varying interpretations. The relevant state and local authorities may hold a different interpretation of the legislation than that of the Company's management regarding the Company's activities and transactions. Recent events within Ukraine suggest that the tax authorities may be taking a more assertive position in their interpretation of the legislation, and it is possible that transactions and activities that have not been challenged in the past may be challenged. Consequently, significant taxes, penalties and interest may be applied. It is important to note that fiscal periods remain open to review by the tax authorities in respect of tax matters for a period of three calendar years after the end of the financial year. In certain circumstances, these periods remain open to review by the authorities.

The Ukrainian tax administration is gradually becoming more sophisticated, including the risk of review of transactions that do not have a clear business purpose or involve counterparties that do not comply with tax legislation. Fiscal periods remain open to review by the tax authorities in respect of tax matters for three calendar years after the end of the period. Under certain circumstances, the review may cover longer periods.

**Impairment of assets.** The Company has recorded an impairment of its non-current assets located in the non-controlled districts of Donetsk, Luhansk, Zaporizhzhia, Kharkiv and Kherson regions (Note 13). The tax authorities may review this transaction and interpret it differently and indirect taxes in the amount of UAH 90,6 million (including interest) may be accrued as a result of the impairment.

Management believes that it has a strong case to successfully defend its position in the event of such a challenge and has not recognised any provision for this tax risk in these financial statements.

**Issues related to environmental protection.** The enforcement of environmental regulations in Ukraine is evolving and the position of the authorities is continually being reviewed. As liabilities are incurred, they are recognised in the financial statements in the period in which they are incurred. Liabilities, arising from changes in existing regulations, legislation, or legal proceedings, are not reasonably estimable, but could be material. In the current enforceable position under existing legislation, management believes that there are no material liabilities for environmental obligations.

**Liabilities of NCT.** As described in Note 13a, the Company derecognised liabilities of its branches arising from their operations in the temporarily occupied Autonomous Republic of Crimea and certain districts of Donetsk and Luhansk regions. Under certain liabilities, it is possible that future claims may be made against the Company, but management believes that the likelihood of such events occurring is rather low and remote.

#### Legal issues. Court cases

JSC Ukrposhta is currently involved in two related lawsuits. These lawsuits were initiated by the Poltava Regional Prosecutor's Office (cases No. 917/2033/21 and No. 917/453/22).

As at 31 December 2024, in case No. 917/2033/21, the court of first instance upheld the claim in favour of the plaintiff (the Prosecutor's Office). The court of appeal subsequently reversed the initial court's

decision, dismissing the claim. As of the current date, the court of cassation has cancelled the decision in favour of Ukrposhta in case No. 917/2033/21 and upheld the cassation appeal of the Prosecutor's Office. The decision of the Commercial Court of Poltava Region dated 18/04/2023 in case No. 917/2033/21 was upheld in favour of the plaintiff (the Prosecutor's Office).

As of 31 December 2024, in case 917/453/22, the court of first instance and the court of appeal ruled in favour of the plaintiff (the Prosecutor's Office). As of the current date, JSC Ukrposhta has filed a cassation appeal with the Commercial Court of Cassation. The decision of the Commercial Court of Cassation of the Supreme Court of 25 July 2024 initiated cassation proceedings in case No. 917/453/22.

The Commercial Court of Cassation of the Supreme Court dismissed the appeal of Ukrposhta JSC gated 19 February 2025. This decision upheld the decisions made by the Eastern Commercial Court of Appeal dated 20 May 2024 (case no. 917/453/22) and the Commercial Court of Poltava Region dated 19 June 2023 (case no. 917/453/22).

The subject matter of the dispute regarding the possibility to pay for the value of shares in a state joint-stock company with immovable property by transferring it to the charter capital during the initial issue of shares is of a general nature for all state joint-stock companies established through the corporatisation of state-owned enterprises. Given the general nature of the problem and its impact on the state policy on the management of corporate rights owned by the state, this issue has been submitted for resolution to the legislative level.

On 9 January 2025, the Verkhovna Rada of Ukraine adopted the Law of Ukraine "On Peculiarities of Regulation of Activities of Legal Entities of Certain Organisational and Legal Forms in the Transition Period and Associations of Legal Entities" No. 4196-IX (the 'Law'). The Law eliminates discrepancies in the current legislation regarding the legal status of property transferred to the charter capital of a joint-stock company established during its corporatisation.

This Law brings the provisions of Part 9 of Article 11 of the Law of Ukraine "On Management of State-Owned Property" into effect retrospectively, resolving any inconsistencies between the Commercial Code and the Law of Ukraine "On Management of State-Owned Property" concerning the legal framework of property transferred to the authorised capital of a company established during the corporatisation process. Additionally, it validates the procedure for establishing the authorised (share) capital of JSC Ukrposhta through the transfer of property based on ownership.

**Prudential standards.** The Company is obliged, as a postal operator providing payment services, to comply with certain prudential standards specified by the regulatory acts of the NBU.

Prudential standards were developed for companies for which the provision of financial services is an exclusive type of activity, and do not take into account the specifics of the postal operator for which financial services are an auxiliary type of activity. Accordingly, and due to the peculiarities of the formation of the authorized capital of Ukrposhta in the process of corporatization, there is an ambiguous interpretation of the calculation of prudential standards.

Management believes that it has sufficient level of prudential standards to ensure sustainable operations and is in dialogue with the NBU to resolve the existing different treatment to take into consideration specifics of the designated postal operator.

### **32. FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to a variety of financial risks, including market risk (including price risk, currency risk, cash flow risk and fair value interest rate risk), credit risk and liquidity risk. The primary objectives of financial risk management are to set risk limits and to ensure that such limits are not exceeded.

The risk management function is carried out by the central treasury department in close cooperation with the operating divisions and in accordance with the policy approved by the Management Board. The treasury department is responsible for identifying, evaluating and recommending risk management methods to minimise potential risks.

**Credit risk.** The Company is exposed to credit risk, which arises when the other party to a contract is unable to meet its obligations in full when they fall due. Credit risk arises from the Company's cash and cash equivalents and deposits with banks, which are classified as current investments in the Statement of Financial Position, and from transactions with customers, including outstanding receivables.

Credit risks are analysed and monitored on a customer-by-customer basis. Credit assessments are performed on all customers seeking credit above the established limit.

The Company's management analyses outstanding trade receivables by their ageing and subsequently monitors overdue balances. Therefore, management believes it is appropriate to provide ageing and other information about credit risk in these financial statements.

As at the reporting date, the maximum amount exposed to credit risk is UAH 5 439 465 thousand (31 December 2023: UAH 5 809 101 thousand). This amount represents the carrying value of financial receivables, accounts receivable from accrued income and cash on bank accounts. The Company does not hold any collateral over its receivables.

The Company's management believes that credit risk has been adequately accounted for in the allowances for impairment of the respective assets (refer to Note 11).

**Concentration of credit risk.**

The Company analyses concentration of credit risk. As at 31 December 2024, trade and other financial receivables from the Company's three largest debtors amounted to UAH 161 313 thousand, or 21% of the total amount of such receivables (as at 31 December 2023 - UAH 277 318 thousand, or 40%). The management is closely monitoring the situation with these key debtors to ensure timely payments for the services provided by the Company.

**Market risk.** The Company is exposed to market risks. Market risks arise from open positions in (a) foreign currencies and (b) interest bearing assets and liabilities, all of which are largely dependent on general and specific market movements. Management sets limits on the amount of risk accepted and monitors such limits daily. However, this approach does not prevent losses outside these limits in the event of more significant market movements.

The sensitivities to market risks presented below are based on a change in one factor with all other factors held constant. In practice, this is rarely the case, and changes in some factors may be interrelated, for example, changes in interest rates and changes in foreign exchange rates.

**Foreign currency risk.** The Company operates primarily in Ukraine and its exposure to foreign currency risk relates primarily to borrowings, cash and deposits denominated in USD or EUR, and accounts receivable and payable denominated in SDR. The increased uncertainty in Ukraine has led to volatility in the foreign exchange market and caused the UAH to depreciate sharply against major foreign currencies.

The table below sets out the Company's currency risk concentrations at the end of the reporting periods in respect of USD, SDR and EUR:

	31 December 2024	31 December 2023
Monetary financial assets	1 497 150	1 200 523
Monetary financial liabilities	(4 950 913)	(4 301 661)
<b>Net balance sheet position</b>	<b>(3 453 764)</b>	<b>(3 101 138)</b>

A 20% strengthening or weakening of the SDR, USD and EUR against UAH would decrease or increase the Company's net financial result by UAH 566 417 thousand, respectively (31 December 2023: by UAH 508 587 thousand).

Reasonably possible changes in the exchange rates of other currencies would not have a material impact on the Company's financial results.

**Interest rate risk.** The Company is exposed to fair value interest rate risk due to its borrowings at fixed rates. The Company does not actively manage its interest rate risk as it is considered to be insignificant.

Refer to Note 15 for the maturities and effective interest rates of borrowings. Interest rates on floating rate instruments are reset at maturity.

A reasonably possible change in market interest rates would not have a material impact on the Company's financial results.

**Price risk.** The Company is not exposed to price risk that would have an impact on its financial statements, as it does not have significant investments in securities and financial instruments that could be exposed to this risk.

**Liquidity risk.** Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Prudence in managing liquidity risk involves maintaining sufficient cash and other liquid financial instruments to meet existing obligations as they fall due. The Company's liquidity management is currently carried out by monitoring accounts receivable and payable, as well as expenditures on business transformation programmes requiring capital expenditures. The table below summarises the Company's contractual maturities by remaining contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Set out below is an analysis of financial liabilities by their remaining contractual maturities as of 31 December 2024:

	Up to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Total
<b>Liabilities</b>					
Other current liabilities (line 1690)	3 266 490	-	-	-	3 266 490
Trade payables (line 1615)	4 145 017	-	-	-	4 145 017
Borrowed funds (line 1610 and 1510 and within the item 'Current accounts payable for settlements on long-term liabilities')	1 672	264 465	785 075	47 953	1 099 165
Lease liabilities (included in 'Other non-current liabilities' and 'Current accounts payable on settlements of non-current liabilities')	-	481 655	763 830	83 770	1 329 255
<b>Total future payments, including principal and interest payments</b>	<b>7 413 179</b>	<b>746 120</b>	<b>1 548 905</b>	<b>131 723</b>	<b>9 839 927</b>

Set out below is an analysis of financial liabilities by their remaining contractual maturities as of 31 December 2023:

	Up to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Total
<b>Liabilities</b>					
Other current liabilities (line 1690)	3 882 727	-	-	-	3 882 727
Trade payables (line 1615)	3 498 755	-	-	-	3 498 755
Borrowed funds (line 1610 and 1510 and within the item 'Current accounts payable for settlements on long-term liabilities')	2 072	210 667	791 319	3 957	1 008 015
Lease liabilities (included in 'Other non-current liabilities' and 'Current accounts payable on settlements of non-current liabilities')	-	371 318	716 196	81 863	1 169 377
<b>Total future payments, including principal and interest payments</b>	<b>7 383 553</b>	<b>581 985</b>	<b>1 507 515</b>	<b>85 820</b>	<b>9 558 873</b>

### 33. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders. The Company does not currently have a formal capital management policy.

### 34. EVENTS AFTER THE REPORTING PERIOD

#### Military aggression

JSC Ukrposhta continues to operate in the context of Russia's armed aggression against Ukraine. As at the date of filing of the annual financial statements for 2024, there have been no significant changes affecting the sustainability of the Company's operations.

As of the date of approval of the financial statements, the Autonomous Republic of Crimea and certain areas of Donetsk, Luhansk, Kherson, Kharkiv and Zaporizhzhia regions remain temporarily occupied. 12% of the Company's post offices are in these regions. The Company's network currently comprises approximately 28,900 points of presence.

Since December 2024, the Company has participated in the government's Winter eSupport programme. During the three-month programme, approximately 1.7 million Ukrainians received assistance from the state via JSC Ukrposhta.

### **Investment activity**

Notwithstanding the challenging economic environment and labour market shortages, Ukrposhta successfully completed a project in February 2025 to automate the parcel sorting process. This project encompassed the installation of sorting equipment and relevant IT tracking systems in seven sorting hubs and 17 sorting centres.

The Company continues to implement strategic investment projects that ensure its sustainability, such as:

- automation of sorting letters and newspapers;
- updating of the branch network and introduction of a network of parcel lockers, development of a courier service;
- modernisation of existing and development of new IT systems to improve customer service (front-end system, CRM, payment system, etc.);
- renewal and expansion of the vehicle fleet to reduce dependence on outsourcing and increase logistics capacity (with the support of the EBRD).

### **Financial inclusion and legislative initiatives**

The Government of Ukraine, by Resolution No. 66-r dated 28 January 2025, transferred the authority to manage the corporate rights of the state (88.8906% of shares) of Joint Stock Company First Investment Bank to the Ministry for Development of Communities and Territories of Ukraine. This transfer was made on the initiative and with the direct participation of JSC Ukrposhta. It is planned to further transfer these shares to the authorised capital of JSC Ukrposhta to create a postal bank. The latter will be a financial inclusion operator to provide banking services throughout Ukraine where JSC Ukrposhta provides postal services.

The Draft Law No. 13018-D, registered on 4 March 2025, was approved by a VRU committee on 20 March 2025 and recommended for the first reading. The aim of this Draft Law is to provide for amendments to certain legislative acts of Ukraine to promote financial inclusion in the country. This initiative is aimed at establishing a financial inclusion bank under the auspices of JSC Ukrposhta, which will provide access to basic banking services for all citizens, regardless of their place of residence or physical capabilities.

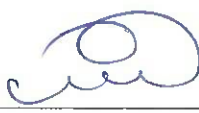
At the time of approval of the financial statements, this process is still ongoing. The Company is determining the amount of net assets that will be credited to the balance sheet as a result of the transfer of shares in Joint Stock Company First Investment Bank owned by the state.

### **Absence of other significant events**

As of the date of approval of the financial statements, no other material events affecting the sustainability of the Company were identified that would require adjustment or disclosure in the financial statements for the year ended 31 December 2024.

Approved for issue and signed on 25 April 2025.

  
I. Smilyansky  
General Director

  
M. Paliy  
Deputy General Director for  
Finance

  
D. Sklyarevska  
Chief Accountant