

JOINT-STOCK COMPANY UKRPOSHTA

FINANCIAL STATEMENTS

**ACCORDING TO INTERNATIONAL FINANCIAL REPORTING
STANDARDS**

As of and for the year ended 31 December 2025

Together with the Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Management of Joint-Stock Company Ukrposhta

To the National Securities and Stock Market Commission

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Joint-Stock Company Ukrposhta (EDRPOU 21560045, location: 22, Khreshchatyk Street, Kyiv, Ukraine, 01001; further – the “Company”), which comprise:

- Balance sheet (statement of financial position) as at 31 December 2025;
- Income statement (statement of comprehensive income) for 2025;
- Statement of cash flows (under direct method) for 2025;
- Statement of changes in equity for 2025;
- Notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, its financial performance and cash flows for the year then ended, in accordance with the requirements of International Financial Reporting Standards, issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the law of Ukraine “On accounting and financial reporting in Ukraine” dated 16.07.1999 No. 996-XIV regarding 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 (IESBA Code), and ethical requirements applied in Ukraine to our audit of financial statements, and we have fulfilled our other ethical responsibilities in accordance with these 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 circumstances arising from the military invasion of Ukraine by the Russian Federation that began on 24 February 2022 and is ongoing, the impact of which on the Company’s operations is unpredictable. As stated in Note 3, these events and conditions, together with other matters set out in Note 3, indicate that there is material uncertainty 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 32 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 considered in forming our opinion thereon, and we do not express a separate opinion thereon. In addition to the matter described in the "Material uncertainty related to going concern" section, we determined that the following matters are key audit matters that should be included 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 2025, the total carrying amount of the Company's capital investments in progress and property, plant and equipment was UAH 7,742,926 thousand, representing 29% of the Company's total assets.

Management has assessed the value in use of non-current assets on a cash-generating unit basis.

Following the impairment testing carried out by management, it was determined that there was no impairment of capital investments in progress and property, plant and equipment as at 31 December 2025. The expected recoverable amount is either higher than or equal to the carrying amount. Furthermore, there were no grounds for accrual or reversal of any previously recognised impairment loss.

We drew attention to the impairment assessment of capital investments in progress and property, plant and equipment as at 31 December 2025, as the assessment process is complex, requires significant judgement by management, and is based on assumptions that are influenced by projected future market and economic conditions, which are inherently uncertain.

The impairment test is sensitive to reasonably possible changes in assumptions. The most significant judgements relate to the discount rate applied, together with the assumptions underlying the relevant projected cash flows, growth rates and key planning periods. Please refer to Notes 3 and 9 to the accompanying financial statements.

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

Our audit procedures regarding management's impairment testing of capital investments in progress and property, plant and equipment included the following:

- review of the methodology used by the Company's management in conducting the impairment test;
- review, on a selective basis, of the key assumptions used in the financial models and their consistency with the approved financial plan, externally available and reliable information, and our expertise taking into account industry specifics;
- verifying the accuracy and appropriateness of inputs used by management in financial models to assess the impairment of capital investments in progress and property, plant and equipment;
- obtaining explanations from management regarding the impairment test carried out on capital investments in progress and property, plant and equipment.
- in addition, we assessed the adequacy of the disclosures in Note 9 to the Company's financial statements.

Other information

Management of the Company is responsible for other information prepared as at and for the year ended 31 December 2025.

Other information consists of the following:

- Management Report for 2025 (which also includes a Corporate Governance Report), 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, as amended
- Annual information of the Issuer of Securities for 2025, prepared in accordance with the requirements of the Regulations on Information Disclosure by Securities Issuers 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,

but does not include the financial statements or our auditor’s report thereon.

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 2025

The Company has prepared the Management Report for 2025 and plans to publish it together with the financial statements. In the Management Report for 2025, we have not identified any material inconsistencies between the other information and the financial statements, or our knowledge obtained in the audit, or whether the other information appears to be materially misstated, and we have not identified any facts that should have been included in our Independent Auditor’s Report.

Annual information of the Issuer of Securities for 2025

The Company has prepared the Annual Securities Issuer Information for 2025 and plans to publish it alongside the financial statements. In the Issuer’s Annual Information for 2025, we have not identified any material inconsistencies between the other information and the financial statements, or our knowledge obtained during the audit, nor have we identified any facts that would require inclusion in our Independent Auditor’s Report.

Responsibility of Management and Those Charged with Governance for the Financial Statements

Management of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards and the requirements of the Law of Ukraine “On Accounting and Financial Reporting in Ukraine” dated 16.07.1999 No. 996-XIV in respect of financial statements preparation, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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 is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's management;
- conclude that management uses the going concern assumption as a basis for accounting and, based on the audit evidence obtained, conclude that there is significant uncertainty about events or conditions that would cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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 Legislative and Regulatory Acts

The report on meeting the requirements of paragraph 4 of Article 14 of the Law of Ukraine “On Audit of Financial Reporting and Auditing Activity” 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 assignment at the meeting of the Audit Committee of JSC Ukrposhta, Minutes No. 1 dated 30 January 2023, based on the competition. The section “Report on the audit of the financial statements” of this Independent Auditor’s report discloses the scope of the audit and the inherent limitations.
- The total duration of the statutory audit of the Company’s financial statements carried out by BDO LLC, without interruption and taking into account any extensions of mandate and reappointments, is three years.
- In the “Material Uncertainty Related to the going concern” and “Key audit matters” sections of this report, we have disclosed matters that were of most significance in our audit of the current year’s financial statements, and that, in our professional judgment, should also be addressed. These matters were considered as part of our audit of the financial statements taken as a whole and were included in the preparation of our opinion thereon, and we do not provide a separate opinion on these matters.
- During this statutory audit engagement, we did not identify any matters in respect of our audit estimates other than those described in the “Material uncertainty related to the 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 the 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 was reconciled with the information in the Additional Report to the Audit Committee dated 27 March 2026.
- During 2025, BDO LLC provided the Company with review services in respect of the Company’s condensed interim financial statements as at 30 June 2025 and the related explanatory notes, in addition to the statutory audit services as at and for the year ended 31 December 2025.
- BDO LLC and the Key Audit Partner are independent of the Company in accordance with the requirements of the IESBA Code. During the audit, we did not identify any additional facts or issues that could affect our independence and to which we would wish to draw your attention. BDO LLC did not provide the Company with any services prohibited under the requirements of Article 6 of the Law of Ukraine “On the Audit of Financial Statements and Auditing Activities” dated 21 December 2017 No. 2258-VIII during 2025 and in the period from 1 January 2026 to the date of signing of this Independent Auditor’s Report.

Report on the requirements of NSSMC Decision No. 555 of 22 July 2021 “On Approval of Requirements for Information to be Included in an Audit Report on Annual Financial Statements, a Review Report on Interim Financial Information and a Report Providing Assurance Other Than an Audit or Review of Historical Financial Information”

Information about the audit firm and the terms of the contract:

No.	Information	Data to be provided
1	2	3
1	Legal entity audit firm identification code	20197074
2	Website of the audit firm	www.bdo.ua
3	Date and number of the contract for the audit/review and/or the performance of a reasonable assurance engagement	Contract No. 260123-05E dated 27.01.2023
4	Start date and end date of the audit / review and/or the reasonable assurance engagement	Start date of the audit: 3 November 2025. End date of the audit: 30 March 2026.
5	Statutory audit of financial statements (indicate yes/no)	Yes
6	Reasonable assurance engagement (indicate yes/no)	No

Reporting on the corporate governance report, as a component of the management report, which in turn forms part of the issuer’s annual information

The information set out in this report is the result of the procedures we carried out as part of our audit of the Company’s financial statements for 2025 and the procedures relating to the corporate governance report, which forms part of the management report, which in turn forms part of the issuer’s annual information for 2025, as referred to in the ‘Other Information’ section of this Independent Auditor’s Report. These procedures included verifying that the information in the corporate governance report is not inconsistent with the financial statements and assessing the compliance of the information presented 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 “Regulations on Information Disclosure by Securities Issuers and Persons Providing Collateral for Such Securities”, approved by Decision No. 608 of the National Securities and Stock Market Commission dated 6 June 2023 (hereinafter - Regulation 608). Responsibility for preparing 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 lies with the Company’s management.

Based on the results of the audit procedures we have performed as part of the audit of the Company’s financial statements for 2025 and the procedures relating to the corporate governance report for 2025, which forms part of the management report for 2025 and the issuer’s annual information for 2025, and taking into account the knowledge and understanding of the Company’s operations gained during the audit, in all material respects:

- information required under paragraphs 1-4 of Part 3 of Article 127 of the Law of Ukraine ‘On Capital Markets and Organised Commodity Markets’, and sub-paragraphs 1-5 of paragraph 43 of the Regulations on Information Disclosure by Securities Issuers and Persons Providing Collateral for Such Securities, approved by Decision No. 608 of the National Securities and Stock Market Commission dated 6 June 2023, is disclosed in the Company’s Corporate Governance Report for 2025;

- 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 sub-paragraphs 6-11 of paragraph 43 of the Regulations on Information Disclosure by Securities Issuers and Persons Providing Collateral for Such Securities, approved by Decision No. 608 of the National Securities and Stock Market Commission dated 6 June 2023, is, in our opinion, disclosed in the Company’s corporate governance report for 2025.

The audit was performed under the supervision of the Key Audit Partner Alexandr Mykolaiovych Nikolayenko.

Key Audit Partner

A. M. Nikolayenko



Registration Number in the Register of Auditors and Audit Entities: 401334

Kyiv, 30 March 2026

Limited liability company BDO. EDRPOU code is: 20197074. Registration Number in the Register of Auditors and Audit Entities: 2868. Legal address: 4, Lazar Hloba Street, Dnipro, 49070 Tel. 044-393-26-87, website www.bdo.ua.

BDO LLC is included in the Register of auditors and audit entities in section 4 “Audit entities that have right to perform statutory audits of financial statements of public interest entities”. Link to the Register: <https://www.apu.com.ua/subjekty-audytorskoi-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 2025

Management is responsible for the preparation of financial statements that present fairly the financial position of Joint Stock Company "Ukrposhta" (hereinafter – the Company) as of 31 December 2025, and its financial performance, cash flows and changes in equity for the year then ended, in accordance with International Financial Reporting Standards (hereinafter – IFRS) and the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" on the preparation of financial statements (hereinafter – 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 IFRS requirements is insufficient to enable users of the financial statements to understand the impact of particular 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:

- design, implementation and maintenance of an effective and reliable internal control system throughout the Company;
- maintaining proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position, 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 safeguard the Company's assets; and
- preventing and detecting fraud and other irregularities.

The Company's audited financial statements for the year ended 31 December 2025 were authorized for issue by management on 30 March 2026.

On behalf of the management:



I. Smelyansky
Chief Executive Officer



M. Paliy
Deputy General Director for
Finance



I. Khrypchenko
Chief Accountant

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

Company: JSC 'Ukrposhta'
Location: Ukraine, Kyiv, Shevchenkivskyi District
Legal form: State-owned joint-stock company
Type of economic activity: National postal services
Average number of employees: 28,062
Address, phone number: 22 Khreshchatyk Street, Kyiv
Unit of measurement: UAH thousand, without decimal point
Prepared (mark a "v" in the relevant box):
in accordance with National Accounting Regulations (Standards)
in accordance with International Financial Reporting Standards

V

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

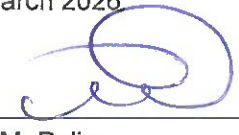
		Form No. 1	DKUD Code	1801001
Assets	Note	Line code	31 December 2024	31 December 2025
I. Non-current assets				
Intangible assets	9	1000	173,781	187,156
historical cost		1001	208,733	255,002
amortization		1002	(34,952)	(67,846)
Capital investments in progress	9	1005	347,097	400,063
Property, plant and equipment	9	1010	4,323,746	7,342,863
historical cost		1011	8,466,463	11,895,420
depreciation		1012	(4,142,717)	(4,552,557)
Investment property	9	1015	62,941	56,197
historical cost		1016	78,162	72,722
depreciation		1017	(15,221)	(16,525)
Other financial investments	11	1035	14,676	15,724
Long-term receivables		1040	129	114
Deferred tax assets	31	1045	334,423	-
Total for Section I		1095	5,256,793	8,002,117
II. Current assets				
Inventory	10	1100	473,800	550,143
production stock		1101	345,025	406,095
work in progress		1102	12	-
finished goods		1104	128,763	144,048
Receivables for goods, works and services	11	1125	632,362	526,991
Receivables from settlements: for advances made	11	1130	121,295	166,445
with the budget	11	1135	8,295	2,154
including income tax		1136	361	361
from accrued income	11	1140	5,677	6,791
Other current receivables	11	1155	149,696	143,923
Current financial investments	12	1160	210,195	-
Cash and cash equivalents	12	1165	4,544,101	16,879,386
cash on hand		1166	102,567	177,391
current accounts with banks		1167	4,441,534	16,701,995
Other current assets		1190	80,755	61,578
Total for Section II		1195	6,226,176	18,337,411
III. Non-current assets held for sale and disposal groups	9	1200	55,930	156,776
BALANCE		1300	11,538,899	26,496,304

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) (CONTINUED)

Liabilities	Note	Line code	Form No. 1	DKUD Code	1801001
			31 December 2024	31 December 2025	
I. Equity					
Registered (share) capital	14	1400	6,518,597	6,518,597	
Revaluation effect and corporatisation	14	1416	(5,254,038)	(3,050,202)	
Accumulated loss		1420	(1,054,324)	(1,260,875)	
Total for Section I		1495	210,235	2,207,520	
II. Long-term liabilities and provisions					
Deferred tax liabilities	31	1500	-	121,755	
Long-term bank borrowings	15	1510	833,028	1,262,490	
Other long-term liabilities	16	1515	542,974	1,393,820	
Long-term provisions		1520	-	162,208	
Targeted financing		1525	-	111	
Total for Section II		1595	1,376,002	2,940,384	
III. Short-term liabilities and provisions					
Current payables for: long-term liabilities	15, 16	1610	593,873	904,586	
goods, works, services	17	1615	4,145,017	2,440,006	
settlements with the budget		1620	143,232	136,398	
including income tax		1621	-	-	
insurance		1625	56,406	42,355	
payroll		1630	210,690	159,758	
Current payables for advances received		1635	143,122	182,711	
Accruals and other provisions	18	1660	1,006,530	893,740	
Deferred income	19	1665	387,302	473,849	
Other current liabilities	20	1690	3,266,490	16,114,997	
Total for Section III		1695	9,952,662	21,348,400	
BALANCE		1900	11,538,899	26,496,304	

Approved for issue and signed on 30 March 2026


I. Smelyansky
Chief Executive


M. Paliy
Deputy General Director for
Finance


I. Khrypchenko
Chief Accountant

INCOME STATEMENT (STATEMENT OF COMPREHENSIVE INCOME)

for 2025

Form No. 2

DKUD Code

1801003

I. FINANCIAL RESULTS

Item	Note	Line code	For the reporting period – 2025	For the previous period – 2024
1		2	3	4
Net revenue from sales of goods, works and services	21	2000	13,118,419	12,978,008
Cost of goods sold (goods, works, services)	22	2050	(11,555,475)	(11,539,535)
Gross:				
Profit		2090	1,562,944	1,438,473
Loss		2095	-	-
Other operating income	23	2120	243,245	394,248
Administrative expenses	24	2130	(1,654,664)	(1,630,437)
Selling expenses	25	2150	(252,718)	(287,424)
Other operating expenses	26	2180	(313,308)	(317,704)
Financial result from operating activities:				
Profit		2190	-	-
Loss		2195	(414,501)	(402,844)
Other financial income	27	2220	407,671	123,408
Other income	28	2240	238,443	82,294
Financial expenses	29	2250	(254,133)	(206,993)
Other expenses	30	2270	(211,623)	(87,920)
Financial result before tax:				
Profit		2290	-	-
Loss		2295	(234,143)	(492,055)
Income tax (expense)/gain	31	2300	27,592	78,851
Net financial result:				
Profit		2350	-	-
Loss		2355	(206,551)	(413,204)

II. COMPREHENSIVE INCOME

Item	Note	Line code	For the reporting period – 2025	For the previous period – 2024
1		2	3	4
<i>Other comprehensive income that will not subsequently be reclassified to profit or loss</i>				
Revaluation of non-current assets	9	2400	2,687,605	-
Other comprehensive income		2445	-	-
Other comprehensive income before tax		2450	2,687,605	-
Income tax arising on other comprehensive income	31	2455	(483,769)	-
Other comprehensive income after tax		2460	2,203,836	-
Total comprehensive income (total of lines 2350, 2355 and 2460)		2465	1,997,285	(413,204)

INCOME STATEMENT (STATEMENT OF COMPREHENSIVE INCOME)
 for 2025
 (continued)

Form No. 2

III. ELEMENTS OF OPERATING EXPENSES

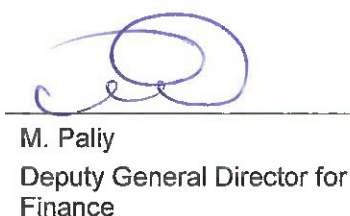
Item	Note	Line code	For the reporting period – 2025	For the previous period – 2024
1		2	3	4
Material expenses		2500	1,445,440	1,424,945
Payroll		2505	6,377,676	6,377,063
Social security contributions		2510	1,380,064	1,363,670
Depreciation/amortization		2515	917,694	874,968
Other operating expenses		2520	3,655,291	3,734,454
Total		2550	13,776,165	13,775,100

IV. CALCULATION OF SHARES PROFITABILITY

Item	Note	Line code	For the reporting period – 2025	For the previous period – 2024
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 30 March 2026.


 I. Smelyansky
 Chief Executive Officer


 M. Paliy
 Deputy General Director for Finance


 I. Khrypchenko
 Chief Accountant

STATEMENT OF CASH FLOWS (INDIRECT METHOD)

for 2025

Form No. 3

DKUD Code 1801004

Item	Note	Line code	For the reporting period – 2025	For the previous period – 2024
1		2	3	4
I. Cash flows from operating activities				
Profit/(loss) before tax		3500	(234,143)	(492,055)
Adjustments for:				
Depreciation, amortization and impairment of non-current assets		3505	917,694	875,005
Increase (decrease) in provisions		3510	42,292	68,389
Unrealized foreign exchange loss (gain)		3515	304,023	246,897
Loss (gain) from non-operating activities and other non-cash transactions		3520	(113,615)	156,938
Loss (gain) on disposal of non-current assets	28	3523	(167,338)	(67,727)
Financial expenses	29	3540	254,133	206,993
Financial income	27	3524	(407,671)	(123,408)
Decrease (increase) of current assets		3550	(190,130)	(70,797)
Increase (decrease) of current liabilities		3560	12,702,451	81,301
Increase (decrease) of deferred income		3566	86,548	43,167
Cash flows from operating activities		3570	13,194,244	924,703
Income tax paid		3580	-	-
Interest paid		3585	(210,708)	(222,067)
Net cash flows from operating activities		3195	12,983,536	702,636
II. Cash flows from investing activities				
Repayment of short-term deposits		3200	210,195	-
Proceeds from sale of non-current assets		3205	266,490	67,727
Interest received		3215	81,005	104,931
Placement of short-term deposits		3255	-	(210,195)
Acquisition of property, plant and equipment and intangible assets		3260	(1,335,173)	(890,441)
Net cash flows from investing activities		3295	(777,483)	(927,978)
III. Cash flows from financing activities				
Receipt of loans		3305	772,702	302,077
Repayment of finance lease liabilities		3365	(333,359)	(287,452)
Repayment of loans		3350	(342,495)	(232,127)
Net cash flows from financing activities		3395	96,848	(217,502)
Net cash flows for the reporting period		3400	12,302,901	(442,844)
Opening balance of cash and cash equivalents		3405	4,544,101	5,233,842
Effect of changes in foreign exchange rates on cash balance		3410	32,384	(246,897)
Closing balance of cash and cash equivalents	12	3415	16,879,386	4,544,101

Approved for issue and signed on 30 March 2026.


 I. Smelyansky
 Chief Executive Officer


 M. Paliy
 Deputy Chief Executive
 Officer for Financial Affairs


 I. Khrypchenko
 Chief Accountant

STATEMENT OF CHANGES IN EQUITY

for 2025

Form No. 4

DKUD Code 1801005

Item	Line code	Registered (share) capital	Revaluation effect and corporatisation	Accumulated loss	Total
1	2	3	4	5	6
Opening balance (before restatement)	4000	6,518,597	(5,254,038)	(1,054,324)	210,235
Adjusted opening balance	4095	6,518,597	(5,254,038)	(1,054,324)	210,235
Net loss for the reporting year	4100	-	-	(206,551)	(206,551)
Other comprehensive income for the reporting year	4111	-	2,203,836	-	2,203,836
Total comprehensive income for the reporting year		-	2,203,836	(206,551)	1,997,285
Total changes in equity	4295	-	2,203,836	(206,551)	1,997,285
Closing balance	4300	6,518,597	(3,050,202)	(1,260,875)	2,207,520

STATEMENT OF CHANGES IN EQUITY

for 2024

Form No. 4

DKUD Code 1801005

Item	Line code	Registered (share) capital	Revaluation effect on corporatisation	Accumulated loss	Total
1	2	3	4	5	6
Opening balance	4000	6,518,597	(5,254,038)	(641,120)	623,439
Adjusted opening balance	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)
Closing balance	4300	6,518,597	(5,254,038)	(1,054,324)	210,235

Approved for issue and signed on 30 March 2026.


 I. Smelyansky
 Chief Executive


 M. Paliy
 Deputy Chief Executive
 Officer for Financial Affairs


 I. Khrypchenko
 Chief Accountant

NOTES TO THE FINANCIAL STATEMENTS

As of and for the year ended 31 December 2025

1. JOINT STOCK COMPANY UKRPOSHTA

Joint Stock Company “Ukrposhta” (hereinafter – JSC “Ukrposhta” or “the Company”) is an entity with its 100% shares held by the State of Ukraine and falls under the jurisdiction of the Ministry for Development of Communities and Territories of Ukraine. The Company was established in 1947 during the Soviet era and was subsequently reorganised into the Ukrainian State Postal Service “Ukrposhta” (hereinafter “USPS “Ukrposhta”) in 1994. In February 2016, the Government of Ukraine decided to reorganise the State Postal Service “Ukrposhta” into a joint-stock company. In March 2017, Ukrposhta was registered as a public joint-stock company in accordance with Ukrainian law. The Company’s shares are not listed on any international or national stock exchanges. In December 2018, the type of public joint-stock company was changed from public to private, and the Company was renamed 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 exercises control over the State’s corporate rights in relation to the Company.

The Supervisory Board is a collegial body that protects the rights of all the Company’s shareholders and, within the scope of competence defined by the Company’s Articles of Association and the Law of Ukraine ‘On Joint-Stock Companies’ (hereinafter – the Law), manages the Company, as well as supervises and regulates the activities of its executive body.

The Supervisory Board is formed within the Company and consists of seven members. Five members of the Supervisory Board are independent members of the Supervisory Board (independent directors), who must meet the independence criteria established by the Law and the Regulations on the Supervisory Board.

Members of the Supervisory Board are elected from among individuals with full legal capacity by the General Meeting for a term of up to three years.

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

Position	Full Name
Chairman of the Supervisory Board	Mr Igor Mitiukov
Deputy Chairman of the Supervisory Board	Mr Oleksandr Yarema
Member of the Supervisory Board	Mr Gary John Carroll
Member of the Supervisory Board	Ms Irina Chala

The Chief Executive Officer manages the Company’s day-to-day operations.

As the national postal operator, the Company represents Ukraine in the Universal Postal Union (UPU), of which Ukraine has been a member since 1947, and conducts postal operations with over 100 national postal operators in other countries.

As of 31 December 2025, the Company has nearly 28,900 points of presence in Ukraine and a headcount of 27,835 employees (as at 31 December 2024: 28,900 points and 32,182 employees).

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

2. OPERATING ENVIRONMENT

The Company operates in Ukraine, where a full-scale war with the Russian Federation is ongoing and a legal regime of martial law is in force.

In 2025, Ukraine's economy continued to operate amidst attacks on energy infrastructure, logistical challenges and high security risks. Nevertheless, Ukraine's economy demonstrated growth close to forecast levels, supported by positive trends, particularly in the following key sectors: domestic (primarily retail) trade; construction; manufacturing, in particular the ramp-up of production of defense-related goods, pharmaceuticals, metallurgical products, building materials and other goods.

According to the National Bank's forecast, real GDP growth in 2026 will slow to around 1.8%. In 2025, core inflation slowed to 8.0%. It is set to decline further, thanks to the effects of larger grain and vegetable harvests, as well as the relative tightness of monetary policy. At the same time, underlying price pressures remain persistent given the challenging labour market situation and rising wages, which are driving up production costs and service prices. In December, the NBU kept the key policy rate at 15.5% per annum. The National Bank forecasts a slowdown in inflation by the end of 2026 to 7.5%. The Board of the National Bank of Ukraine has decided to begin a cycle of monetary policy easing, given the sustained decline in inflationary pressures and the reduction in risks associated with external financing. The reduction of the key policy rate from 15.5% to 15% from 30 January 2026 is consistent with bringing inflation in line with the 5% target over the policy horizon, whilst also supporting the economy. The 2025 government budget deficit is higher than last year. A reassessment of defense needs invariably leads to increased expenditure and a rise in the planned budget deficit over the course of the year. The government plans to finance the 2026 budget deficit primarily through international aid.

Peace negotiations have intensified, but have not yet yielded the desired result due to the enemy's unwillingness to end the war. The EU is making efforts to ensure the continuity and adequacy of external financing for Ukraine in 2026–2027.

The full-scale war remains the key risk to inflationary trends and economic development. Russian aggression poses risks of a further decline in economic potential, particularly due to the loss of lives, territory and production facilities. The speed at which the economy returns to normal functioning will depend on the nature and duration of the hostilities.

There are also continuing risks of a slowdown in the flow of international aid and of external economic trends being less favourable than currently expected, in particular due to greater geopolitical polarisation among countries and the resulting fragmentation of world trade.

The war between Ukraine and the Russian Federation continues, leading to significant destruction of property and assets in Ukraine and other substantial consequences. The consequences of the war are changing daily, and their long-term impact is impossible to determine. The further impact on the Ukrainian economy depends on how the full-scale war concludes, on the successful implementation by the Ukrainian government of new reforms, a strategy for the country's recovery and transformation with a view to EU membership, and cooperation with international funds.

Management continues to make efforts to identify and mitigate the impact on the Company, however, there are factors beyond its knowledge or control, including the duration and severity of military hostilities, the level of international support for Ukraine, and the further actions of the Government and diplomatic bodies.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation. These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) on a historical cost basis, with the exception of other financial investments, which are measured at fair value, and the 'Infrastructure property' class of property, plant and equipment, which is accounted for at revalued cost. The following are the key accounting policies applied in the preparation of these financial statements. These policies have been applied consistently to all periods presented, unless otherwise stated.

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

It also requires the Company's management to exercise professional judgement in applying the Company's accounting policies. Areas where such judgements are particularly significant, areas

characterised by a high level of complexity, and areas where assumptions and estimates are of significant importance to the preparation of the financial statements are described in Note 4.

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

Going concern. As of 31 December 2025, the Company's current liabilities exceeded its current assets by UAH 3,010,989 thousand (as at 31 December 2024 – by UAH 3,726,485 thousand).

More than four years have passed since the start of the Russian Federation's full-scale military invasion into Ukraine on 24 February 2022. During this time, martial law has been in force in Ukraine, accompanied by restrictions that significantly affect the economic environment and opportunities for conducting business in Ukraine. Due to the military hostilities, the Company has temporarily lost control of approximately 14% of its post offices, mainly in the temporarily occupied areas of the Luhansk, Donetsk, Kherson and Zaporizhzhia regions and in territories subject to potential or active hostilities (certain areas of the Sumy, Kharkiv and Dnipropetrovsk regions).

In view of the above, the Company has assessed the going concern assumption on which the financial statements for 2025 were prepared. The Company's operations have been significantly affected by the war. There is currently uncertainty regarding the development of the Russian Federation's military invasion into Ukraine, its duration and, consequently, its impact on the Company's operations, its personnel, liquidity and the preservation of assets.

Significant uncertainty regarding the Company's operations persists in 2026 and has continued for over four years since 24 February 2022. Despite this, the Company's management plans to return to profitability in 2026 by offsetting the negative impact of the loss of facilities that contributed to revenue generation prior to 2022, due to their destruction by the aggressor and the loss of assets in the occupied territories, factors of stagnation in external markets due to the uncertainty of tariff policy in the world's largest economies, the situation in the Middle East, and the significant fall in the hryvnia's exchange rate against foreign currencies.

Given the current changes in circumstances, the Company reviews and assesses them in terms of the impact of potential future risks, ensuring the necessary response to new challenges for effective adaptation to the changing conditions of the business environment.

Key factors that will influence the Company's financial position in 2026:

- The Company's ability to achieve significant growth in domestic parcel volumes. The Company has completed the automation of parcel sorting and the implementation of transport routes and is capable of ensuring high standards of delivery quality. Going forward, the Company has focused on improving the last mile, which also includes the launch of a network of parcel lockers and collection points.
- The rate of decline in traditional postal services (pension payments, utility bills collection, delivery of print media and letters). Such services are objectively declining year on year, and here the Company is focused on minimising this decline as much as possible (through additional incentives and quality control of service delivery), as well as on optimising service delivery costs (automation of letter and print media sorting and other measures).
- Sale of real estate not used by the Company in its operational activities. The Company resumed the sale of real estate at the end of 2025 and plans to use the proceeds from the sale to finance an investment program, which will maintain a sufficient level of liquidity.

In the management's assessment, considering the likelihood of possible scenarios in conditions of significant uncertainty, the Company is prepared to continue operations. The Company forecasts a negative net cash flow for 2026, as it begins to gradually repay loans and settle restructured debt arising from international operations. At the same time, as in previous years, the most important factor for generating operating cash flow will be uninterrupted operations in the fourth quarter amid expected energy and other infrastructure constraints.

The Company has assessed the impact of potential operational risks, primarily the risks of shortfalls in revenue from the postal and financial segments. The corresponding liquidity forecast stress test demonstrates that, even if all risks materialise, the Company will be able to continue to meet its obligations to creditors and complete key investment projects in the foreseeable future.

Given measures to adapt to the business environment that has emerged amid significant uncertainty, measures to mitigate the impact of operational risks, and the Company's development program, and the

forecasts of the Company's key financial indicators set out in its financial plan and cash flow forecast, the Company's management concludes that it is appropriate to prepare the financial statements on a going concern basis.

Due to the uncertain impact of future developments regarding the military invasion, based on the significant assumptions underlying the forecasts mentioned above, 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 realise its assets and settle its liabilities in the normal 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 hryvnia (UAH) – the currency of the primary economic environment in which it operates.

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

The principal exchange rates used for the translation of amounts and transactions in foreign currency were as follows:

<i>In hryvnias</i>	31 December 2025	31 December 2024
UAH/USD exchange rate at the end of the year	42.3878	42.04
Average annual exchange rate of UAH to USD	41.6891	40.15
UAH/EUR exchange rate at the end of the year	49.8565	43.92
Average annual exchange rate of UAH to EUR	47.0635	43.45
UAH/SDR exchange rate at the end of the year	58.0890	54.93
Average annual exchange rate of UAH to SDR	56.2612	53.32

Foreign currency can be converted into hryvnia, and hryvnia may be converted into foreign currency at an exchange rate influenced by the National Bank of Ukraine. The exact exchange rate at which the Company may 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 recognises financial assets and liabilities on its balance when it becomes a party to a contractual relationship regarding a specific instrument. Financial assets and liabilities comprise cash and cash equivalents, net trade and other receivables, current financial investments, loans, lease liabilities, trade and other payables. Financial instruments are recognised at fair value or amortised cost depending on their classification. These measurement methods are described below.

Fair value is the price that would be received for the sale of an asset or paid for the settlement of a liability in an arm's length 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 in assets and liabilities occur with sufficient frequency and in sufficient volumes to provide pricing information on a current 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 applied even if the normal daily trading volume in the market is not sufficient to absorb the quantity of instruments held by the Company, and if an order to place the entire position in a single transaction could affect the quoted price.

Amortised cost is the cost at initial recognition of the financial instrument less principal repayments plus accrued interest, and for financial assets, less any impairment losses incurred. Accrued interest includes the amortisation of deferred costs under the agreement at initial recognition and any premiums or discounts on the redemption amount using the effective interest rate method.

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

Accrued interest income and accrued interest expense, including accrued coupon income, are not recognised separately but are included in the carrying amount of the relevant items in the statement of financial position as current or non-current liabilities, depending on the maturity date.

The effective interest rate method is a method of allocating interest income or interest expense over the relevant period so as to achieve a constant interest rate (effective interest rate) on the carrying amount of the instrument. The effective interest rate is the rate at which the estimated future cash payments or receipts (excluding future credit losses) are exactly discounted over the expected life of the financial instrument or, where appropriate, over a shorter period to the gross carrying amount of the financial instrument. Premiums or discounts are amortised over the entire expected life of the instrument. The calculation of present value includes all fees and payments paid or received by the parties to the contract, which form an integral part of the effective interest rate.

Financial instruments – initial recognition. Financial assets and financial liabilities are initially recognised at fair value, except for trade receivables arising from contracts with customers, which are initially recognised at transaction price in accordance with IFRS 15. Financial instruments measured at fair value through profit or loss are initially recognised at fair value. All other financial instruments are initially recognised at fair value adjusted for transaction costs. The best evidence of fair value on initial recognition is the transaction price. A gain or loss on initial recognition is recognised only if there is a difference between fair value and the transaction price, which may be supported by other current transactions in the same financial instrument observed in the market, or by valuation techniques that use only data from open markets as input. Upon initial recognition, for financial assets measured at amortised cost and investments in debt instruments measured at fair value through other comprehensive income, an allowance for expected credit losses is recognised, resulting in the recognition of a loss immediately upon the initial recognition of the asset.

All transactions involving the purchase or sale of financial assets that involve delivery within a period specified by law or market convention (standard purchase and sale transactions) are recognised on the transaction date, i.e. the date on which the Company commits to delivering the financial asset. All other transactions involving the acquisition of financial instruments are recognised when the entity becomes a party to the contract to acquire the financial instrument.

Financial assets – classification and subsequent measurement – measurement categories. The Company classifies financial assets into the following measurement categories: at fair value through profit or loss, at fair value through other comprehensive income, and at amortised cost. The classification and subsequent measurement of debt financial assets depend on (i) the Company's business model for managing the relevant portfolio of assets and (ii) the characteristics of the cash flows on the asset.

Financial assets – classification and subsequent measurement – business model. The business model reflects the manner in which the Company manages assets to generate cash flows. The Company's objective is solely to collect contractual cash flows from the assets ('holding assets to collect contractual cash flows').

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

Financial instruments measured at amortised cost are presented in the statement of financial position net of an estimated provision for expected credit losses.

For trade receivables, the Company applies a simplified approach to calculating the provision for expected credit losses. The Company does not monitor changes in credit risk; instead, the provision is calculated for the entire term of the receivables and revalued at each reporting date. The Company uses a provision matrix based on historical credit loss rates, 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 (an event of default) occurs when a financial asset is past due by more than 90 days, unless the Company has other reasonable information indicating that a criterion with longer default periods is more appropriate.

Financial assets – write-off. Financial assets are written off in full or in part when the Company has exhausted all practical possibilities for their recovery and has concluded that expectations regarding the recovery of such assets are not justified. A write-off is a derecognition event.

Financial assets – derecognition. The Company derecognises financial assets when (a) the assets have been settled or the rights to receive cash flows from the assets have otherwise lapsed, or (b) the Company has transferred the rights to receive cash flows from the financial assets or has entered into a transfer agreement, and in doing so (i) has also transferred substantially all the risks and rewards of ownership of the assets, or (ii) the Company has not transferred and has not retained substantially all the risks and rewards of ownership, but has ceased to exercise control. Control is considered to be retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated party without imposing additional restrictions on resale.

Financial liabilities – derecognition. A financial liability is derecognised if the liability is settled, cancelled or has expired. If an existing financial liability is replaced by another liability to the same creditor on substantially different terms, or if the terms of the existing liability are significantly modified, such replacement or modification is accounted for as the derecognition of the original liability and the recognition of a new liability, and the difference in their carrying amounts is recognised in the income statement.

Presentation of financial instruments by measurement category. As of 31 December 2025 and 2024, all of the Company's financial assets and liabilities, other than other financial investments, were carried at amortised cost. Their carrying amount approximates their fair value. Other financial investments were accounted for at fair value through profit or loss. The fair value of other financial investments was determined using quoted prices in active markets (Level 1 of the fair value hierarchy).

Property, plant and equipment. In order to present a true and fair view in the financial statements of the value of key items of property, plant and equipment that form the core of the entity's operating activities in accordance with their functional purpose and have a material impact on its financial position, the Company has decided to split the 'Buildings and Structures' class of property, plant and equipment into two separate classes: 'Infrastructure Property' and 'Other Buildings and Structures'.

The 'Infrastructure Property' class comprises buildings and structures that support the Company's key operational processes: logistics sorting and processing of shipments, organisation of transport (central transport hubs/vehicle depots), as well as operational and IT management.

The Company applies the revaluation model to the 'Infrastructure property' class of property, plant and equipment and the cost model to all other classes of Property, plant and equipment.

The revaluation model provides for the recognition of property, plant and equipment at a revalued amount, which is equal to their fair value at the date of revaluation less any accumulated depreciation and any accumulated impairment losses.

Fair value is determined on the basis of market data, with the involvement of independent professional valuers. Revaluations are carried out frequently enough to ensure that the carrying amount does not differ materially from fair value, but at least once every three years.

The cost model provides for the recognition of property, plant and equipment at cost less any accumulated depreciation and any accumulated impairment losses.

Capital investments in progress represents the cost of property, plant and equipment whose construction has not yet been completed, net of accumulated depreciation. This includes the cost of construction work, the cost of plant and machinery, and other direct costs. Costs of routine repairs and maintenance are recognised as expenses as they are incurred.

Costs of replacing major components of property, plant and equipment are capitalised, with the cost of the replaced component subsequently written off.

At the end of each reporting period, management assesses whether there are any indications of impairment of property, plant and equipment. If such indications exist, management calculates the recoverable amount, which is the fair value of the asset less costs to sell or value in use, whichever is higher. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is

recognised. For assets carried at cost, an impairment loss is recognised in profit or loss for the reporting period. For assets carried at revalued cost, an impairment loss is initially recognised as a reduction in the relevant revaluation reserve within equity (to the extent of the available reserve), with any excess recognised in profit or loss for the reporting period.

An impairment loss recognised in respect of any asset in prior periods is reversed if there has been a change in the estimates used to determine the asset's value in use or its fair value less costs to sell.

Gains and losses on the disposal of assets are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss for the year.

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

	Remaining useful lives in years
Infrastructure property	10–50
Other buildings and structures	10–50
Production and other equipment	5–35
Vehicles	5–10
Office furniture and equipment	2–5

Items of property, plant and equipment with a purchase value not exceeding UAH 20,000, subject to the following lower value criteria:

- with a value exceeding UAH 3,000 for tools (hand tools, tools with electric or other motors);
- without setting a lower value threshold for furniture and fire extinguishers;
- with a value exceeding UAH 1,000 for other items

The Company recognises these items as low-value non-current tangible assets and charges depreciation at 100% of their value in the first month of use.

The residual value of an asset is the estimated amount that the Company would receive at present from the sale of that asset, less estimated costs to sell, if the condition and useful life of the asset were those expected at the end of its useful life.

Intangible assets. Acquired intangible assets with finite useful lives are stated at cost less accumulated amortization and accumulated impairment losses.

The Company recognises as intangible assets items that will be used for more than one year and whose cost is greater than or equal to 1,000 hryvnias at the date of acquisition. For internally generated assets and the formalisation of rights to use land plots, the cost criterion for their recognition as intangible assets does not apply.

The Company accounts for intangible assets at cost. Subsequent expenditure on intangible assets after their acquisition or creation is recognised as an expense in the period in which it is incurred, except where it is probable that the expenditure will enable the asset to generate future economic benefits in excess of those originally expected, and such expenditure can be reliably measured.

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

Amortization is calculated on a straight-line basis over the estimated useful life of the asset from the date the asset is ready for use. Amortization expense is recognised 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 for both of these purposes. Note 4 describes the key judgements regarding the classification of non-current assets as investment property.

The Company's investment property is formed from existing properties following a change in their use and their reclassification from the category of property occupied by the Company to the category of

investment property. If a property comprises one part held for rental income and another part held for the provision of postal and related services, these parts are accounted for separately if they can be sold or leased separately under finance lease terms. Otherwise, the property is investment property only if an insignificant part of that 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 forms of consideration at the time of acquisition.

Following initial recognition, the Company accounts for investment property at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation of investment property is calculated using the straight-line method over the useful life.

The useful life for investment property is determined in the same way as for assets in the 'Other buildings and structures' class of property, plant and equipment.

Rental income is recognised in profit or loss under other operating income. Gains or losses on the disposal of investment property are calculated as the proceeds from disposal less its carrying amount.

Subsequent expenditure is capitalised in the carrying amount of the asset only if it is probable that the Company will derive future economic benefits associated with that expenditure from the asset, and its cost can be measured reliably. All other repair and maintenance costs are recognised when incurred.

Rights-of-use assets. The Company leases premises and vehicles. Contracts may include both components that are lease agreements and components that are not lease agreements. The Company allocates the consideration under the contract between the lease components and the non-lease components on the basis of their relative prices in a separate transaction.

Assets arising from lease agreements are initially measured at cost.

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

- the amount of the initial measurement of the lease liability;
- lease payments made on or before the commencement date of the lease, net of any lease incentives received;
- any initial direct costs; and
- costs of restoring the asset to the condition required by the terms of the lease agreements.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. If the Company is reasonably certain that the purchase option will be exercised, the Company depreciates the right-of-use asset over the useful life of the underlying asset. The Company calculates the amortisation 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. For this, the asset (or disposal group) must be available for immediate sale in the condition in which it is held at the time of sale, on terms that are customary for the sale of such assets (or disposal groups), and the sale must be highly probable.

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

An extension of the period for completing the sale does not prevent the asset (or disposal group) from being classified as held for sale if the delay was caused by events or circumstances beyond the Company's control, and if there is sufficient evidence that the Company does not intend to use the asset in the future.

Non-current assets held for sale are measured by the Company at the lower of their carrying amount and fair value less costs to sell.

Income tax. In these financial statements, taxation is accounted for in accordance with the requirements of the law, using tax rates and tax laws that were in force or had effectively come into force by the end of the reporting period.

Income tax expense comprises current tax and deferred tax and is recognised in profit or loss for the year, unless they are to be recognised in other comprehensive income or directly in equity because they relate

to transactions that are also recognised 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 refunded by the tax authorities in respect of taxable profit or loss for the current and prior periods. If the financial statements are authorised for issue before the relevant tax returns are filed, the amount of taxable profit or loss is recognised on the basis of estimates. Other taxes, except for income tax, are recognised as operating expenses.

Deferred income tax is calculated using the balance sheet liability method in respect of tax losses and temporary differences arising between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the exclusion on initial recognition, deferred tax is not recognised for temporary differences arising on the initial recognition of an asset or liability as a result of a transaction that is not a business combination and that, on initial recognition, does not affect accounting or taxable profit. Deferred tax assets and liabilities are determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply in the period in which the temporary differences reverse or the tax losses carryforward are utilised. Deferred tax assets arising from temporary differences that reduce the tax base and tax losses carried forward are recognised only to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilised.

Inventory. Inventory is carried at the lower of cost and net realisable value. The cost of inventory includes direct material costs, direct labour costs and an appropriate portion of variable or fixed production overheads.

The company uses the first-in first-out method to value inventory upon disposal – items of the same type are written off in the order in which they were purchased, starting with the earliest purchases.

The cost of purchased inventory is determined after deducting discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of bringing the inventory to a finished state and the estimated costs of disposal.

Trade and other receivables. Trade receivables and other receivables are initially recognised at transaction cost and subsequently measured at amortised cost using the effective interest rate method, net of an allowance for impairment. The Company calculates the provision for trade receivables that meet the criteria of a financial asset within the meaning of IFRS 9 'Financial Instruments', differentiated into the following categories: 'Current (not overdue)', 'Overdue by no more than 30 calendar days', 'Overdue from 31 to 60 days', 'Overdue from 61 to 90 days', 'Overdue by more than 90 days'. 'Overdue' refers to trade receivables whose due date has passed. The amount of the provision is determined using the expected credit loss (ECL) approach.

The assessment of impairment of trade receivables is carried out on the basis of an analysis of the level of expected credit losses on a group basis.

The carrying amount of the asset is reduced by the corresponding provision, and the amount of the loss is recognised in profit or loss as part of other operating expenses. If trade receivables from core operations are deemed uncollectible, they are written off against other operating expenses. Receivables are not written off against a provision. The amount of the provision at the reporting date is calculated considering amounts of such receivables previously written off. The recovery of previously written-off amounts is credited to profit or loss as other operating income.

Trade receivables and other receivables for which the terms have been renegotiated are measured at amortised cost based on the new structure of the renegotiated cash flows. The corresponding gains or losses are recognised in profit or loss on the date of the renegotiation and are subsequently amortised using the effective interest rate method. If the terms of a receivable are renegotiated or otherwise modified due to the financial difficulties of the borrower or issuer, the impairment loss is measured using the original effective interest rate prior to the modification.

Cash and cash equivalents. Cash and cash equivalents include cash on hand, demand deposits with banks and other short-term highly liquid investments with an original maturity of three months or less. Cash whose use is restricted is excluded from cash and cash equivalents. Cash and cash equivalents are carried at amortised cost using the effective interest rate method.

The Company assesses expected credit losses on cash and cash equivalents held in bank accounts based on a low probability of default over the term of the contractual arrangements, which is less than

three months. The probability of default was determined based on the external credit ratings of the relevant banks and publicly available default data from rating agencies. No provision for expected credit losses has been recognised in these financial statements, as management assessed the effect as immaterial.

Advances and prepayments. Advances and prepayments are carried at cost less an allowance for impairment. Advances and prepayments are classified as non-current if the goods or services for which the prepayment was made will be received after the end of one year, or if the prepayment relates to an asset that, upon initial recognition, will be classified as a non-current asset.

Advances and prepayments made for the purpose of acquiring an asset are included in its carrying amount once the Company has obtained control of that asset and if it is probable that the Company will receive future economic benefits associated with such an asset. Other advances and prepayments are charged to profit or loss upon receipt of the goods or services for which they were made. If there is evidence that the assets, goods or services for which advances and prepayments were made will not be received, the carrying amount of the advances and prepayments made is reduced accordingly, and the corresponding impairment loss is recognised in profit or loss for the year.

Prepayments are presented in these financial statements net of VAT, as it is expected that settlement of such amounts will be made through the supply of the relevant 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 transactions of the Company are exempt from VAT or are not subject to VAT (such as sales of postage stamps, pension payments, receipt of payments and money transfers).

A VAT liability arises on the date of supply of goods/services or receipt of payments, whichever occurs first. Input VAT is recognised upon registration of the VAT invoice in accordance with the established procedure in the Unified Register of VAT 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 eligible for a full refund from the state budget, whereas input VAT directly related to activities that are exempt from VAT or not subject to VAT is not refunded from the state budget and is therefore an expense. Input VAT paid on the purchase of goods and services used in both types of transactions (i.e. those subject to VAT and those exempt from VAT or not subject to VAT), is recognised on a pro rata basis (i.e. only the portion of VAT relating to transactions subject to VAT is refunded).

Any positive difference between VAT liabilities and input VAT is remitted to the state budget. VAT relating to sales and purchases is recognised in the balance sheet on a net basis and shown as an asset or liability in the amount reported in VAT returns. In other cases, VAT is recognised on a gross basis.

Share capital. Until 1 March 2017, the Company was registered as a state-owned enterprise. The Company had authorised capital but no issued shares. On 1 March 2017, the Company was incorporated as a JSC, and its shares were registered with 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, as Ukraine was a country with a hyperinflationary economy.

Effect of revaluation and corporatisation. As at the date of establishment of JSC 'Ukrposhta', the revaluation effect arising from corporatisation was recognised separately. This capital item was calculated as the difference between the registered capital of JSC 'Ukrposhta' and the previous carrying amount of the state-owned enterprise's capital.

The revaluation reserve is formed based on the results of the revaluation of property, plant and equipment in the 'Infrastructure property' class in accordance with IAS 16. Revaluation gains are recognised in other comprehensive income and accumulated in the revaluation reserve, net of the corresponding deferred tax liability.

Any decrease in the value of previously revalued assets is recognised against the corresponding revaluation reserve, and any amount in excess of this is recognised as an expense for the reporting period. Transfers of amounts from the revaluation reserve to retained earnings are made upon disposal of the asset and are not recognised through profit or loss.

For the purposes of presentation in the financial statements, the aggregate result of the effect of revaluation on corporatization and the revaluation reserve is presented under the heading 'Effect of revaluation and consolidation'.

Dividends. Dividends are recognised as a liability and deducted from equity as at the balance sheet date only if they have been declared before or as at the balance sheet date. Information on dividends is disclosed if they have been declared after the balance sheet date but before the financial statements are authorised for issue.

Under Ukrainian law, the amount of dividends is limited to the net profit for the reporting year or any other distributable reserves, and shall not exceed the amount of retained earnings as shown in the financial statements prepared in accordance with IFRS. The Company must resolve to pay dividends by 30 April and pay the dividends to the state budget by 30 June of the year following the reporting year. The Cabinet of Ministers of Ukraine determines the percentage of net profit subject to distribution each year by a separate resolution. If such a resolution is not adopted by 30 June, the Company is obliged to pay 30% of its net profit to the State Budget of Ukraine, as provided for in the Law of Ukraine "On the Management of State Property" No. 185-V of 21 September 2006.

Classification of financial liabilities. The Company classifies its financial liabilities as those subsequently carried at amortised cost. In the financial statements, these are classified as other liabilities.

Borrowings. Borrowings are initially recognised at fair value, net of transaction costs, and are subsequently carried at amortised cost using the effective interest rate method. Any difference between the proceeds, net of transaction costs, and the redemption value is recognised in profit or loss over the period for which the borrowings were raised, using the effective interest rate method. Borrowings are classified 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 payables and other payables are recognised when the counterparty has fulfilled its obligations under the agreement. Trade payables are classified as current liabilities if payment is due within one year (or within the normal operating cycle of the business, if longer). If not, they are accounted for as non-current liabilities. Trade payables arising from ordinary activities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated considering transaction costs, as well as any premiums and discounts on settlement.

Advances received. Advances received relate to amounts received in the form of prepayments for goods, works or services in the course of ordinary activities. They are recognised at the amount initially received, net of VAT, as it is expected that settlement of such amounts will be made upon delivery of the relevant goods or services.

Revenue. Revenue is income arising in the course of the Company's ordinary activities. Revenue is recognised at 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 the promised goods or services to the customer, excluding amounts received on behalf of third parties.

Revenue is recognised net of discounts, returns and value added tax. Generally, the Company's contracts do not contain variable consideration, or the effect of such variable consideration is immaterial. Revenue primarily comprises income from the provision of the following services (sale of goods):

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

Revenue from transactions with customers is recognised in accordance with the contracts concluded with them and is recognised upon completion of the delivery of shipments, as, in the management's assessment, the point at which control over the Company's goods or services is transferred occurs after the Company has fully fulfilled its obligations to the customer. Revenue from contractually agreed services that have not yet been provided as at the balance sheet date is classified as deferred income. Revenue is deferred until the relevant services are provided to the customer. The Company ceases to recognise the contractual liability and recognises revenue when it delivers the services, thereby fulfilling its obligations. The Company provides services under fixed-price contracts. It is the Company's usual

practice to receive prepayment or to receive payments within one month of fulfilling its obligations. The timing of the transfer of goods and services under contracts for which deferred income has been recognised is determined by the buyer. The Company's contracts do not contain any significant financing components.

Revenue from the sale of goods and services via the Company's own online service and other online platforms is recognised upon receipt of 100% prepayment. The performance obligations in such contracts are the provision of transport services and the delivery of goods that have been purchased. In its obligations to deliver goods, the Company may act as an agent.

Revenue arising from shipments under the provisions of the Universal Postal Convention is recognised upon completion of the delivery of the relevant consignments. The Company undertakes to provide services for the transport of mail and goods on behalf of customers. The Company's customers under contracts involving shipments from Ukraine to destinations outside the country are individuals and legal entities in Ukraine. The Company's clients under contracts providing for the import of goods from abroad are foreign postal services and delivery services.

In the case of the sale of goods under agency agreements, commission income is recognised as a receivable at the time of sale, and the corresponding gross cash receipts are recognised as a liability to the supplier. The Company acts as an agent in such transactions.

Revenue relating to the provision of stamping and franking services to the public, retail businesses and commercial organisations is recognised at the time of sale at the face value of the postage stamp with a postmark, adjusted to reflect the value of the service paid for but not used by the customer. Detailed information on this adjustment to "deferred income" is provided in the section below entitled "Significant accounting estimates and judgements in applying accounting policies".

In contracts for the payment and delivery of pensions and other social benefits, as well as for the execution of payments and money transfers, the Company acts as an agent facilitating the transfer of funds between the payer and the recipient. Revenue from such services is recognised at the time of delivery of the funds to the final recipient. The Company may receive either a fixed fee for payment services or a percentage of the amount of pensions and other social benefits delivered and payments made. The Company recognises the corresponding assets and liabilities under Other assets and Other liabilities relating to client funds received but not yet delivered as at the reporting date.

Trading in own and consignment goods is carried out at the Company's branches. Control over the goods is transferred immediately in exchange for a fixed fee. The Company does not apply loyalty programmes or other elements of variable compensation for retail sales.

If the Company acts as the principal in a transaction, revenue is recognised on a gross basis. If the Company acts as an agent in a transaction, revenue is recognised on a net basis and represents the margin earned.

Recognition of expenses. Expenses are recognised on an accrual basis. The cost of goods sold and services rendered includes labour costs, depreciation, direct material costs, transport costs and directly related overheads.

The Company receives discounts from postal operators in other countries for services rendered in the delivery of written correspondence, parcels and 'EMS' express delivery services in the form of cancelled invoices; the amounts of such discounts depend on the volume of delivery services provided. Invoices received for the cancellation of charges from postal operators are included in the cost of services, thereby reducing the amount owed to postal operators, whilst cancelled invoices due for receipt in cash are classified as other receivables.

Financial income and expenses. Financial income and expenses include interest income from invested funds and interest expenses on borrowed funds. All interest and other expenses on borrowings are expensed using the effective interest rate method. Interest income is recognised to the extent that it accrues, given the effective yield on the asset.

Lease liabilities. Liabilities arising from lease agreements are initially measured at present value. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including payments that are, in substance, fixed) net of any lease incentives to be received,
- variable lease payments that depend on an index or rate, which are initially measured using the index

or rate at the commencement date of the lease,

- 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 that the option will be exercised, and
- the payment of penalties for terminating the lease, if the lease term reflects the Company's exercise of a termination option.

Lease extension and termination options are provided for in a number of the Company's lease agreements. These terms are used to ensure maximum operational flexibility in managing the assets the Company uses in its operations. Extension options (or the period following the term specified in the terms of the lease termination options) are included in the lease term only if there is sufficient certainty that the agreement will be extended (or will not be terminated).

The measurement of the liability also includes lease payments that will be made in the exercise of renewal options, provided there is sufficient certainty that the lease will be renewed.

Lease payments are discounted using the interest rate specified in the lease agreement. If this rate cannot be readily determined, which is generally the case for the Company's existing lease agreements, the Company uses the incremental borrowing rate – the rate at which the Company could borrow funds for a similar term and with similar security, necessary to acquire an asset of a value similar to that of the asset in the form of a right of use under similar economic conditions.

The Company is exposed to the risk of a potential increase in variable future lease payments, which depend on an index or rate, that is not reflected in the lease liability until it comes into effect. Following adjustments to lease payments that depend on an index or rate, the lease liability is remeasured with a corresponding adjustment to the value of the asset in the form of a right-of-use asset.

Lease payments are allocated between the principal and finance costs. Finance costs are recognised in profit or loss over the lease term to ensure a constant periodic rate of interest on the outstanding balance of the liability for each period.

Employee benefits. Salaries, paid annual leave and bonuses are recognised in the year in which the relevant services are rendered by the Company's employees. The Company makes a single contribution to social insurance funds on behalf of its employees. The contribution is calculated as a percentage of the current gross salary amount and is charged to the expenses of the period to which it relates.

Offsetting. The offsetting of financial assets and liabilities, with only their net amount subsequently recognised in the statement of financial position, may be carried out only where there is a legally enforceable right to offset recognised amounts, and where there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. In this regard, the right to offset (a) must not be contingent on future events and (b) must be legally enforceable in all of the following circumstances: (i) in the ordinary course of business, (ii) in the event of default, and (iii) in the event of insolvency or bankruptcy.

In particular, trade receivables and payables of postal operators in other countries are presented in the statement of financial position on a net basis for transactions where final settlements are made on a net basis.

Contingent assets and liabilities. A contingent asset is not recognised in the financial statements. Information about it is disclosed where there is a probability of an inflow of economic benefits. Contingent liabilities are not recognised in the financial statements, except where there is a probability of an outflow of resources to settle the liabilities and their amount can be estimated with sufficient accuracy. Information regarding contingent liabilities is disclosed in the financial statements, except where the probability 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 for its award and will receive the grant. The receipt of a grant does not in itself provide conclusive evidence that the conditions for its award have been or will be met.

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

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

- grants relating to depreciable assets are recognised as deferred income over the periods and in the proportions in which depreciation is charged on those assets;
- grants relating to non-depreciable assets may also require the fulfilment of certain obligations and will then be recognised as income over the periods in which the costs of fulfilling those obligations are incurred.

The Company recognises a receivable whilst simultaneously recognising income from a government grant in the period in which the related expenses are incurred, if the government grant is to be received as compensation for expenses or losses that have already been incurred.

If a government grant is to be received as immediate financial support to the Company without any future associated costs, the Company recognises revenue in the period in which it is received or when its receipt is reasonably certain within a short period of time.

4. KEY ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements necessarily requires management to make estimates and assumptions that may have a material impact on the financial statements. These estimates and judgements are continually evaluated and are based on past experience and other factors, including expectations of future events that are considered reasonable under the circumstances.

Areas where such judgements are particularly significant, areas characterised by a high degree of complexity, and areas in which assumptions and estimates are of major importance to the preparation of the financial statements are described below.

Deferred revenue. The Company recognises advance payments from customers on its balance sheet, which relate primarily to sales of postage stamps not used as at the balance sheet date, the delivery of parcels and small packages not delivered to their destination as at the balance sheet date, and subscriptions to periodicals, the delivery of which will take place after the end of the year.

A significant portion of this balance consists of proceeds from the sale of postage stamps to the public. The estimation of deferred income is based on the application of various estimation methods and sampling, utilising data from external experts where appropriate. Estimates of the volume of postage stamps held by the public are based on the results of an annual survey conducted by an independent third-party organisation, in which members of the public were asked how many postage stamps they purchase each year and how many postage stamps they hold as at the balance sheet date.

The value of postage stamps held by retail businesses and commercial organisations is estimated more accurately based on an analysis of actual sales volumes and responses provided by customers in independent surveys.

Management analyses the results of the procedures described above to form judgements regarding the carrying amount of accruals. The total amount of accruals is recognised as current liabilities, as the vast majority of amounts accrued for postage stamps and mail sorting and dispatch services are utilised within one year of the balance sheet date.

Part of the deferred revenue balance consists of income from the delivery of parcels and small packages that had not been delivered to their destination as at the balance sheet date. Deferred revenue is estimated using an analytical calculation based on the Company's actual data regarding the type, quantity, weight, destination, date of dispatch, applicable tariff, and actual or expected delivery time.

Options to extend and terminate lease agreements. Options to extend and terminate agreements are provided for in a number of the Company's building lease agreements. These are used to ensure maximum operational flexibility in managing the assets the Company uses in its operations. The Company has a right of first refusal to extend a number of lease agreements.

When determining the lease term, management considers all facts and circumstances that create economic incentives to exercise the option to extend the lease or to forgo the option to terminate it. Renewal options (or the period following the term specified in the terms of the termination options) are included in the lease term only if there is sufficient certainty that the lease will be renewed (or will not be terminated).

The Company's leasing of buildings is divided into the leasing of privately owned properties and state/municipally owned properties, the difference between which lies in the judgements used in determining the lease term. Given the possibility of entering into agreements to extend, or the 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 properties are subject to the Law of Ukraine "On the Lease of State and Municipal Property", which has been in force since October 2019. Under the Law, the initial lease and the renewal of lease agreements are subject to a mandatory auction.

In view of this fact, and the lack of certainty regarding the renewal of these lease agreements, the Company defines the lease term as the non-cancellable period of the lease specified in the agreement. Vehicle lease agreements are entered into for fixed periods ranging from 1.5 to 3 years, which may be extended by mutual agreement of the parties.

The Company has assessed the number and value of leased assets, as well as the costs under such lease agreements, and applies the following judgements regarding the recognition of rights-of-use assets and a lease liability at the commencement date of the lease. Under operating leases, a right-of-use asset and a lease liability are recognised if, at the commencement of the lease, all of the following conditions are met:

- the lease term exceeds 12 months,
- the monthly lease payments exceed UAH 10,000 (ten thousand).

The Company applies the practical expedient provided for in IFRS 16 for lessees in respect of short-term leases with a term not exceeding 12 months. That is, for operating lease agreements with a term of up to 12 months, regardless of the amount of monthly lease payments, an asset in the form of a right-of-use asset is not recognised, and lease payments are recognised as part of the cost of goods sold (goods, works, services) in the period in which the relevant services are actually provided.

Lease agreements are reviewed monthly to assess compliance with the recognition criteria of IFRS 16, and rights-of-use assets and lease liabilities are recognised.

Classification of dual-purpose assets within property, plant and equipment, investment property and non-current assets held for sale. The Company maintains separate accounts for property that may be classified as property, plant and equipment or investment property.

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

The Company has assessed the quantitative and value indicators of investment property, as well as the income received from letting premises, and applies the following judgements regarding the classification and reclassification of property as investment property:

- Properties that are let for 70% (of the usable floor area) or more are considered to be entirely investment properties (provided the main criteria set out in the previous paragraph are met);
- Properties leased out for less than 70% of the total usable floor area, but from which the aggregate rental income for the property as a whole exceeds UAH 50,000 per month, are classified as investment property (provided the main criteria set out in the previous paragraph are met) in respect of the total usable floor area let out, and as property, plant and equipment in respect of the total usable floor area used for own purposes;
- The Company considers properties that are less than 70% of the total usable floor area and for which the total rental income is less than UAH 50,000 per month to be immaterial and retains them within property, plant and equipment.

The Company's management reclassifies properties from property, plant and equipment to investment property, applying the cost model as its accounting policy (see Note 3). Management has estimated the expected range of fair value of investment property as of 31 December 2025 without engaging independent valuers and has disclosed information on this in Note 9.

Estimates of income and expenses from international postal exchange. In the course of providing international postal services, the Company conducts transactions with postal operators of other UPU member countries. Revenue and expenses from international postal exchange and the corresponding amounts of trade receivables and payables are recognised during the year based on estimates made by management using data on the total weight of cross-border mail, parcels and small packets, which is subsequently agreed with postal operators, and the tariffs approved by the Universal Postal Convention (UPC) and its circulars. If the volume of items, namely ordinary letter post between countries, exceeds the established volume (50 tonnes in 2025 and in 2024), separate tariffs apply to different item formats, as well as an additional tariff based on the number of items. The number of postal items, calculated on the basis of the number of items per kilogram of correspondence, is also subject to agreement with postal operators in other countries. Given the significant time delays in verifying data on the weight of postal items, the total international volume of items, the number of postal items per kilogram of correspondence, parcels and small packets, and the applicable tariffs (up to 6 months for reconciling the volume of items and up to one year for reconciling items in monetary terms), such estimates are subject to management judgement and may be subject to adjustment. Management has disclosed the amounts of income and expenses arising from transactions with major postal operators in other countries, for which the reconciliation process had been completed or partially completed as at the date of issue of these financial statements, in Notes 21 and 22.

Discounts provided by international postal operators on the delivery of letter post, parcels and small packets, and international 'EMS' express deliveries in connection with support for the Company during the Russian Federation's military aggression are recognised as part of the cost of services rendered in the period in which the cancelled invoice for payment of services is received. Given the significant delays in receiving information from postal operators in other countries, management endeavours 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 verified transactions for services received from postal operators. However, such estimates are subject to management judgement and may be subject to adjustment.

5. ADOPTION OF NEW OR REVISED STANDARDS AND INTERPRETATIONS

In general, the accounting policies are consistent with those applied in the previous financial year. Certain new standards and interpretations and/or amendments thereto became mandatory for application from 1 January 2025 or after that date. Information regarding such new and revised standards and interpretations is provided below.

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' – Non-convertibility. These amendments require companies to apply a consistent approach when assessing whether a currency can be converted into another currency and when determining the exchange rate to be used where this is not possible, as well as disclosure requirements.

The amendments had no impact on the Company's financial statements.

Disclosure of Uncertainties in Financial Statements – Illustrative Examples. On 28 November 2025, the IASB published 'Disclosure of Uncertainties in Financial Statements – Illustrative Examples', which added illustrative examples to several IFRSs demonstrating how companies may apply IFRSs when reporting the impact of uncertainties in their financial statements. The illustrative examples are supplementary to the IFRSs and do not have an effective date. The company considered them when preparing its financial statements and concluded that there was no need for additional disclosures or changes to the presentation format.

6. NEW STANDARDS AND INTERPRETATIONS NOT YET APPLIED

The Company has not applied the following IFRSs, interpretations and amendments to IFRSs and IASs that have been published but are not yet effective. The Company plans to apply these changes from the date they become effective.

IFRS 18 'Presentation and Disclosure of Information in Financial Statements' IFRS 18 replaces IAS 1 'Presentation of Financial Statements' and introduces significant new requirements for the presentation of financial statements, with particular emphasis on the following issues:

- The income statement, including requirements for mandatory interim totals to be presented. IFRS 18 introduces requirements for items of income and expense, which must be classified into one of five categories in the income statement – operating, investing, financing, income tax and discontinued operations, of which the first three are new.

- disaggregation of information, including the introduction of general principles on how information should be aggregated and disaggregated in financial statements.
- Disclosure of information relating to performance measures defined by management, which are indicators of financial performance based on the total or interim total required by IFRS, with adjustments made (for example, 'adjusted profit or loss'). Disclosures will include a reconciliation of the performance measure to the nearest aggregate or interim total in the IFRS financial statements.

IFRS 18 and related amendments to other standards apply to reporting periods beginning on or after 1 January 2027. IFRS 18 will be applied retrospectively; early application is permitted. The Company is currently working to determine the full impact that the application of IFRS 18 will have on its financial statements.

IFRS 19 'Subsidiaries that are not reporting entities: disclosures' IFRS 19 permits subsidiaries that meet certain criteria to provide condensed disclosures whilst applying the full recognition, measurement and presentation requirements under IFRS. An entity will be entitled to apply IFRS 19 in its consolidated, separate or individual financial statements if it meets the eligibility criteria at the end of the reporting period.

The eligibility criteria for applying IFRS 19 are:

- the entity is a subsidiary;
- the entity is not a subsidiary; and
- the entity has an ultimate or intermediate parent that prepares consolidated financial statements available for general use that comply with IFRS.

An entity is a reporting entity if:

- its debt or equity instruments are traded on an open market or it is in the process of issuing such instruments for trading on an open market;
- it holds assets in trust for a broad group of third parties as one of its principal activities.

The introduction of IFRS 19 entails amendments to other IFRS accounting standards. IFRS 19 is a voluntary standard for qualifying subsidiaries. An entity is permitted to apply IFRS 19 more than once. An entity that has elected to apply IFRS 19 may subsequently revoke that election. IFRS 19 is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. IFRS 19 is not applicable to the Company.

The following is a list of standards and interpretations that will not have an impact on the Company's financial statements or are not applicable to it:

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' – Changes to the classification and measurement of financial instruments become effective for reporting periods beginning on or after 1 January 2026.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' – Contracts for electricity dependent on the weather take effect for reporting periods beginning on or after 1 January 2026.

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' – Translation into the presentation currency in hyperinflationary economies take effect for reporting periods beginning on or after 1 January 2027.

'Annual Improvements to IFRSs' (Issue 11) – take effect for annual reporting periods beginning on or after 1 January 2026. The annual improvements include:

Amendments to IFRS 1 'First-time Adoption of International Financial Reporting Standards'.

Amendments to IFRS 7 'Financial Instruments: Disclosures'.

Amendments to IFRS 9 'Financial Instruments'.

Amendments to IFRS 10 'Consolidated Financial Statements'.

Amendments to IAS 7 'Cash Flow Statements'.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' – Sale or Contribution of Assets between an Investor and an Associate or a Joint Venture – The IFRS Board has deferred the effective date of this amendment indefinitely, but early application is permitted prospectively.

7. SETTLEMENTS AND TRANSACTIONS WITH RELATED PARTIES

The Company is an entity 100% owned by the State of Ukraine and falls within the remit of the Ministry for Development of Communities and Territories of Ukraine. As the Company is ultimately controlled by the Government of Ukraine, all state-controlled enterprises are considered related parties under common control. Related parties also include state authorities, such as the Cabinet of Ministers of Ukraine, sectoral ministries, judicial bodies, state-owned or state-controlled enterprises, as well as business entities that are jointly controlled by or have significant influence over the government.

Transactions with related parties are conducted on standard terms that do not differ from those available to unrelated parties, and include sending letters, parcels and postcards, delivery of pensions and other social benefits to citizens from the state and local budgets, the subscription and delivery of periodicals, parcel delivery, the collection 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 21 for a summary of the revenue received from these activities.

The State of Ukraine acts as guarantor for the Company's loan obligations to the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB). In connection with the provision of state guarantees, the Company has entered into agreements with the Ministry of Finance of Ukraine regarding the reimbursement of state expenses in the event of the fulfilment of guarantee obligations, pursuant to which it has pledged rights to immovable property in an amount corresponding to the financing under the relevant loan agreements, and has also granted the Ministry of Finance of Ukraine the right to contractually debit funds from the Company's main bank accounts (excluding accounts with a special usage regime) within the limits of outstanding obligations (Note 9 and Note 15).

As of 31 December 2025 and 31 December 2024, the vast majority of cash balances in the Company's bank accounts were held in five state-owned banks in Ukraine (Note 12).

Remuneration of key management personnel, consisting of 9 individuals, for the 12 months of 2025 amounted to UAH 24,808 thousand (for the 12 months of 2024 – UAH 26,390 thousand). Remuneration consists of short-term salaries and bonuses, and reimbursement of expenses directly related to the performance of their duties. No post-employment benefits are provided to key management personnel.

8. INFORMATION BY SEGMENT

For decision-making purposes, the Company's Chief Executive Officer and his management team analyse internal revenue reports for each of the following four business segments:

- national postal services (including individual and corporate customers)
- financial services (including pension delivery, money transfers and third-party payments)
- retail trade (including sales of goods under commission agreements and own-brand goods)
- other commercial services.

These business segments provide different services and utilise different technologies and market strategies; consequently, each is managed separately.

The Company's expenses are not allocated to these business segments, consequently, their operating results are not assessed separately. The Chief Executive Officer assesses the Company's overall operating results. On this basis, management has concluded that the Company operates in a single segment – the provision of postal and other related services.

Information on the sources and geographical structure of revenue is disclosed in Note 21. All of the Company's non-current assets are located within Ukraine.

Major customers

In 2025 and 2024, the sole customer from whom revenue accounted for 20% and 21% of the Company's revenue, respectively, 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 contracts have been concluded for the provision of services for the delivery and payment of pensions to the population of Ukraine. The amount of revenue received as remuneration for the delivery of pensions and other social benefits amounted to 2,577,017 thousand hryvnias in 2025 (2,787,848 thousand hryvnias in 2024).

9. PROPERTY, PLANT AND EQUIPMENT, CAPITAL INVESTMENTS IN PROGRESS, INVESTMENT PROPERTY AND INTANGIBLE ASSETS

The following changes occurred in the carrying amount of property, plant and equipment and capital investments in progress:

	Infrastructure property	Other buildings and structures	Production and other equipment	Vehicles	Office furniture and equipment	Total property, plant and equipment	Capital investments in progress
As at 1 January 2024							
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)
Carrying amount as at 1 January 2024	-	2,522,486	175,482	1,330,642	12,497	4,041,107	324,447
Additions							1,176,499
Transfers (at cost)	-	459,921	136,426	249,159	308,287	1,153,793	(1,153,793)
Adjustment to right-of-use assets resulting from revaluation	-	43,445	-	-	-	43,445	-
Disposals (at cost)	-	(134,238)	(66,731)	(20,442)	(31,722)	(253,133)	-
Disposals (at accumulated depreciation)	-	82,602	66,569	20,136	31,066	200,373	-
Other changes	-	401	5	-	3	409	-
Depreciation charges	-	(308,842)	(34,801)	(234,524)	(281,806)	(859,973)	-
Impairment losses	-	(5,495)	(306)	3,592	(66)	(2,275)	(56)
As of 31 December 2024							
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)
Carrying amount as of 31 December 2024 / 1 January 2025	-	2,660,280	276,644	1,348,563	38,259	4,323,746	347,097
Additions	-	-	-	-	-	-	1,408,681
Transfers (at cost)	5,758	224,983	273,540	721,144	130,290	1,355,715	(1,355,715)
Transfer to investment property (at cost)	744,322	(744,322)	-	-	-	-	-
Reclassification to investment property (at accumulated depreciation)	(218,459)	218,459	-	-	-	-	-
Elimination of accumulated depreciation, accumulated impairment and cost (at cost)	(214,806)	-	-	-	-	(214,806)	-
Elimination of accumulated depreciation, accumulated impairment and initial cost (net of accumulated depreciation)	214,806	-	-	-	-	214,806	-
Increase in fair value resulting from revaluation, recognised in other comprehensive income	2,687,605	-	-	-	-	2,687,605	-
Adjustment to right-of-use assets resulting from revaluation	-	71,096	-	-	-	71,096	-
Disposals (at cost)	-	(252,737)	(51,763)	(3,369)	(25,374)	(333,243)	-
Disposals (at accumulated depreciation)	-	134,563	51,450	2,998	25,332	214,343	-
Transfer to non-current assets held for sale (at cost)	-	(147,121)	(1,568)	-	(177)	(148,866)	-
Transfer to non-current assets held for sale (net of accumulated depreciation)	-	41,233	1,241	-	166	42,640	-
Transfer from non-current assets held for sale	-	11,456	-	-	-	11,456	-
Depreciation charges	(37,146)	(377,988)	(55,677)	(298,203)	(108,040)	(877,054)	-
Impairment losses	-	(9,670)	(205)	5,544	(244)	(4,575)	-
As of 31 December 2025							
Historical/revalued cost	3,222,879	3,234,714	1,050,042	3,111,346	1,276,439	11,895,420	400,289
Accumulated depreciation and impairment	(40,799)	(1,404,482)	(556,380)	(1,334,669)	(1,216,227)	(4,552,557)	(226)
Carrying amount as of 31 December 2025	3,182,080	1,830,232	493,662	1,776,677	60,212	7,342,863	400,063

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

As of 31 December 2025, the Company had contractual obligations to purchase property, plant and equipment amounting to UAH 424,077 thousand (as at 31 December 2024 – UAH 864,269 thousand).

As of 31 December 2025, the Company had fully depreciated property, plant and equipment amounting to UAH 1,837,576 thousand, but not written off (as at 31 December 2024 – UAH 1,749,217 thousand).

Until 1 March 2017, ownership of all property, plant and equipment and construction in progress managed by the Company, which it uses in its business activities, was registered in the name of the Government of Ukraine. In accordance with Article 73 of the Commercial Code of Ukraine, the property of a state-owned enterprise belongs to the Government and is granted to that enterprise on the basis of economic or operational management rights. Thus, the property legally remained the property of 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 (until their full depreciation, deterioration or destruction – the Government bears no risk associated with the residual value of the assets at the end of their useful life) and to derive economic benefits from the use of the assets. In view of this, the Company has recognised these items as 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, an act was signed between the Ministry for Development of Communities and Territories of Ukraine and the Company regarding the transfer of assets to JSC "Ukrposhta", the legal successor to the state-owned enterprise.

During 2025, there were no acquisitions of property, plant and equipment (vehicles) under lease agreements (2024 – UAH 17,729 thousand). As of 31 December 2025, the net book value of property, plant and equipment held under lease agreements in force amounted to UAH 70,589 thousand (31 December 2024 – UAH 142,090 thousand). The assets are included in the relevant classes of property, plant and equipment.

Revaluation of buildings and structures in the 'Infrastructure property' class

In order to ensure a reliable and up-to-date reflection in the financial statements of the value of key property, plant and equipment that form the core of the Company's operating activities in accordance with their functional purpose, the Company decided to split the 'Buildings and Structures' class of property, plant and equipment into two separate classes: 'Infrastructure Property' and 'Other Buildings and Structures'.

The 'Infrastructure Property' class comprises buildings and structures that support the Company's key operational processes: logistics sorting and processing of shipments, transport organisation (central transport hubs/vehicle depots), as well as operational and IT management.

The Company applies a revaluation model to the 'Infrastructure property' class of property, plant and equipment.

The company carried out a revaluation as at 1 October 2025, engaging a qualified and experienced independent appraiser. The infrastructure property was valued using the market approach (comparable transactions method). The fair value of the properties, determined by an independent expert valuation, amounts to UAH 3,211,489 thousand.

The revaluation gain recognised in other comprehensive income in 2025 amounts to UAH 2,687,605 thousand (after taking deferred taxes into account – UAH 2,203,836 thousand) and is recognised in equity.

The carrying amount that would have been recognised had the cost model been applied to the 'Infrastructure property' class of Property, plant and equipment as of 31 December 2025 would have been UAH 522,776 thousand (as at 31 December 2024 – UAH 532,826 thousand).

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

At the reporting date, the Company determined that there were certain indications that the amount of expected recovery of property, plant and equipment and capital investments in progress might be less than their carrying amount. As of 31 December 2025, the Company assessed the value of non-current

assets in use to identify impairment at the level of the cash-generating unit (CGU), treating the Company as a whole as a CGU.

A CGC is defined as the aggregate of property, plant and equipment, capital investments in progress and intangible assets associated with the Company's operating activities as a whole. The exclusion of any operating assets from the portfolio entails changes in operating activities and cash flows generated. The identification of separate, smaller cash-generating groups is not appropriate. Business process management is carried out by a single group of managers and is determined in a sufficiently well-founded manner, with an adequate level of assumptions, to identify and allocate, within the financial plan, cash flows related to the cost of goods sold and expenses for individual types of services provided.

The calculation model for assessing the value of non-current assets in use by management is based on two scenarios for the Company's development for the period 2025–2027, namely, 'Continuation of hostilities' and 'Victory and de-occupation of territories', based on assumptions regarding expected revenues and expenses under these development scenarios.

In accordance with the requirements of Appendix A to IAS 36 'Impairment of Assets', the Company has applied a cash flow-based approach to assess the value of non-current assets in use, which takes into account all expectations regarding possible future cash flow scenarios. Consequently, the Company calculated the weighted average expected cash flow, weighted by assumptions regarding the probability of the Company's future development based on the 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 expenses, cash outflows for capital investments and cash flows from financing activities.

Based on the results of this assessment, the Company determined that the value in use of property, plant and equipment and construction in progress as at the valuation date exceeded their carrying amount by UAH 5,968,637 thousand; that is, there was no impairment.

The Company has written down property, plant and equipment and capital investments in progress located in occupied territories and in territories where hostilities are taking place as at the reporting date and, accordingly, their carrying amount is zero in the impairment test.

The key assumptions used in the calculation of value in use relate to the discount rate, growth rates and expected changes in revenue and operating expenses. The Company's management determined the discount rate using the weighted average cost of capital before tax. Growth rates are based primarily on the growth of the parcel business, international business, financial services, and retail trade, among other factors, in line with the Company's development strategy for 2025–2027. Expected changes in revenue and operating expenses are based on historical experience and expectations regarding future market changes. Cash flow forecasts have been prepared based on the latest financial budgets for the next three years. Beyond this period, the Company's management has extrapolated cash flows based on an expected growth rate that does not exceed the average long-term growth rate for the relevant markets. The calculations were made using the legislation in force as of 31 December 2025.

Intangible assets

As at the reporting dates, intangible assets consist primarily of software, which is amortised over its useful life. As of 31 December 2025, the carrying amount of intangible assets was UAH 187,156 thousand (31 December 2024: UAH 173,781 thousand).

As of 31 December 2025, the Company has contractual obligations to acquire intangible assets totalling UAH 88,852 thousand (31 December 2024 – UAH 263,335 thousand).

Right-of-use assets

In the course of its operations, the Company leases equipment and buildings.

Vehicle lease agreements are entered into for fixed periods of up to 3 years, which may be extended by mutual agreement. In the balance sheet, these assets are included under the heading 'property, plant and equipment'.

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Information on the carrying amount and movements of right-of-use assets for 2025 is presented below:

	Buildings and structures	Vehicles	Total
1 January 2025	697,456	142,090	839,546
Additions	207,720	-	207,720
Adjustment to right-of-use assets resulting from the revaluation of lease liabilities	71,096	-	71,096
Depreciation charges	(321,041)	(22,306)	(343,347)
Disposals	(104,908)	-	(104,908)
Transfers	-	(49,195)	(49,195)
31 December 2025	550,323	70,589	620,912

The carrying amount and movement of the right-of-use asset for 2024 are as follows:

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

Lease liabilities relating to the above-mentioned right-of-use assets are disclosed in Note 16.

Investment property

	2025	2024
Investment property as at 1 January	62,942	65,522
Transferred to the property, plant and equipment category (at cost)	(1,262)	(3)
Transferred to the property, plant and equipment category (at accumulated depreciation)	1,262	1
Transferred to non-current assets and disposal groups held for sale	(614)	-
Disposals	(3,566)	-
Depreciation and impairment losses	(2,565)	(2,578)
As of 31 December		
Cost	72,722	78,163
Accumulated depreciation and impairment	(16,525)	(15,221)
Carrying amount	56,197	62,942

Management has estimated the expected fair value range of investment property as of 31 December 2025 to be between UAH 426,600 thousand and UAH 522,720 thousand (as at 31 December 2024, ranging from UAH 395,000 thousand to UAH 484,000 thousand) without engaging independent appraisers.

Where the Company acts as a lessor, the future minimum payments receivable under operating leases and for all property as of 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
On demand and less than one month	2,656	4,752
From 1 to 3 months	5,313	9,504
From 3 to 12 months	23,908	42,770
From 12 months to 5 years	68,479	98,800
Total undiscounted future rental cash receipts from operating leases	100,356	155,826

Revenue from operating leases in 2025 amounted to UAH 158,104 thousand (in 2024 – UAH 137,334 thousand) and was recognised as part of other operating income.

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

	2025	2024
Cost of sales of goods, works and services	850,132	831,183
Administrative expenses	59,960	37,875
Selling expenses	203	582
Other operating expenses	7,399	5,328
Total depreciation and impairment losses	917,694	874,968

Non-current assets held for sale

As stated in Note 4, effective from 20 October 2019, following changes in Ukrainian legislation, the Company obtained the right to dispose of property through open auction systems. Pursuant to a resolution of the shareholder, represented by the Ministry for Development of Communities and Territories of Ukraine, the Company is reclassifying property from Property, plant and equipment to non-current assets held for sale.

The movement of non-current assets held for sale is presented as follows:

	2025	2024
Non-current assets held for sale as at 1 January 2025	55,930	60,539
Transferred from property, plant and equipment	106,226	-
Transferred from investment property	614	(4)
Transferred to property, plant and equipment	(11,456)	-
Disposed of	(19)	(4,605)
Reversal of impairment	5,481	-
Non-current assets held for sale as of 31 December 2025	156,776	55,930

Net profit from the sale of non-current assets held for sale in 2025 amounted to UAH 16,565 thousand (in 2024 – 67,728 thousand hryvnias) and is included in other income.

Assets pledged

The Company has entered into loan agreements with international financial institutions (Note 15) under which the Ministry of Finance of Ukraine acts as guarantor for the repayment of the debt. As collateral for the guarantee, real estate was pledged as security, the carrying amount of which as of 31 December 2025 is UAH 3,067,824 thousand (as at 31 December 2024, it is UAH 731,491 thousand).

10. INVENTORY

	31 December 2025	31 December 2024
Raw materials	406,095	345,025
Goods for resale	144,048	128,763
Work in progress	-	12
Total inventory	550,143	473,800

Raw materials consist mainly of motor fuel, spare parts for motor vehicles and various materials used in postal operations.

The amount of inventories recognised as expenses during the 2025 period is UAH 1,114,885 thousand (during the 2024 period – UAH 1,160,503 thousand) (Notes 22, 24, 25, 26).

Inventory is carried at the lower of cost or net realisable value. The carrying amount of inventory is adjusted to their net realisable value by creating an inventory impairment provision. As of 31 December 2025, the provision for impairment of inventories amounted to UAH 41,397 thousand (as at 31 December 2024 – UAH 46,722 thousand).

11. TRADE RECEIVABLES FOR GOODS, WORKS, SERVICES, ADVANCES PAID AND OTHER CURRENT RECEIVABLES

As at the reporting date, trade receivables, receivables for work and services, advances paid and other current receivables comprise:

	31 December 2025	31 December 2024
Receivables for goods, works and services:		
For services from postal operators in other countries	354,561	442,156
For postal services with domestic business entities	124,539	97,746
For accrued remuneration payable to the Company	51,705	105,215
For other goods, works and services	23,496	29,041
Provision for impairment	(27,310)	(41,796)
Trade receivables for goods, works and services (carrying amount)	526,991	632,362
Other current receivables:		
With payment systems	93,936	79,285
For compensation of losses incurred as a result of shortages	42,508	44,826
With the Pension Fund and state special-purpose funds	30,962	33,778
For services provided by postal operators in other countries	4,139	3,314
For other current receivables	24,878	23,059
Provision for impairment	(52,500)	(34,566)
Other current receivables (carrying amount)	143,923	149,696
Accounts receivable relating to accrued income	6,791	5,677
Total accounts receivable (carrying amount)	677,705	787,735
Advances paid	166,445	121,295
Accounts receivable from the budget	2,154	8,295
Total receivables and advances paid	846,304	917,325

Trade receivables, net of the estimated provision for impairment as at 31 December, are denominated in the following currencies:

	2025	2024
- Hryvnia	283,901	309,578
- US dollars	42,571	42,847
- SDR	129,403	105,425
- Euro	221,830	329,885
Total trade receivables	677,705	787,735

In accordance with the requirements of IFRS 7, paragraph 13a, and IFRS 32, paragraphs 42, 43, 45 and 46, the Company offsets receivables and liabilities arising from international postal exchange transactions at each reporting date:

- has a legal right – international postal exchange transactions are carried out in accordance with the Universal Postal Union Convention;
- it intends to settle the liabilities on a net basis – this is standard business practice for JSC Ukrposhta and postal operators of UPU member countries regarding expected future cash flows from the settlement of financial instruments: 'the aggregate settlement mechanism will have features whereby credit risk and liquidity risk are eliminated or become insignificant, and whereby accounts receivable and accounts payable are processed in a single settlement process or cycle'.

Offsetting of receivables and payables arising from international postal exchange operations for 2025:

	Carrying amount before consolidation	Offsetting	Carrying amount after write-off
Trade receivables for goods, works and services	1,411,831	(884,839)	526,992
Advances paid	179,977	(13,531)	166,446
Other current receivables	261,402	(117,480)	143,922
Trade payables from core operations	(3,417,914)	977,908	(2,440,006)
Advances received	(158,087)	(24,624)	(182,711)
Other current liabilities	(16,138,040)	23,037	(16,115,003)
Total:	(17,860,831)	(39,529)	(17,900,360)

Offsetting of receivables and payables arising from international postal exchange operations for 2024:

	Carrying amount before write- off	Write-off	Carrying amount after write-off
Trade receivables for goods, works and services	1,365,416	(733,054)	632,362
Advances paid	136,041	(14,746)	121,295
Other current receivables	259,833	(110,137)	149,696
Trade payables from principal operations	(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)
Total:	(6,612,842)	(38,434)	(6,651,276)

Offsetting of receivables and liabilities arising from international postal exchange operations is carried out in the settlement currency; any difference arising from the revaluation of advances at the exchange rate at the end of the reporting period is recognised in profit or loss as exchange differences.

As of 31 December 2025 and 31 December 2024, trade receivables, advances paid and other receivables are interest-free and are settled in the ordinary course of business.

The Company applies the simplified approach to the recognition of provisions for expected credit losses set out in IFRS 9, which permits the use of a provision for expected losses over the entire life of the instrument for all trade receivables. To estimate expected credit losses, trade receivables are grouped into categories based on common credit risk characteristics and days past due. Expected credit loss (ECL) levels are based on sales payment patterns for the 24 months ending 31 December 2025 or 31 December 2024, respectively, and similar historical credit losses incurred during that period. Historical loss rates are adjusted to reflect current and forecast information on macroeconomic factors affecting customers' ability to settle trade receivables.

The estimated provision for credit losses on trade receivables is determined in accordance with the provisioning matrix set out in the table below. The provisioning matrix is based on the number of days past due for the asset.

ECL matrix as of 31 December 2025:

	Loss level	Gross carrying amount	Provision for the entire period
As a % of gross value - not past due			
• Postal operators in other countries	0.00%	358,700	-
• Government agencies and state-owned enterprises	0.58%	136,983	796
• Municipal enterprises	1.70%	11,505	196
• Other enterprises	4.05%	98,929	4,006
• End consumer	0.76%	64,528	491
		670,645	5,489

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	Loss level	Gross carrying amount	ECL for the entire period
- overdue by less than 30 days	16.82%	2,432	409
- overdue by 31 to 60 days	29.87%	4,640	1,386
- overdue by 61 to 90 days	53.74%	1,041	560
- overdue by more than 90 days	100.00%	71,966	71,966
Total financial receivables as of 31 December 2025 (gross carrying amount)		750,724	79,810
Provision for credit losses		(79,810)	-
Total trade receivables as of 31 December 2025		670,914	-

ECL matrix as at 31 December 2024:

	Loss level	Gross carrying amount	ECL for the entire period
As a % of gross value - not overdue			
• Postal operators in other countries	0.00%	445,470	-
• Government agencies and state-owned enterprises	1.06%	186,610	1,985
• Municipal enterprises	2.45%	7,106	174
• Other enterprises	4.18%	84,512	3,535
• End consumer	0.92%	54,007	495
		777,705	6,189

	Loss level	Gross carrying amount	ECL for the entire period
- overdue by less than 30 days	16.75%	6,967	1,167
- overdue by 31 to 60 days	26.88%	4,806	1,292
- overdue by 61 to 90 days	55.89%	2,786	1,557
- overdue by more than 90 days	100.00%	66,156	66,157
Total financial receivables as of 31 December 2024 (gross carrying amount)		858,420	76,362
Provision for credit losses		(76,362)	-
Total financial receivables as of 31 December 2024		782,058	-

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

	2025	2024
Provision for doubtful debts as at 1 January	76,362	102,456
Provision utilised during the year	(11,746)	(15,303)
Reversal of provision during the year	(26,434)	(45,012)
Provision recognised during the year	41,628	34,221
Provision for doubtful debts as of 31 December	79,810	76,362

The company uses a cash-based accounting method, under which cash received under a contract is applied to settle the receivable with the earliest due date. Accordingly, trade receivables are continuously updated, resulting in the reversal of the provision for balances with the longest periods of arrears following their settlement and the recognition of an additional provision for those balances where the days past due have increased.

As at the reporting dates, the carrying amount of financial instruments, including trade receivables, corresponds to their fair value.

	31 December 2025	31 December 2024
Financial assets		
Other financial investments (1035)	15,724	14,676
Trade receivables for goods, works and services (1125)	526,991	632,362
Other current financial receivables* (1140+1155)	56,461	50,906
Cash and cash equivalents (1165)	16,879,386	4,544,101
Short-term deposits with a maturity of more than 3 months	-	210,195
Total financial assets	17,478,562	5,452,240
Financial liabilities		
Trade payables (1615)	2,440,006	4,145,017
Loans (1510+1610)	1,679,908	1,099,166
Long-term trade payables (1515+1610)	1,198,667	-
Other current liabilities (1690)	16,114,997	3,266,490
Total financial liabilities	21,433,578	8,510,673

*Only that portion of Other current receivables which meets the definition of financial assets is included in financial instruments. Consequently, the amount of other current receivables disclosed (1140 + 1155) differs from the sum of these items in the Statement of Financial Position by the amount of receivables that do not meet the definition of financial assets.

Other financial investments are accounted for at fair value. Fair value falls within Level 1 of the fair value hierarchy.

All other financial assets and liabilities are accounted for at amortised cost. Fair value falls within Level 3 of the fair value hierarchy.

Fair value of the EBRD loan

The EBRD loan forms part of a special programme for the implementation of a logistics network development project. The loan is part of a specific market for instruments with specific terms and objectives. In the market for such instruments, there is a limited number of lenders, supranational institutions that finance the specific needs of a large number of companies meeting the eligibility criteria for funding. Consequently, in the opinion of management, such lenders are the 'market-makers' of this specific market.

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

Financial liabilities are carried at amortised cost.

12. CASH AND CASH EQUIVALENTS, AND CURRENT FINANCIAL INVESTMENTS

Cash and cash equivalents comprise cash on hand, funds in demand deposit accounts, cash in transit and short-term deposits with a maturity of up to 3 months.

	31 December 2025	31 December 2024
Cash on demand bank deposit accounts , including	16,701,995	4,441,534
General-purpose bank accounts	1,553,593	2,176,651
Special-purpose bank accounts	15,148,402	2,264,883
Cash on hand	177,391	102,567
Total cash and cash equivalents	16,879,386	4,544,101
Short-term deposits with a maturity over 3 months	-	210,195
Total cash, cash equivalents and current financial investments	16,879,386	4,754,296

JSC 'Ukrposhta'**NOTES TO THE FINANCIAL STATEMENTS**

As at and for the year ended 31 December 2025

All amounts in the tables are stated in thousands of hryvnias

Special-purpose bank accounts consist of cash received from the Pension Fund and the Government for the specific purpose of delivering pensions and other social benefits to citizens as part of state projects such as 'E-Recovery' and 'Winter Support'.

Throughout 2025, JSC "Ukrposhta" continues to perform its functions in accordance with the Cabinet of Ministers of Ukraine Resolution "On Approval of the Procedure for Granting Compensation for Destroyed Real Estate" dated 30 May 2023 No. 600 regarding the financing of housing purchases using a housing certificate.

As of 31 December 2025, the balance of funds in the special-purpose bank account for financing the purchase of housing using a housing certificate stands at UAH 13,170,385 thousand (as at 31 December 2024 – UAH 1,240,512 thousand).

In accordance with the Resolution of the Cabinet of Ministers of Ukraine 'On the Approval of the Procedure for the Implementation of the Pilot Project on the Provision of One-off State Financial Assistance "Winter Support" within the framework of the All-Ukrainian Economic Platform 'Made in Ukraine' dated 20 August 2024 No. 952, JSC 'Ukrposhta' is a participant in the project for the provision of one-off state cash assistance 'Winter Support'. The source of funding for the pilot project is the state budget. In November and December 2025, JSC "Ukrposhta" received funds amounting to UAH 3,797,586 thousand pursuant to the agreement concluded between the Ministry of Social Policy, Family and Unity of Ukraine and JSC Ukrposhta dated 17 November 2025 No. 141125-15/0391/80-2025, into a special-purpose bank account at JSC "Oschadbank", designated exclusively for the provision of one-off state cash assistance "Winter Support" (for 2024: UAH 1,885,357 thousand).

As of 31 December 2025, the balance of funds in the special-purpose bank account for the provision of one-off state cash assistance "Winter Support" amounts to UAH 1,909,567 thousand (as at 31 December 2024 – UAH 927,168 thousand).

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

As of 31 December 2025, the company had no short-term deposits.

As of 31 December 2025, cash, cash equivalents and current financial investments were denominated in the following currencies:

	31 December 2025	31 December 2024
- UAH	16,604,629	3,729,042
- US dollars	13,466	775,576
- Euros	261,197	243,416
- Swiss francs	94	6,262
Total cash, cash equivalents and current financial investments	16,879,386	4,754,296

The table below presents summary information on cash and cash equivalents by credit quality based on Moody's Investors Service ratings:

	31 December 2025	31 December 2024
Cash in demand deposit accounts		
<i>Not past due and not impaired</i>		
AA	719,903	1,236,759
Ca2	15,973,341	-
Ca3	547	2,756,232
unrated	8,204	658,738
Total	16,701,995	4,651,729

As of 31 December 2025, funds in demand deposit accounts and term deposits amounting to UAH 1,553,593 thousand (as at 31 December 2024 – UAH 2,386,846 thousand) were held with three major Ukrainian state-owned banks.

13. ASSETS AND LIABILITIES IN THE OCCUPIED TERRITORIES

The Company owns assets and initially recognised liabilities in the territories of the Donetsk and Luhansk regions, where armed conflict persisted until the full-scale invasion, and in Crimea. Following various dates in 2014, the Company impaired all assets and did not conduct any activities using these assets, nor did it transfer them to territory controlled by the Government of Ukraine.

As at 31 December 2017, management decided to cease recognising liabilities arising from operations in the territory of the temporarily occupied Autonomous Republic of Crimea and certain territories of the Donetsk and Luhansk regions in the amount of UAH 111,846 thousand, as the limitation period for such liabilities had expired and no claims had been made regarding the settlement of such liabilities.

On 24 February 2022, the Russian Federation launched a full-scale military invasion into Ukraine, marking a new phase of armed conflict. This led to significant damage to assets, the occupation of part of the country’s territory by military forces of another state, and the Company has temporarily lost access to its assets located in the temporarily occupied areas of Luhansk, Donetsk, Kherson and Zaporizhzhia regions, as well as in territories subject to potential or active hostilities (certain areas of Sumy, Kharkiv and Dnipropetrovsk regions). The Company continues to assess the impairment of assets and liabilities located in uncontrolled territories. As of 31 December 2025, the Company continues to recognise impairment of assets located in temporarily occupied territories and territories where hostilities are taking place. The amount of impairment of non-current assets is UAH 233,861 thousand as of 31 December 2025 (as at 31 December 2024 – UAH 229,935 thousand).

14. SHARE CAPITAL

As at 31 December 2016, the Company was registered as a state-owned enterprise in accordance with the definition provided for by Ukrainian legislation. In March 2017, Ukrposhta was registered as a JSC, 100% of whose shares are owned by the State of Ukraine. JSC ‘Ukrposhta’ is the legal successor to the state-owned enterprise.

Within the Government, the Company reports directly 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 holds 100% of the Company’s share capital.

In March 2017, the Ukrainian government 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 established by an order of the Within the Government, the Company reports directly to the Ministry for Development of Communities and Territories of Ukraine. The transformation was carried out through the corporatisation and registration of the Company as a JSC with 6,518,597 ordinary shares authorised and issued, each with a nominal value of 1,000 hryvnias. The issued shares are fully paid up at their nominal value.

	Number of ordinary shares	Registered capital
As of 31 December 2024 / As of 31 December 2025	6,518,597	6,518,597

As of 31 December 2025 and 2024, 100% of the Company’s shares are owned by the State of Ukraine, are not subject to disposal, are not listed on a stock exchange and are not traded on the market.

Effect of revaluation and corporatisation

The valuation of the shares of JSC “Ukrposhta” during corporatisation 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 share valuation rules developed by the State Property Fund of Ukraine. The value of the share capital was calculated as the fair value of the assets less the fair value of the liabilities as at the valuation date. A fair valuation is required by the corporatisation rules so that the Government can determine the value of the share capital of the new entity.

As the new entity, JSC “Ukrposhta”, is a continuation of the existing business, assets and liabilities of the previous legal entity, the above-mentioned fair value measurement of assets and liabilities was not reflected in the Company’s financial statements.

The difference between the estimated (fair) value of assets and liabilities and their historical carrying amount, amounting to UAH 5,254,038 thousand, was recognised directly in equity as a separate component of equity, ‘Revaluation effect on corporatisation’.

As at 1 October 2025, the Company revalued property, plant and equipment in the 'Infrastructure property' class in accordance with IAS 16 'Property, Plant and Equipment'. The revaluation gain amounted to UAH 2,687,605 thousand, and after considering deferred taxes— UAH 2,203,836 thousand (Note 9). The net revaluation gain was recognised in other comprehensive income.

In economic terms, the revaluation of property, plant and equipment in the 'Infrastructure Property' class partially offsets the initial negative effect of the revaluation on corporatisation, as that effect arose from the valuation of assets at fair value without applying a revaluation model in the accounts. By switching to the revaluation model for the 'Infrastructure Property' class, the Company effectively restores the value of capital that was contributed by the shareholder when forming the authorised capital of the transformed enterprise.

Accordingly, the Company presents in its financial statements the aggregate effect of revaluations under the item 'Effect of revaluation and corporatisation', which reflects the corresponding component of equity.

As of 31 December 2025, the balance sheet item 'Effect of revaluation and corporatisation' comprises the initial revaluation effect upon corporatisation in the amount of UAH-5,254,038 thousand and the revaluation reserve for 2025 in the amount of UAH 2,203,836 thousand.

	Revaluation effect on corporatisation	Revaluation reserve	Total effect of revaluation and corporatisation
As at 1 January 2024	(5,254,038)	-	(5,254,038)
As of 31 December 2024	(5,254,038)	-	(5,254,038)
Revaluation of property, plant and equipment, net of deferred tax effects	-	2,203,836	2,203,836
As of 31 December 2025	(5,254,038)	2,203,836	(3,050,202)

The Company's net assets

As of 31 December 2025, net assets totalling UAH2,207,520 thousand were, accordingly, less than the Company's registered share capital of UAH 6,518,597 thousand.

In accordance with the requirements of the Law, if the net assets according to the latest annual financial statements amount to less than 50 per cent of the registered share capital or have decreased by more than 50 per cent compared to the same figure as at the end of the previous year, the Company's Supervisory Board is obliged, within three months of the date of approval of such financial statements, to take all necessary steps to prepare and convene a general meeting, the agenda of which shall include matters concerning measures to be taken to improve the Company's financial position, the reduction of the Company's authorised capital, or the liquidation of the Company.

Management believes that this issue will not have a material adverse effect on the Company's operations or financial statements and will be resolved through the implementation of measures provided for in the Company's strategy regarding the phased improvement of the Company's financial position over the next three years or sooner. Accordingly, the issue of reducing the Company's authorised capital is not an appropriate or necessary measure.

Dividends distribution

The amount of profit allocated for the payment of dividends is determined on the basis of the Company's financial statements prepared in accordance with IFRS. Under Ukrainian law, the amount of dividends may not exceed the net profit for the reporting year or other reserves designated for distribution, and is limited to the amount of retained earnings as shown in the financial statements prepared in accordance with IFRS.

The Company must adopt a resolution on the payment of dividends by 30 April, and their transfer to the state budget must take place by 30 June of the year following the reporting year.

The Cabinet of Ministers of Ukraine annually approves the rate of profit allocation for dividend payments by a separate resolution. In the absence of such a resolution 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 the Management of State Property" No. 185-V of 21 September 2006.

Based on the results of its financial and operational activities in 2025 and 2024, the Company will 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

Borrowed funds consist of a loan from the European Bank for Reconstruction and Development (EBRD). The carrying (amortised) amount of the loan liabilities is:

Bank	Loan currency	Maturity date	31 December 2025	31 December 2024
European Bank for Reconstruction and Development	Euro	20 June 2032**	3.1375%* 1,679,908	3.6500%* 1,099,166
Long-term bank loans (line 1510)			1,262,490	833,028
Current portion of bank loans (line 1610)			417,418	266,138

* The loan has a floating interest rate, defined as 6M EURIBOR + 1% EBRD margin; the table shows the rate as at the relevant reporting date.

** The final maturity date of the liability is 20 June 2032 (maturity date of Tranche 2).

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

	2025	2024
Opening balance as at 1 January	1,099,166	1,008,015
Cash flows		
Interest paid	(58,985)	(64,315)
Loan repayment	(342,495)	(232,126)
Raising funds	772,702	302,077
Non-cash movements		
Amortisation of discount (premium)	(15,860)	(20,752)
Interest accrued during the period	56,972	63,673
Foreign exchange losses accrued during the period	168,408	42,594
Closing balance as of 31 December	1,679,908	1,099,166

Term loans

In October 2020, the Company signed a financing agreement with the European Investment Bank (EIB) 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 EIB loan funds. The agreement provides for financing for a term of up to 20 years with the option of a fixed or floating interest rate.

As of 31 December 2025, no funds had been drawn down under the loan agreement with the EIB. In 2025, the Company submitted a formal request to the EIB to cancel the loan facility, as the financing under the agreement had not actually been utilised.

In November 2020, the Company signed a loan agreement with the EBRD to receive a loan of EUR 63 million. The loan consists of three tranches, namely:

Tranche 1 and Tranche 3, amounting to EUR 23 million and EUR10 million respectively, to finance the completion of the 'Rural Post Office' project, which involves the procurement of new, fully equipped vehicles (up to 1,900 vehicles) for mobile postal branches in 17 regions, POS terminal equipment (3-in-1 devices) and the implementation of a new Front Office system for the digitisation and automation of postal services. Tranches 1 and 3 are provided for a term of up to 8 years.

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

Under the loan agreement with the EBRD, either a fixed or floating interest rate may apply.

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

- a mortgage over the Company's rights to immovable property in an amount equal to the financing under the EBRD and EIB loans. Mortgage agreements dated 1 October 2021 and 27 October 2023 had been concluded with the Ministry of Finance of Ukraine for principal amounts of EUR 63 million and EUR 30 million respectively;
- the right to contractually write off funds in the amount of outstanding liabilities 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 usage regime.

As of 31 December 2025, funding under the loan agreement with the EBRD had been received in the amount of EUR 53,109 thousand, with EUR 18,662 thousand repaid; the total debt as of 31 December 2025 was EUR 34,447 thousand euros, and the amortised cost of the loan obligations was UAH 1,679,908 thousand.

As at 31 December 2024, funding under the loan agreement with the EBRD amounted to EUR 37,078 thousand, with EUR 11,635 thousand repaid; the total outstanding balance as at 31 December 2024 was EUR 25,443 thousand, and the amortised cost of the loan obligations was UAH 1,099,166 thousand.

Analysis of compliance with financial covenants

Based on the calculation of covenants as of 31 December 2025:

- EBITDA to Net Financial Expenses ratio = 6.4 (with a minimum requirement of ≥ 5.0) – requirement met.
- Financial debt to EBITDA ratio = 3.3 (with a maximum permissible limit of ≤ 3.5) – requirement met.

16. OTHER LIABILITIES

Other liabilities consist of the long-term portion of trade payables to the postal operator and liabilities under transport and property lease agreements.

	31 December 2025		31 December 2024	
	Short-term	Long-term	Short-term	Long-term
Liabilities under long-term restructured trade payables	174,267	1,023,448	-	-
Liabilities under lease agreements (real estate)	304,648	323,669	278,713	489,889
Liabilities under lease agreements (vehicles)	8,253	45,751	49,022	52,069
Other liabilities	-	952	-	1,016
Total liabilities	487,168	1,393,820	327,735	542,974

In 2025, the Company recognised long-term liabilities at present value following a decision by one of the postal operators to defer the repayment of trade payables, which had arisen prior to 2024, for a period of five years starting from 2026. As a result of the initial recognition of this liability at present value, the Company recognised discount income of UAH 302,585 thousand (Note 27).

The movement in liabilities for long-term restructured trade payables in 2025 is presented below:

	Liabilities under long-term restructured trade payables
1 January 2025	-
Reclassification of trade payables to non-current liabilities	1,443,735
Recognition of discount on initial recognition of the liability	(302,585)
Amortisation of discount	37,959
Exchange differences	18,606
31 December 2025	1,197,715

The movement in lease liabilities in 2025 is shown below:

	Liabilities under lease agreements (transport)	Liabilities under lease agreements (real estate)
1 January 2025	101,091	768,602
Receipts	-	207,720
Revaluation of liabilities	-	71,096
Accrued interest	14,481	139,541
Payments	(61,205)	(427,397)
Disposals	-	(131,245)
Other changes	(363)	-
31 December 2025	54,004	628,317

The movement in lease liabilities in 2024 is shown below:

	Liabilities under lease agreements (transport)	Liabilities under lease agreements (real estate)
1 January 2024	170,181	552,920
Receipts	-	447,953
Revaluation of liabilities	-	43,446
Accrued interest	13,048	130,155
Payments	(99,180)	(346,025)
Disposals	-	(59,847)
Other changes	17,042	-
31 December 2024	101,091	768,602

The lease agreements do not contain any covenants other than those ensuring the fulfilment of obligations in respect of the leased assets belonging to the lessor. However, vehicle lease agreements serve as security for borrowings. The total value of such security as of 31 December 2025 is UAH 70,589 thousand (as at 31 December 2024 – UAH 142,090 thousand).

The Company has reviewed the right-of-use asset for leased property and the related liability due to a change in the material terms of the contracts. The renewal 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 previous agreements were written off and the corresponding adjustments were reflected in the financial statements.

No new finance lease agreements were entered into during 2025.

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

	2025		2024	
	Minimum lease payments	Present value of lease payments	Minimum lease payments	Present value of lease payments
Up to one year	432,717	312,900	481,654	327,735
From one to five years	482,477	342,829	763,830	510,077
Over five years	65,196	26,592	83,770	31,881
Total minimum lease payments	980,390	682,321	1,329,254	869,693
Less future finance costs	(298,069)	-	(459,561)	-
Present value of minimum lease payments	682,321	682,321	869,693	869,693

For 2025, expenses under lease agreements for low-value non-current assets amount to UAH 39,533 thousand (for 2024 – UAH 38,957 thousand).

17. TRADE PAYABLES RELATING TO CORE OPERATIONS

Trade payables from core operations consist primarily of amounts payable to other postal operators and other trade payables.

As of 31 December 2025, 84% of trade payables from core operations were denominated in SDRs, 14% in UAH, 1% in US dollars and 1% in euros (as at 31 December 2024, 92% of trade payables from core operations were denominated in SDRs, 7% in UAH, 0.3% in US dollars and 0.3% in euros).

As of 31 December 2025, trade payables from core operations amounting to UAH 2,079,236 thousand represent liabilities payable to other postal operators (as at 31 December 2024 – UAH 3,848,655 thousand).

Trade payables arising from principal operations represent unsecured financial liabilities. Trade payables to counterparties in Ukraine are generally settled 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. Trade payables to postal operators in other countries are generally settled within 6 months to 2 years.

In the first half of 2025, an agreement was signed with one of the postal operators regarding the restructuring of the debt, as a result of which the Company reclassified part of the trade payables as long-term liabilities and recognised them at amortised cost. As of 31 December 2025, the long-term portion of these liabilities amounted to UAH 1,023,448 thousand, and the short-term portion to UAH 174,267 thousand. (Note 16).

The fair value of trade payables arising from the Company's principal activities is approximately equal to their carrying amount.

18. PROVISIONS AND OTHER PROVISIONS

The Company accrues provisions for holiday pay, bonuses, provisions related to legal claims, and provisions for other claims.

	31 December 2025		31 December 2024	
	short-term	Long-term	short-term	long-term
Provision for vacations	666,426	162,208	766,375	-
Provision for bonus payments	81,778	-	102,954	-
Provisions relating to legal claims	73,562	-	33,498	-
Provisions for other claims	71,974	-	103,703	-
Total provisions	893,740	162,208	1,006,530	-

Provisions for holiday pay comprise long-term and short-term components.

Accrued bonuses are payable within three months of the reporting date.

Provisions relating to legal claims have been established in respect of a number of legal disputes to which the Company is a party. The main increase in provisions in 2025 is related to the creation of a provision in the amount of UAH 32,968 thousand for claims by the prosecution authorities regarding the legal status of certain real estate properties transferred to the Company's share capital during corporatisation (Note 32).

As of 31 December 2025, provisions for other claims include an accrued provision for outstanding settlements with social protection authorities based on a legal obligation arising from past events in the amount of UAH 62,843 thousand (as at 31 December 2024 – UAH 103,703 thousand). In addition, provisions as of 31 December 2025 include provisions for the payment of penalties for breaches of settlement deadlines for foreign economic transactions in the amount of UAH 9,131 thousand.

Information on the carrying amount and movements of provisions for 2025 is provided below:

	Provisions for vacations	Provisions for bonus payments	Provisions related to legal claims	Provisions related to other claims
1 January 2025	766,375	102,954	33,498	103,703
Accrued for the year	656,907	178,245	57,886	9,131
Unused portion reversed	-	-	(17,822)	(33,246)
Used during the year	(594,648)	(199,421)	-	(7,614)
31 December 2025	828,634	81,778	73,562	71,974

The carrying amount and movements in provisions for 2024 are shown below:

	Provisions for vacations	Provision for bonus payments	Provisions relating to legal claims	Provisions relating to other claims
1 January 2024	613,829	105,712	28,988	170,973
Accrued for the year	663,602	274,934	7,593	-
Unused portion reversed	-	-	(3,083)	(67,270)
Used during the year	(511,056)	(277,692)	-	-
31 December 2024	766,375	102,954	33,498	103,703

19. DEFERRED REVENUE

Deferred revenue comprises the following components:

<i>(in thousands of hryvnias)</i>	31 December 2025	31 December 2024
Unused postage stamps	208,761	150,767
Delivery of periodicals	153,151	141,201
Delivery of parcels and small packages	103,026	84,393
Acceptance of cash payments and electronic transfers	8,762	10,733
Other	149	208
Total deferred revenue	473,849	387,302

Unused postage stamps represent advance payments for stamps purchased by the public and businesses but not yet used as at the reporting date. The valuation of this deferred income item is based on the application of various valuation methods and sampling, utilising data from external experts where appropriate (see Note 4).

20. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following accounts payable:

<i>(in thousands of hryvnias)</i>	31 December 2025	31 December 2024
Advances received under housing certificates	13,170,385	1,240,512
"Winter Support" financial assistance	1,900,065	923,325
Money transfers pending disbursement to clients	323,231	402,321
Receivables for goods sold	213,125	127,870
Payables to publishers	186,828	207,570
Payments received by utility companies	105,659	140,968
Advances received for pensions and other social benefits	83,796	113,776
Other	131,908	110,148
Other current liabilities	16,114,997	3,266,490

Other current liabilities are unsecured financial liabilities that are predominantly denominated in hryvnia and are generally settled within 60 days of recognition. The fair value of other current liabilities approximates their carrying amount.

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

21. REVENUE FROM SALES OF GOODS, WORKS AND SERVICES

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

<i>(in thousands of hryvnias)</i>	2025	2024
National postal services	7,858,699	7,662,591
Delivery of parcels and small packages	4,218,064	3,986,973
Letters	1,728,109	1,690,882
International postal exchange	1,215,932	1,333,897
Delivery of bills and information materials	328,653	293,226
Subscriptions and delivery of periodicals	274,368	272,732
Other postal services	93,573	84,881
Financial and related services	4,290,329	4,518,976
Delivery of pensions and other social benefits	2,577,017	2,787,848
Utility payments	1,301,769	1,302,641
Postal money transfers	322,822	332,345
Other financial services	88,721	96,142
Sale of own and commissioned goods	964,278	790,538
Other commercial services	5,113	5,903
Total revenue from sales of goods, works and services	13,118,419	12,978,008

Revenue generated from sales to customers in the 5 main countries is shown below*:

<i>(in thousands of hryvnias)</i>	2025	2024
Ukraine	12,126,402	11,644,791
Estonia	581,686	326,938
Latvia	337,434	671,080
Georgia	28,666	42,413
Uzbekistan	14,277	9,174
Other countries	29,954	283,612
Total revenue from sales of goods, works and services	13,118,419	12,978,008

* The geographical analysis is presented based on the location of the counterparty to whom the Company provides the service.

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

<i>(in thousands of hryvnias)</i>	2025	2024
At a certain point in time	12,882,294	12,747,203
Delivery of parcels and small packages	4,218,064	3,986,973
Delivery of pensions and other social benefits	2,577,017	2,787,848
Letters	1,728,109	1,690,882
International postal exchange	1,215,932	1,333,897
Utility payments	1,301,769	1,302,641
Sale of own and commissioned goods	964,278	790,538
Other postal services	422,227	378,107
Postal money transfers	322,822	332,345
Other financial services	88,721	96,142
Subscription fee	38,243	41,927
Other commercial services	5,112	5,903
During the period	236,125	230,805
Delivery of periodicals	236,125	230,805
Total revenue	13,118,419	12,978,008

The amount of revenue from international postal exchange includes a significant portion for which the reconciliation process with postal operators in other countries had been partially completed as at the date of approval of these financial statements, with corresponding adjustments to estimated revenue amounts.

22. COST OF SALES OF GOODS, WORKS AND SERVICES

The cost of sales of goods, works and services for the year comprised the following components:

<i>(in thousands of hryvnias)</i>	2025	2024
Payroll	4,978,891	4,956,711
Payments to foreign postal operators	1,253,178	1,297,799
Material cost	1,099,655	1,119,535
Social security taxes	1,076,484	1,067,817
Depreciation and amortisation	850,132	831,183
Cost of goods sold and other finished goods	330,555	264,442
Maintenance of non-current assets	246,814	149,640
Current repairs and maintenance of premises	233,453	251,428
Bank fees	184,629	167,398
Communication costs	132,823	132,708
Lease of property	39,533	38,957
Other	1,129,328	1,261,917
Total cost of sales of goods, works and services	11,555,475	11,539,535

Payments to foreign postal operators represent expenses incurred for international postal exchange and account for a significant portion of the total; the reconciliation process with postal operators in other countries had been partially completed as at the date of approval of these financial statements, with corresponding adjustments to the estimated amounts of expenses.

23. OTHER OPERATING INCOME

Other operating income for the year comprised the following components:

<i>(in thousands of hryvnias)</i>	2025	2024
Income from property rent	158,104	137,334
Compensation for lost postal items	20,452	14,785
Income from reversal of impairment of inventories and non-current assets held for sale	10,782	-
Income from write-off of trade payables	6,825	187,913
Income from current assets received free of charge	5,575	5,110
Income from unclaimed transfers after expiry of their retention periods	4,983	12,225
Income from currency exchange services	83	92
Other	36,441	36,789
Total other operating income	243,245	394,248

In 2024, the Company recognised income from the write-off of trade payables in the amount of UAH 156,580 thousand based on a decision by a postal operator to forgive the debt that had arisen as of 31 December 2024.

24. ADMINISTRATIVE EXPENSES

Administrative expenses for the year comprised the following components:

<i>(in thousands of hryvnias)</i>	2025	2024
Payroll	1,177,459	1,179,645
Social security taxes	239,906	230,318
Mandatory payments, taxes and duties	113,359	106,660
Depreciation and amortisation	59,960	37,875
Material cost	12,805	19,851
Other	51,175	56,088
Total administrative expenses	1,654,664	1,630,437

Administrative expenses include, but not limited to, costs for statutory audit services of the annual financial statements and costs for the performance of agreed-upon procedures regarding financial information.

25. SELLING EXPENSES

Selling expenses for the year comprised the following components:

<i>(in thousands of hryvnias)</i>	2025	2024
Payroll	181,110	204,342
Social security taxes	38,370	42,010
Advertising costs	24,828	24,364
Material cost	7,726	15,256
Depreciation and amortisation	203	582
Other	481	870
Total selling expenses	252,718	287,424

26. OTHER OPERATING EXPENSES

Other operating expenses for the year comprised the following components:

<i>(in thousands of hryvnias)</i>	2025	2024
Foreign exchange losses	117,557	187,212
Compensation for lost postal items	48,618	59,339
Payroll	40,215	36,365
Social security taxes	25,304	23,526
Provisions for legal and other claims	20,962	(62,760)
Provision for doubtful debts	20,681	10,768
Fines and penalties	13,219	25,161
Shortfall in inventories and cash	14,223	12,256
Material cost	-	5,861
Depreciation and amortisation	2,823	2,977
Impairment of non-current assets	4,576	2,351
Other	5,130	14,648
Total other operating expenses	313,308	317,704

The net compensation for the value of lost postal items for 2025, after deducting reimbursement amounts (Note 23), amounts to UAH 28,166 thousand (for 2024 – UAH 44,554 thousand).

27. OTHER FINANCIAL INCOME

Financial income for the year comprised the following components:

<i>(in thousands of hryvnias)</i>	2025	2024
Income from the initial recognition of long-term liabilities	302,585	-
Interest received on bank account balances	84,034	102,516
Other	21,052	20,892
Total financial income	407,671	123,408

28. OTHER INCOME

<i>(in thousands of hryvnias)</i>	2025	2024
Gain from the sale of non-current assets	167,338	67,728
Income from non-current assets received free of charge	41,498	1,608
Gain on disposal of right-of-use assets	26,538	10,268
Gain on changes in the fair value of financial instruments	1,048	1,258
Other	2,021	1,432
Total other income	238,443	82,294

29. FINANCIAL EXPENSES

Financial expenses for the year comprised the following components:

<i>(in thousands of hryvnias)</i>	2025	2024
Accrued interest on lease liabilities	154,022	143,203
Financial expenses on bank loans	56,972	63,673
Amortisation of discount on long-term trade payables	37,959	-
Other	5,180	117
Total financial expenses	254,133	206,993

30. OTHER EXPENSES

<i>(in thousands of hryvnias)</i>	2025	2024
Non-operating exchange rate differences	186,466	59,684
Contributions to trade unions	22,692	19,540
Write-offs of non-current assets	815	7,253
Other	1,650	1,443
Total other expenses	211,623	87,920

31. INCOME TAX

	2025	2024
Current income tax expense	-	-
Deferred income tax income	(27,592)	(78,851)
(Income) from income tax	(27,592)	(78,851)

The Company is subject to taxation in Ukraine. In 2025 and 2024, the Company's income tax was levied on the amount of taxable income, net of expenses reducing the tax base, at a rate of 18%.

Reconciliation of the effective tax rate:

	2025	2024
Profit/(loss) before tax	(234,143)	(492,055)
Statutory income tax rate	18%	18
Tax expense/(income) at the statutory rate	(42,146)	(88,570)
Net effect of non-deductible expenses/(tax-exempt income)	14,554	9,719
Items for which deferred tax was not recognised in prior periods	-	-
Income tax	(27,592)	(78,851)

Differences between Ukrainian tax rules and IFRS result in certain temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

Changes in recognised temporary differences during the year ended 31 December 2025 are presented as follows:

	1 January 2025	Recognised in profit or loss	Recognised in other comprehensive income	31 December 2025
Property, plant and equipment and investment property	(140,347)	23,510	(483,769)	(600,606)
Intangible assets	(454)	(23)	-	(477)
Non-current assets held for sale	(4,905)	(8,583)	-	(13,488)
Inventories and provisions	33,942	3,983	-	37,925
Accounts receivable	17,428	150	-	17,578
Cash and financial assets	5,684	1	-	5,685
Tax losses from previous periods	423,074	8,554	-	431,628
Net deferred tax assets (liabilities)	334,422	27,592	(483,769)	(121,755)

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 against accumulated tax losses in the amount of UAH 431,628 thousand as of 31 December 2025 will be recovered within the next 5 years following the reporting date, subject to the conditions and requirements of current tax legislation.

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

	1 January 2024	Recognised in profit or loss	31 December 2024
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
Trade receivables	13,858	3,570	17,428
Cash and financial assets	6,588	(904)	5,684
Tax losses from previous periods	343,667	79,407	423,074
Net deferred tax assets (liabilities)	255,571	78,851	334,422

It is expected that all tax differences, except those relating to property, plant and equipment and investment property, will be realised within the next two accounting periods.

32. CONTINGENT AND OTHER LIABILITIES

Tax legislation. Tax, foreign exchange and customs legislation in Ukraine is subject to frequent changes and may be open to different interpretations. The relevant state and local authorities may interpret legislative provisions differently from the Company's management in the context of the Company's activities and the transactions carried out within its framework. Recent events in Ukraine indicate that the tax authorities may adopt a more aggressive stance in their interpretation of the law, and there is a

possibility that the Company's transactions and activities, which were not previously challenged, may be challenged. As a result, significant additional amounts of tax, fines and penalties may be assessed. The tax authorities may audit tax matters for financial periods up to three calendar years after their end. In certain circumstances, an audit may cover longer periods.

Ukrainian tax administration is gradually becoming more stringent, including an increased risk of audits of transactions that lack a clear financial or business purpose or are carried out with counterparties that do not comply with tax legislation. The tax authorities may audit tax matters in financial periods for up to three calendar years after their end. In certain circumstances, an audit may cover longer periods.

Impairment of assets. The Company has recognised the impairment of its non-current assets located in the temporarily occupied areas of the Luhansk, Donetsk, Kherson and Zaporizhzhia regions and in territories subject to potential or active hostilities (certain areas of the Sumy, Kharkiv and Dnipropetrovsk regions) (Note 13). The tax authorities may review this transaction and interpret it differently; as a result, indirect taxes amounting to UAH 90.6 million (including penalties) may be assessed following the impairment of assets. Management believes it has compelling arguments to successfully defend its position in the event of such an appeal and has not recognised a provision for this tax risk in these financial statements.

Environmental issues. The system of measures to comply with environmental legislation in Ukraine is still developing, and the authorities' stance on its implementation is constantly being reviewed. Where liabilities arise, they are recognised in the financial statements in the period in which they arise. Potential liabilities that may arise as a result of changes in current regulations and legislation, as well as legal proceedings, are not subject to assessment but may have a material impact. Under the current arrangements, which ensure compliance with applicable legislation, management believes that there are no material liabilities arising from environmental pollution.

NKT liabilities. As stated in Note 13, the Company has ceased to recognise the liabilities of its subsidiaries arising from their operations in the temporarily occupied Autonomous Republic of Crimea and certain districts of the Donetsk and Luhansk regions. For liabilities of a specific nature, claims for debt recovery may arise in the future; however, management assesses the likelihood of such events occurring as sufficiently insignificant and remote.

Legal matters. Legal proceedings. The Company is a party to a number of legal disputes initiated by the public prosecutor's office, the subject of which is the recovery from the Company of certain items of immovable property transferred to the authorised capital of JSC 'Ukrposhta' during the corporatisation of the state-owned enterprise for the benefit of the Company's Shareholder. The claims are based on the plaintiffs' position that the property transferred to the authorised capital allegedly did not change the legal regime of state ownership and cannot be owned by the company. The Company disagrees with this position and considers that the property transferred to the authorised capital during the corporatisation belongs to the Company by right of ownership in accordance with the legislation of Ukraine.

In 2024–2025, the Verkhovna Rada of Ukraine adopted a number of legislative amendments, in particular the Law of Ukraine No. 3587-IX of 22 February 2024 'On Amendments to Certain Legislative Acts of Ukraine Regarding the Improvement of Corporate Governance' and the Law of Ukraine No. 4196-IX of 9 January 2025 'On the Specifics of Regulating the Activities of Legal Entities of Certain Organisational and Legal Forms During the Transition Period and Associations of Legal Entities'. These laws have resolved conflicts in legislation regarding the legal regime of property transferred to the authorised capital of business entities with state ownership, and have confirmed that such property belongs to the relevant business entities by right of ownership, regardless of the date of their establishment or corporatisation.

As of 31 December 2025, a number of claims brought by the Public Prosecutor's Office seeking the recovery of certain items of the Company's immovable property are pending before the courts. Some of the court decisions have been made in favour of the claimants, and some in favour of the Company. Appeals and cassation appeals have been lodged or are being prepared against the decisions not in favour of the Company, and the cases are ongoing.

In connection with these legal disputes, the Company established a provision of UAH 32,968 thousand in 2025, which is included in provisions (Note 18).

The Company's management believes that the final resolution of these disputes depends to a large extent on the application of the legislative amendments adopted and on a departure from the existing legal position established by the Supreme Court prior to the repeal of the Commercial Code of Ukraine and the

resolution of the legal issue prior to the adoption of the aforementioned legislative amendments. The final outcome of the legal disputes may differ from management's assessments.

Notwithstanding the Company's disagreement with the Prosecutor's Office's position regarding the grounds and legal justifications for the claims brought, which the Company sets out in procedural documents within the context of the legal proceedings, the Company's management believes that the resolution of these issues lies largely outside the Company's competence and falls within the remit of the Government, the Company reports directly to the Ministry for Development of Communities and Territories of Ukraine as the sole shareholder (owner of 100% of the shares) of JSC 'Ukrposhta'.

33. FINANCIAL RISK MANAGEMENT

In the course of its operations, the Company is exposed to numerous financial risks, including market risk (comprising 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 ensure that these limits are not exceeded.

The risk management function is carried out by the central treasury in close cooperation with the operational departments and in accordance with the policy approved by the Board. The Company's treasury identifies, assesses and recommends risk management methods to minimise risks.

Credit risk. The Company is exposed to credit risk, which arises when the other party to a contract is unable to fully meet its obligations when they fall due. Credit risk arises in connection with bank accounts in which the Company's cash and cash equivalents are held, as well as deposit funds classified as current financial investments in the Statement of Financial Position, and transactions with customers, including outstanding receivables.

Credit risks are analysed and monitored separately for each specific customer. Credit assessments are carried out for all customers seeking a loan in excess of the established limit.

The Company's management analyses outstanding receivables from core operations by maturity and subsequently monitors overdue balances. Consequently, management considers it appropriate to disclose information on the maturity of receivables and other information regarding credit risk in these financial statements.

The maximum amount exposed to credit risk as at the reporting date is UAH 17,379,700 thousand (as of 31 December 2024 – UAH 5,439,465 thousand) and represents the carrying amount of financial receivables, payables arising from accrued income and cash in bank accounts. The Company does not secure its receivables with collateral.

In the opinion of the Company's management, credit risk is adequately reflected in the provisions for impairment of the relevant assets (see Note 11).

Concentration of credit risk.

The Company analyses the concentration of credit risk. As of 31 December 2025, trade and other financial receivables from the Company's three largest debtors amounted to UAH 130,252 thousand, or 19% of the total amount of such receivables (as of 31 December 2024 – UAH 161,313 thousand, or 21%). Management continuously monitors the situation with key debtors to ensure timely payment for the services provided by the Company.

Market risk. The Company is exposed to market risks. Market risks relate to open positions in (a) foreign currencies and (b) interest-bearing assets and liabilities, which are largely dependent on general and specific market movements. Management sets limits on the amounts of risk that may be acceptable to the Company and monitors compliance with these limits on a daily basis. However, the application of this approach does not prevent losses from occurring beyond these limits in the event of more significant market changes.

The sensitivity to market risks shown below is based on a change in a single factor whilst all other factors remain constant. In practice, this occurs very rarely, and changes in some factors may be interrelated – for example, changes in interest rates and changes in exchange rates.

Currency risk. The Company operates primarily in Ukraine; therefore, its exposure to currency risk relates mainly to borrowings, cash and deposits denominated in US dollars or euros, as well as trade receivables and payables denominated in SDRs. Increased uncertainty in Ukraine has led to volatility in the currency market and caused a sharp fall in the hryvnia exchange rate against major foreign currencies.

The table below shows the concentration of the Company's currency risk as at the end of the reporting periods in relation to the US dollar, SDRs and the euro:

	31 December 2025	31 December 2024
Monetary financial assets	668,467	1,497,150
Monetary financial liabilities	(3,409,995)	(4,950,914)
Net balance sheet position	(2,741,528)	(3,453,764)

A 10% appreciation or depreciation of the SDR, US dollar and euro against the hryvnia would result in an increase or decrease in the Company's net financial result of UAH 224,806 thousand, respectively (as of 31 December 2024 – UAH 283,209 thousand).

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

Interest rate risk. Borrowings raised at a floating rate expose the Company to fair value interest rate risk. The Company does not actively manage its interest rate risk, as it is considered immaterial.

Information on the maturity dates and interest rates of borrowings is provided in Note 15. The interest rate on floating-rate instruments is reviewed upon maturity.

The effect of a 1% (100 basis points) change in the interest rate on profit before tax in thousands of hryvnias is shown below:

	31 December 2025	31 December 2024
Change in rate by +1%	(16,799)	(10,992)
Rate change of -1%	16,799	10,992

Reasonable possible changes 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 affect its financial statements, as it has no significant investments in securities and financial instruments that could be subject to this risk.

Liquidity risk. Liquidity risk is the risk that an entity will face difficulties in meeting its financial obligations.

Prudent liquidity risk management involves ensuring that there are sufficient cash and other liquid financial instruments available to meet existing obligations as they fall due. The Company currently manages liquidity by monitoring accounts receivable and accounts payable, as well as expenditure on business transformation programmes requiring capital expenditure. The table below shows the Company's liabilities by remaining maturity dates as specified in the agreements. The amounts in the table represent undiscounted cash flows under the agreements.

The following is an analysis of financial liabilities by maturity as of 31 December 2025:

	Up to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Total
Liabilities					
Other current liabilities (line 1690)	16,114,997	-	-	-	16,114,997
Trade payables from principal operations (line 1615)	2,440,006	-	-	-	2,440,006
Borrowed funds (lines 1610 and 1510 and included in the item 'Current payables arising from long-term liabilities')	1,783	466,894	1,202,381	196,627	1,867,685
Liabilities under discounted trade payables (included in the items 'Other long-term liabilities' and 'Current trade payables arising from long-term liabilities')	-	174,267	1,292,091	-	1,466,358
Lease liabilities (included in the items 'Other long-term liabilities' and 'Current payables arising from long-term liabilities')	-	432,717	482,477	65,196	980,390
Total future payments, including principal and interest	18,556,786	1,073,878	2,976,949	261,823	22,869,436

The following is an analysis of financial liabilities by maturity as of 31 December 2024:

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

34. CAPITAL MANAGEMENT

The Company's objective in managing its capital is to ensure its continued operation as a going concern, so as to generate profits for shareholders and benefits for other stakeholders. At present, the Company does not have a formal capital management policy.

The Company manages its capital with the aim of maintaining a sufficient level of equity to ensure stable operations, meet its obligations and implement its strategic development plans.

The Company does not have a separately approved internal capital management policy. Capital management is carried out within the framework of the general financial management system and in accordance with regulatory requirements. At the same time, the Company's activities are subject to the prudential requirements established by the National Bank of Ukraine for non-bank payment service providers, in particular regarding the minimum amount of regulatory capital and compliance with the relevant standards. The calculation of regulatory capital for the purposes of compliance with prudential requirements is carried out in accordance with the regulatory acts of the National Bank of Ukraine and may differ from the equity figures disclosed in the financial statements.

The Company regularly monitors compliance with the requirements set by the regulator and submits the relevant regulatory reports to the National Bank of Ukraine.

As of 31 December 2025, the Company complied with the regulator's requirements regarding the adequacy of regulatory capital and other prudential standards set out in the regulatory acts of the National Bank of Ukraine, which contributes to maintaining the Company's financial stability and business continuity.

35. EVENTS AFTER THE REPORTING DATE

Military aggression

Since the reporting date, JSC "Ukrposhta" has continued to operate amid Russia's full-scale armed aggression against Ukraine. As at the date of submission of the annual financial statements for 2025, there have been no significant changes affecting the stability of the Company's operations.

As at the date of approval of the financial statements, the territories of the Autonomous Republic of Crimea, as well as certain territories of the Donetsk, Luhansk, Kherson, Kharkiv, Zaporizhzhia, Sumy and Dnipropetrovsk regions, remain temporarily occupied. At present, the Company's network comprises approximately 28,900 points of presence.

The Company's management is constantly monitoring developments and taking measures to ensure business continuity, in particular by maintaining the operation of the network of post offices, promptly adjusting logistics routes and utilising backup power supplies.

Despite these circumstances, the Company continues to provide postal and financial services throughout Ukraine, where possible given the security situation.

These circumstances are a continuation of events existing as at the reporting date and do not require any adjustment to the financial statements for 2025.

Energy and logistics situation

During the winter of 2025–2026, particularly in January–February 2026, as a result of attacks on Ukraine's energy infrastructure and adverse weather conditions, including low temperatures and heavy rainfall, many regions of the country experienced disruptions to electricity, heating and water supplies. During this period, emergency or stabilisation power cuts were implemented.

In addition, isolated damage to transport infrastructure caused by shelling, particularly in the southern regions of Ukraine, periodically led to temporary traffic restrictions on certain sections of roads and hampered the operation of the logistics infrastructure.

Under these conditions, the Company made operational adjustments to logistics routes, utilised backup power sources (generators) and incurred additional costs associated with ensuring the uninterrupted operation of the network of post offices and the provision of postal and financial services.

Inspection by the National Bank of Ukraine

From November 2025 to January 2026, the National Bank of Ukraine conducted an audit of the Company's activities as a non-bank payment service provider.

As at the date of approval of these financial statements, the Company has received the audit report. However, the National Bank of Ukraine has not yet taken a decision on the application of enforcement measures against the Company.

Consequently, it is not currently possible to reliably assess the potential impact of the audit findings, including any potential orders or financial sanctions. Should enforcement measures be imposed, their consequences may affect the Company's financial results for 2026.

The Company continues to engage with the regulator on matters arising during the audit.

Absence of other significant events

At the time of approval of the financial statements, no other significant events were identified that affect the company's stability and would require adjustment or disclosure in the financial statements for the year ended 31 December 2025.

Approved for issue and signed on 30 March 2026.



I. Smelyansky
Chief Executive Officer



M. Paliy
Deputy Chief Executive Officer for
Financial Affairs



I. Khrypchenko
Chief Accountant