



## CONSOLIDATED MANAGEMENT REPORT

including Social Responsibility Report and Consolidated and Separate Financial Statements prepared according to the International Financial Reporting Standards, as adopted by the European Union, presented together with the Independent Auditor's Report

# 2024



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



# CEO'S FOREWORD



The year 2024 marks a significant phase in Lietuvos paštas' strategic direction, with a strong emphasis on international expansion, adapting to evolving customer needs, and ensuring the highest standards in traditional postal services.

In the spring of last year, we launched a network of 750 parcel lockers across Lithuania, Latvia, and Estonia. By year-end, this network had expanded to over 1,150 lockers, providing customers with seamless parcel sending and receiving services throughout the region. This milestone was achieved through our strategic partnership with Latvijas Pasts, enabling customers of both companies to access each other's parcel locker networks.

With the continued rise of e-commerce, increasing parcel volumes via lockers and couriers, and growing international trade, customer expectations—both private and business—have risen accordingly. In response, we introduced an enhanced LP EXPRESS self-service website featuring improved technical solutions. As a trusted partner in online shopping, LP EXPRESS also organized the „Most Favourite Lithuanian Online Store” voting for the second consecutive year, with nearly 1,000 businesses nominated.

Delivering high-quality universal postal services remains a key priority for Lietuvos paštas. In 2024, we continued our network modernization efforts, refurbishing post offices and actively promoting the mobile mail carriers service to reach a broader customer base. Notably, 440 mobile mail carriers provided over 12 million services to residents in remote areas, reinforcing our commitment to accessibility and service excellence.

Customer satisfaction is closely linked to employee well-being. To support this, we have made significant investments in improving working conditions and maintaining a consistent wage increase policy. In 2024, the company's average salary grew by approximately 11%. Simultaneously, our employee net promoter score (eNPS) increased to 58% — a five-percentage-point improvement from 2023.

Operating in the logistics sector, we recognize our responsibility to minimize environmental impact. In a pioneering move, LP EXPRESS became the first parcel delivery network in Lithuania to offer reusable parcel packaging at parcel locker terminals. This innovation was recognized with two prestigious awards at the „Parcel and Postal Technology International Awards”—Environmental Achievement of the Year and Packaging Innovation of the Year.

Furthering our commitment to sustainability, we initiated a fleet renewal program. By the end of 2024, LP EXPRESS couriers in Vilnius and Kaunas began delivering parcels using electric vans. Looking ahead, Lietuvos paštas plans to fully renew its postal fleet, with a significant share comprising electric vehicles, further contributing to a greener future.

The newly appointed Board of Lietuvos paštas has played a crucial role in aligning our strategic goals with the expectations of shareholders and customers. As we welcome a new General Director, currently in the recruitment process, the Board will continue overseeing key projects and driving forward our ambitious objectives.

I extend my sincere gratitude to all my colleagues at Lietuvos paštas for their dedication, teamwork, and professionalism, which have been instrumental in achieving our goals. As we progress through 2024, I am confident that our commitment to operational excellence, innovation, and customer-centricity will further strengthen Lietuvos paštas' position as a market leader.

Mindaugas Kvekšas

Interim CEO and Director of Finance and Administration



# CHAIRWOMAN'S FOREWORD



2024 was a year of transformation, dynamic growth, and sustainable progress for Lietuvos paštas. By implementing key strategic priorities, the company has enhanced customer experience, strengthened its competitive position, and contributed to the country's economic development.

One of the most ambitious achievements of the past year was Lietuvos paštas' international expansion into the Baltic States. The establishment of a parcel locker network spanning Lithuania, Latvia, and Estonia has created new growth opportunities for local businesses engaged in e-commerce. This expansion also positions Lietuvos paštas as a valuable partner for global e-commerce platforms that view the Baltic region as a unified market.

Significant efforts have also been made to strengthen the postal network, fulfill public service obligations, and enhance essential services for society. Modernized post offices, the successful operations of mobile mail carriers, and the high quality of universal postal services have all contributed to an improved customer experience. Ongoing investment in the modernization of the postal network is also an investment in the company's employees, ensuring better working conditions and greater efficiency.

2024 was also marked by changes in the company's leadership. The newly appointed Board of Lietuvos paštas brings together a diverse mix of expertise spanning global postal and logistics businesses, international e-commerce, finance, and strategic management. The Board's key priorities include enhancing service qu-

ality in response to customer needs, driving sustainable company growth, implementing innovations and technological advancements, and improving operational efficiency.

The postal and parcel delivery sector has undergone significant transformation over the past decade. The decline in traditional postal volumes, the rapid expansion of e-commerce, and the increasing use of parcel lockers have necessitated regulatory updates. In response, the new Law on Postal Services, which came into effect in 2025, reflects evolving consumer needs and market structures.

Ensuring the smooth implementation of this new regulatory framework is a top priority for the Board and the entire management team at Lietuvos paštas. The ongoing search for a new CEO will also play a crucial role in advancing this objective.

I would like to extend my sincere gratitude to the entire Lietuvos paštas team, our customers, and my fellow Board members for their dedication and contributions to the company's success. Your trust, commitment, and pursuit of excellence enable Lietuvos paštas to grow and achieve its ambitious goals.

Jūratė Stanišauskienė  
Chairwoman of the Board of Lietuvos paštas



# 01

## AUDITOR'S REPORT



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



# Independent auditor's report

To the shareholder of Lietuvos paštas AB

## Report on the audit of the separate and consolidated financial statements

### Our opinion

In our opinion, the separate and consolidated financial statements give a true and fair view of the separate and consolidated financial position of Lietuvos Paštas AB (the "Company") and its subsidiaries (together - the "Group") as at 31 December 2024, and of the Company's and of the Group's separate and consolidated financial performance and separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee dated 31 March 2025.

### What we have audited

The Company's and the Group's separate and consolidated financial statements comprise:

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

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

### Independence

We are independent of the Company and the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the Law of the Republic of Lithuania on the Audit of Financial Statements and Other Assurance Services that are relevant to our audit of the separate and consolidated financial statements in the Republic of Lithuania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Law of the Republic of Lithuania on the Audit of Financial Statements and Other Assurance Services.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Company and the Group are in accordance with the applicable law and regulations in the Republic of Lithuania and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014 considering the exemptions of Regulation (EU) No 537/2014 endorsed in the Law of the Republic of Lithuania on the Audit of Financial Statements and Other Assurance Services.

The non-audit services that we have provided to the Company and the Group in the period from 1 January 2024 to 31 December 2024 are disclosed in note 6 to the separate and consolidated financial statements.



## Our audit approach

### Overview



- Overall materiality for the Company and the Group is EUR 992 thousand (2023: EUR 989 thousand)
- We performed a full scope audit of the Company's separate financial statements.
- Our full scope audit addressed 100% of the Group's total revenue and 99.9% of the Group's total assets.
- Recognition of revenue from provision of services to foreign post offices.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the separate and consolidated financial statements (together "the financial statements"). In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Company and Group materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the financial statements as a whole.

#### Overall Company and Group materiality

EUR 989 thousand (2022: EUR 937 thousand)

#### How we determined it

1% of total revenue from contracts with customers.

#### Rationale for the materiality benchmark applied

We chose revenue as the benchmark because, in our view, it is a measure against which the users of the financial statements most often assess the Company's and the Group's performance, and it is a generally accepted benchmark. We chose to apply 1%, which is within the range of acceptable quantitative materiality thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above EUR 49 thousand, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.



## Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
<p><b>Recognition of revenue from provision of services to foreign post offices.</b></p> <p>(žr. 2.5 „Pajamų pripažinimas“ pastabos d(see paragraph Revenue/expenses from provision of postal services to foreign post offices in Note 2.5 Revenue recognition, Note 3 Revenue from contracts with customers. Sales revenue, Note 16 Trade receivables, Note 17 Contract assets)</p> <p>The Company and the Group provide/purchase postal services to/from foreign post offices. Provision of these services is based on cross-border arrangements defining the rules for settlements and issuance of accounting documents for postal services.</p> <p>The Company and the Group estimate revenue based on the actual quantities of services rendered, and with reference to the latest known applicable service charges.</p> <p>There is a significant balance of revenue from provision of services to foreign post offices in the Company's separate and the Group's consolidated statement of comprehensive income, amounting to EUR 5,386 thousand as at 31 December 2024 (31 December 2023: EUR 7,434 thousand). In the statement of financial position, the total balance of amounts receivable and contract assets arising</p>	<p>We analysed the Company's practice and the terms of contracts with customers relating to recognition of revenue and, accordingly, recognition of contracts assets and trade receivables.</p> <p>We assessed the design and operating effectiveness of the system of controls over recognition and measurement of revenue from cross-border postal services, and assessed the operating effectiveness of the following controls:</p> <ul style="list-style-type: none"> <li>- controls over the accuracy of the quantities of postal services received;</li> <li>- controls over reconciliation of the sales quantities and service charges with the designated operators who received the services.</li> </ul> <p>In planning the tests of detail, we grouped revenue transactions for 2024 into the following types: immediately invoiced transactions; revenue recorded in current year, but not yet reconciled; invoices issued in current year and reconciled.</p> <p>We checked the cross-border revenue transactions from different types against the source documents – invoices issued (in case of recognised trade receivables) or supporting revenue calculations (in case of contract assets recognised), which applicable.</p> <p>In order to assess the accuracy of the management's estimates made in previous periods, we also compared the</p>

from recognition of such revenue amounted to EUR 6,602 thousand 31 December 2024 (31 December 2023: EUR 8,313 thousand).

We focused on this area and other closely related areas as they involved management's assumptions and judgements.

total amount invoiced in 2024 for revenue recognised in previous periods with the respective amount of contract assets recognised as at 31 December 2023.

We assessed the disclosures in notes 3, 16 and 17 relating to revenue from foreign post offices, trade receivables and contract assets for completeness and appropriateness.

## How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

For the purposes of the Group audit, based on risk and materiality assessment, we performed a full scope audit of the Company and we tested the consolidation process to be able to report on the consolidated financial statements as a whole.

## Reporting on other information including the consolidated management report

Management is responsible for the other information. The other information comprises the consolidated management report, including the information on sustainability matters (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information, including the consolidated management report.

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.

With respect to the consolidated management report, excluding the information on sustainability matters that the legislation did not require the Company and the



Group to prepare and on which assurance services were not within the scope of our work, we considered it, includes the disclosures required by the Law of the Republic of Lithuania on Reporting by Undertakings and by Groups of Undertakings.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the consolidated management report, for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- the consolidated management report, excluding the information on sustainability matters, has been prepared in accordance with the Law of the Republic of Lithuania on Reporting by Undertakings and by Groups of Undertakings.

In addition, in light of the knowledge and understanding of the Company and the Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the consolidated management report which we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud

or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group





as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

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

We also provide 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine 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 other legal and regulatory requirements

### Appointment

We were first appointed as auditors of the Company and the Group on 27 August 2019 for 2019 – 2021 audits. Our appointment has been renewed by shareholder resolution on 27 July 2022. The total period of uninterrupted engagement appointment is six years.

On behalf of PricewaterhouseCoopers UAB

Rasa Radzevičienė

Partner

Auditor's Certificate No.000377

Vilnius, Republic of Lithuania

31 March 2025

Original report is signed in Lithuanian language.



# 02

## MANAGEMENT



# 02 GENERAL INFORMATION

## Reporting Period

The consolidated and separate financial statements of Lietuvos paštas AB (hereinafter Lietuvos paštas or the Company) for the year ended 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRSs), as adopted by the European Union.

The Management Report is prepared in accordance with the Resolution No. 1052 of the Government of the Republic of Lithuania dated 14 July 2010, „On the Approval of the Guidelines for Ensuring the Transparency of State-Owned Enterprises’ Activities.”

### BASIC DETAILS OF LIETUVOS PAŠTAS

Company name	Lietuvos paštas AB
Office address	J. Balčikonio g. 3, 03500 Vilnius
Telephone	+370 700 55 400
E-mail	info@post.lt
Website address	www.lietuvospastas.lt
Legal form	Public limited liability company [AB], a private legal entity with limited civil liability
Term of business	Indefinite
Company code	121215587
VAT payer's code	LT212155811
Manager of the Register of Legal Entities	State Enterprise Centre of Registers
Date of registration of the Articles of Association (the most recent version)	27 June 2019
Profile of activities	Postal, courier, financial, and other services

Share capital:

**32 791 579 €**

Ordinary registered  
shares constituting the  
share capital:

**113 074 410**

Nominal value  
per share:

**0,29 €**

The Company's shares are intangible. They are recorded in the securities account managed by Šiaulių Bankas AB as from 21 December 2015.



# 02 LIETUVOS PAŠTAS GROUP OF COMPANIES

As of December 31, 2024, Lietuvos Paštas Group of Companies (hereinafter – LP Group) consisted of the parent company AB Lietuvos Paštas and its subsidiaries Unisend Latvija SIA, Unisend Eesti OÜ, and UAB LP Mokėjimų Sprendimai.

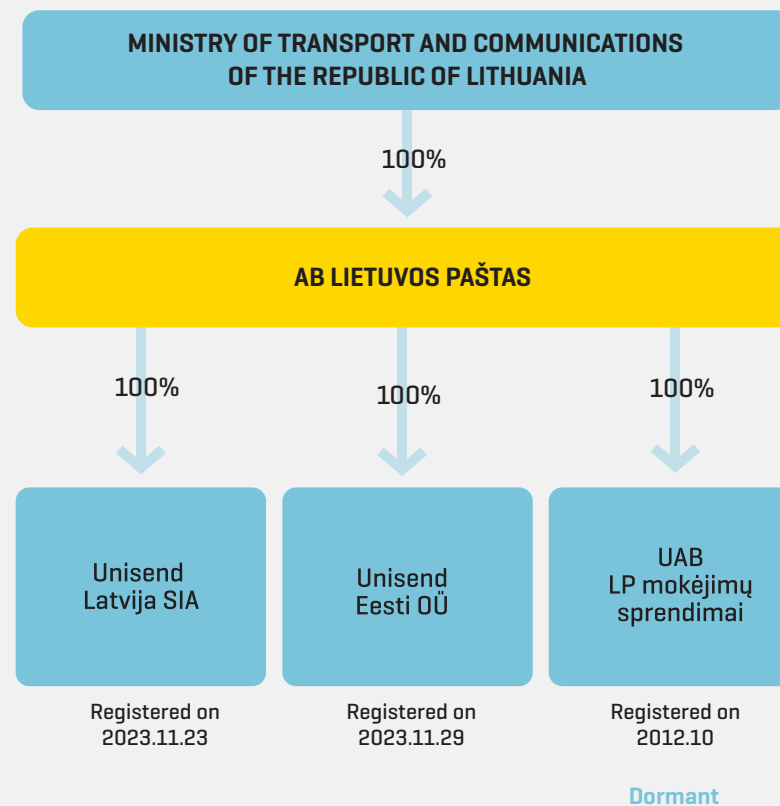
As part of service expansion in the Baltic States, Unisend Latvija SIA was established in Latvia on November 23, 2023, and Unisend Eesti OÜ was established in Estonia on November 29, 2023. The core activities of these LP Group companies include the provision of postal and courier services, as well as related services.

The main activity of UAB LP Mokėjimų Sprendimai is consultancy services; however, the company is currently not operational.

The sole shareholder of the LP Group is the Republic of Lithuania.

The Ministry of Transport and Communications of the Republic of Lithuania represents the state in exercising the shareholder rights attached to the shares held in AB Lietuvos Paštas.

In 2024, LP Group neither acquired nor transferred any of its own shares.





# 02 MANAGEMENT OF LIETUVOS PAŠTAS

According to the Articles of Association of AB Lietuvos Paštas, the Company's governing bodies are as follows: the General Meeting of Shareholders, the Board, and the Chief Executive Officer [General Manager] of the Company. A Supervisory Board is not established within the Company. The Board performs the functions set forth in the Law on Companies of the Republic of Lithuania and in the Company's Articles of Association.

The General Meeting of Shareholders is convened, organized, and decisions are adopted in accordance with the provisions of the Law on Companies of the Republic of Lithuania.

Written decisions adopted by the Ministry of Transport and Communications of the Republic of Lithuania, acting on behalf of the Republic of Lithuania as the sole shareholder, are equivalent to decisions of the General Meeting of Shareholders.

The Board is a collegial management body composed of five [5] members. The majority of the Board members are independent, as defined by the laws of the Republic of Lithuania. Board members are elected for a four-year term by the General Meeting of Shareholders, to which the Board is accountable. The Board elects its Chairperson from among its members; the Chairperson must be an independent member. Independent members are selected in accordance with the procedure established by law, with the involvement of an external, independent recruitment agency. Candidates for the Company's Board must meet the requirements established by law. The selection is carried out in accordance with Article 23-1 of the Law on the Management, Use and Disposal of State and Municipal Assets of the Republic of Lithuania, as well as the Description of the Procedure for Selection of Candidates to Collegial Supervisory or Management Bodies of State or Municipal Enterprises, State or Municipal Owned Companies, or their Subsidiaries, approved by Government Resolution No. 631 of June 17, 2015. Contracts governing participation in the activities of the Company's Board are concluded with the elected Board members.

The functions and competences of the General Meeting of Shareholders, the Board, and the Chief Executive Officer are defined in the Company's Articles of Association, registered in the Register of Legal Entities on October 4, 2024, and published on the Company's official website.

**Amends the Company's Articles of Association.**  
**Appoints and dismisses the external auditor for the audit of the Annual Financial Statements.**  
**Decides on the distribution of profit (loss).**  
**Appoints and dismisses members of the Board.**  
**Approves the Annual Financial Statements.**

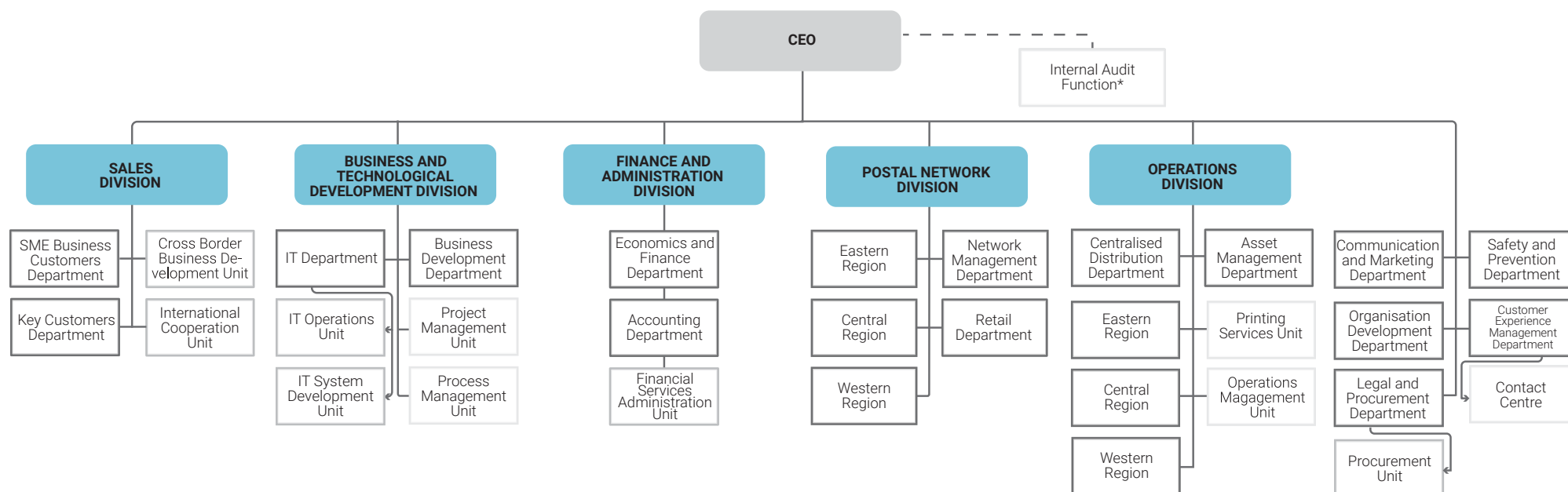




# 02 THE COMPANY'S ORGANIZATIONAL STRUCTURE

The Company's organizational structure is as follows: Chief Executive Officer, 5 divisions (Sales, Business and Technological Development, Finance and Administration, Network, and Operations) and 15 departments, where of 5 (Legal and Procurement, Communication and Marketing, Organisation Development, Safety and Prevention, and Customer Experience Management) are directly accountable to the Chief Executive Officer.

**EFFECTIVE FROM 2 SEPTEMBER 2024:**



\* The Internal Audit Function reports directly to, and is accountable to the Board of Lietuvos paštas AB, but from the administrative perspective it is accountable to the CEO of Lietuvos paštas AB.



# 02 LIETUVOS PAŠTAS BOARD COMPOSITION

	JŪRATĖ STANIŠAUSKIENĖ [beginning of term 2024 06 21]	KRISTINA SEMĖNĖ [beginning of term 2024 06 21]	VAIDOTAS DIRMEIKIS [beginning of term 2024 06 21]	LIUTAURAS VARANAVIČIUS [beginning of term 2024 06 21]	VYTAUTAS VOROBJOVAS [beginning of term 2024 06 21]
Job positions held at Lietuvos paštas	Independent Board Member; Chairwoman of the Board.	Board Member	Independent Board Member, Chairman of the Audit and Risk Management Committee	Independent Board Member; Deputy Chairman of the Board	Independent Board Member
Professional qualification / education	Master's degree in Information Science, Master's degree in Management and Business Administration, Master's degree in Management	Master of Laws	Master of Management	Master of Business Management	Bachelor of Political Science
Principal place of employment and job position	CEO at Govern, MB	Ministry of Transport and Communications, Telecommunications and Postal services Attaché	Head of Finance department at KN Energies; CEO at Paloma drinks, MB	Shareholder at Renwise, UAB	Managing Partner at Dotcon, UAB; CEO at Ekomercija, UAB
Executive positions held elsewhere	Chairwoman of the Board, Member of the Audit Committee at Oro navigacija, AB; Board Member at Legal Balance, UAB	-	Independent Board Member at Transporto kompetencijų agentūra, VŠĮ	-	Independent Board Member at Baltpool, UAB

\*End of term 2028 06 21.



# 02 CHANGES IN THE COMPOSITION OF THE BOARD

## **2024 05 04**

The term of office of the former Board has expired.

## **2024 05 05**

A new Board of the joint-stock company Lietuvos paštas [hereinafter referred to as the Company] was appointed for a term of 4 years by order of the Minister of Transport and Communications of the Republic of Lithuania of 05-05-2024. Jūratė Stanišauskienė, Liutauras Varanavičius, Vaidotas Dirmeikis, Vytautas Vorobjovas, and Kristina Semėnė were appointed as members of the Board. Kristina Semėnė and Jūratė Stanišauskienė were re-elected for a second term, in accordance with good governance practices and in order to ensure continuity of governance.

## **2024 06 21**

Vytautas Vorobjovas, Vaidotas Dirmeikis, and Liutauras Varanavičius began to serve as members of the new Board, following the decision of the Director of the Legal and Licensing Department of the Bank of Lithuania. The Bank of Lithuania did not conduct repeated inspections in respect of Jūratė Stanišauskienė and Kristinas Semėnė, as the indicated Board members had already received no objections to serve as Board members during the previous term.

## **2024 07 05**

Jūratė Stanišauskienė was elected Chairwoman of the Board.

## **2024 07 05**

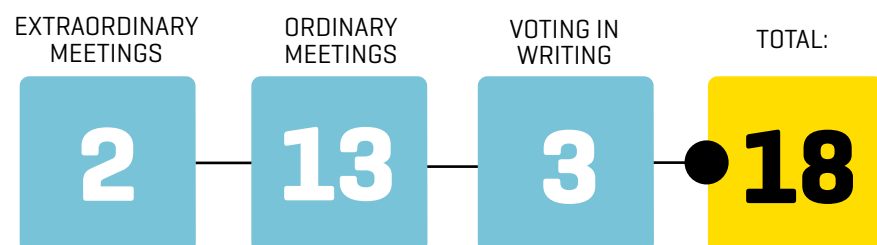
Liutauras Varanavičius was elected Deputy Chairman of the Board.



# 02 BOARD ACTIVITIES OF LIETUVOS PAŠTAS

In 2024, the Board of Lietuvos Paštas held 18 meetings, including 13 regular meetings, 2 extraordinary meetings, and 3 written votes. During these sessions, 177 agenda items were reviewed, covering key areas such as strategy, objectives, performance indicators, the company's draft strategic business plan for 2025–2028, strategic projects and their implementation progress, operational and financial performance, and other matters within the Board's jurisdiction.

As a result of these discussions, 56 decisions were approved, and 42 assignments were issued to the company.



## ATTENDANCE AT THE BOARD MEETINGS:

- Jūratė Stanišauskienė attended 18 out of 18
- Kristina Semėnė attended 18 out of 18
- Liutauras Varanavičius [term begins on 05 May 2024] attended 10 out of 10
- Vytautas Vorobjovas [term begins on 05 May 2024] attended 10 out of 10
- Vaidotas Dirmeikis [term begins on 05 May 2024] attended 10 out of 10
- Mindaugas Kyguolis [term ends on 05 May 2024] attended 8 out of 8
- Alditas Saulius [term ends on 05 May 2024] attended 8 out of 8
- Arnold Schroven [term ends on 05 May 2024] attended 8 out of 8

## Major matters on the agenda of the Board of the Company:

Approval of the company's 2024–2027 management plan, business strategy, budget, and activity and action plan

01 11

Approval of the company's annual report and consolidated annual report for 2023

02 01

Election of a new Chairperson and Deputy Chairperson of the Board

04 09

Approval of the new composition of the Audit and Risk Management Committee

04 25

Appointment of an acting CEO

07 05

Election of an independent member to the Audit and Risk Management Committee

07 30

Appointment of an acting CEO

07 30

Appointment of an acting CEO

08 21

Election of an independent member to the Audit and Risk Management Committee

11 15

Election of an independent member to the Audit and Risk Management Committee

11 20

Election of an independent member to the Audit and Risk Management Committee

11 20

Election of an independent member to the Audit and Risk Management Committee

11 27

Election of an independent member to the Audit and Risk Management Committee

12 18

Approval of the manager's remuneration policy

Approval of the remuneration policy

Approval has been granted for the draft of the revised Articles of Association of the Company

Approval of changes to the company's management structure and employee position list

Approval of the draft company security plan

Approval of the 2025–2028 operational strategy and the 2025 budget



# 02 PRINCIPLES FOR DETERMINING AND PAYMENT OF REMUNERATION TO THE COMMITTEE MEMBERS

- By the Order of the Minister of Transport and Communications of the Republic of Lithuania, fixed amounts of monthly remuneration of EUR 1,632 and EUR 2,448 have been determined for the Company's Committee members and chairperson, respectively.

- The Committee member's remuneration shall be reduced if the Committee member fails to attend the Committee meetings, withdraws from handling the issues pertaining to the conflicts of interests, does not express an opinion on agenda issues, does not vote thereon, does not fulfil the functions of the Committee member, spends less work hours than it is established by the Order of the Minister of Transport and Communications of the Republic of Lithuania, or improperly fulfils the order.

## REMUNERATION OF THE AUDIT AND RISK MANAGEMENT COMMITTEE MEMBERS OF LIETUVOS PAŠTAS FOR 2024

FULL NAME	GROSS AMOUNT, EUR*
Mindaugas Kyguolis	14 003,18
Arnold Schroven	10 501,36
Alditas Saulius	10 501,36
Jūratė Stanišauskienė	36 034,07
Kristina Semėnė	14 968,33
Vaidotas Dirmeikis	19 429,77
Liutauras Varanavičius	19 429,77
Vytautas Vorobjovas	19 429,77
<b>Total:</b>	<b>144 297,61</b>

\*Remuneration is presented before tax.



# 02 MANAGEMENT TEAM

	MINDAUGAS KVEKŠAS	GIEDRĖ VAITEKŪNAITĖ	LAURYNAS KAZLAUSKAS	RUSLANAS PROKOFJEVAS	ROLANDAS REPŠYS
Job position	Director of the Finance and Administration Division, acting as interim CEO of the Company since January 24, 2025 *	Director of Postal Network Division since 9 November 2023	Director of Operations Division since 25 September 2023**	Director of Business and Technology Development Division since 9 July 2021	Director of Sales Division since 1 August 2023
Professional qualification/education	Bachelor of Economics and Business	Bachelor of Economics	Bachelor of Biology	Master of Human Resource Management	Master of International Economics

\*Until November 15, 2024, the position of Chief Executive Officer of the Company was held by Rolandas Zukas



# 02 COMMITTEES

## Audit and Risk Management Committee

The composition and regulations of the Audit and Risk Management Committee of the Board of Lietuvos paštas (the "Committee") were updated by the decision of the Board of Lietuvos paštas on 18 August 2021.

The Committee members are elected and recalled by the Board. The Committee's term of office is linked to and coincides with the term of office of the Board which appointed the Committee. The Committee consists of three independent members: at least one member is delegated by the decision of the Board from among the independent members of the Board; and at least one independent member is delegated from among the external candidates selected through a public procedure in accordance with the procedure established by the Board.

The main functions of the Committee are to assist the Board of Lietuvos Paštas in monitoring and evaluating the activities of Lietuvos Paštas, its group of companies, and individual group entities, including:

- Monitoring the process of preparing financial statements, the financial audit process, the independence and objectivity of the auditor, and overseeing the auditor selection process;
- Monitoring the effectiveness of the internal audit function;
- Monitoring the effectiveness of risk management;
- Monitoring compliance with external and internal legal and regulatory requirements;
- Performing any other activities deemed necessary or appropriate by the Committee or the Board.

From August 18, 2021, until the end of its term on May 4, 2024, the Committee operated with three independent members: Alditas Saulius (Independent Board Member and Chair of the Committee), Marius Lukoševičius, and Karolis Brazas. In 2024, this composition of the Committee, following the annual activity plan approved by the Board, held three meetings, all attended by the full Committee.

By the Board's resolution No. 10-34, dated July 30, 2024, the Committee was formed with three members: two members were appointed from the independent members of the Board, and one member was elected from external candidates:

- Vaidotas Dirmeikis, Committee Chair, Independent Board Member;
- Liutauras Varanavičius, Committee Member, Independent Board Member;
- Rytis Jezepčikas, Independent External Member, elected to the Committee by the Board's resolution No. 12-38, dated September 26, 2024. He resigned from the Committee on November 13, 2024, due to personal reasons;
- Ramutė Ribinskienė, Independent External Member, elected to the Committee by the Board's resolution No. 17-48, dated November 27, 2024.

During the reporting period, five Committee meetings were held. All Committee members attended all meetings.

## Remuneration Committee

There is no actual need to establish a remuneration committee at Lietuvos Paštas AB, as its functions are implemented by other collegial bodies of the company in the manner outlined below.

In order to effectively utilize the resources of Lietuvos Paštas AB and in line with the competencies defined in the company's articles of association, the Board of Directors performs the functions assigned to the remuneration committee regarding matters related to the selection, evaluation, and compensation of the company's CEO, the establishment and monitoring of general employee compensation principles, etc. If necessary, the Board consults with external advisors on these matters, collects information, analyzes, and evaluates best market practices.

On April 25, 2024, the Board of Directors of Lietuvos Paštas AB approved the company's remuneration policy, which defines the main principles for determining the remuneration of the CEO and employees and is applicable to all companies within the Lietuvos Paštas group.

The subsidiaries of Lietuvos Paštas AB, Unisend Latvia SIA and Unisend Eesti OÜ, which began operations in the Baltic States in 2024, qualify as small companies with up to 10 employees and one company executive – the chair/member of the Management Board, appointed during the establishment of these subsidiaries. No other collegial bodies are established in these subsidiaries, so there is no actual need to consider issues related to the governing bodies of these subsidiaries, the appointment of their members, or the establishment of their working conditions.

	VAIDOTAS DIRMEIKIS	LIUTAURAS VARANAVIČIUS	RAMUTĖ RIBINSKIENĖ
Qualification/ Education	Independent Member of the Board; Chair of the Committee 2024.07.30 – present	Independent Member of the Board; Member of the Committee 2024.07.30 – present	Independent Member of the Committee 2024.11.27 – present
	Master of Management	Master of Management	Master of Economic Cybernetics
Other job positions	Head of Finance department at KN Energies; CEO at Paloma drinks, MB	Shareholder at Renwise, UAB	Chair of the Board of Litexpo, UAB Independent Board Member Chair of the Audit Committee of LRTC, AB Independent Audit Committee Member Independent Board Member at Kretingos Vandenys, UAB



# 02 PRINCIPLES FOR DETERMINING AND PAYMENT OF REMUNERATION TO THE COMMITTEE MEMBERS

- By the Order of the Minister of Transport and Communications of the Republic of Lithuania, fixed amounts of monthly remuneration of EUR 1,632 and EUR 2,448 have been determined for the Company's Committee members and chairperson, respectively.

- The Committee member's remuneration shall be reduced if the Committee member fails to attend the Committee meetings, withdraws from handling the issues pertaining to the conflicts of interests, does not express an opinion on agenda issues, does not vote thereon, does not fulfil the functions of the Committee member, spends less work hours than it is established by the Order of the Minister of Transport and Communications of the Republic of Lithuania, or improperly fulfils the order.

## REMUNERATION OF THE AUDIT AND RISK MANAGEMENT COMMITTEE MEMBERS OF LIETUVOS PAŠTAS FOR 2024

FULL NAME, JOB POSITION		GROSS AMOUNT, EUR*
Alditas Saulius	Chairman	7 879,09
Karolis Brazas	Member	5 252,73
Marius Lukoševičius	Member	5 252,73
Vaidotas Dirmeikis	Chairman	9 796,56
Liutauras Varanavičius	Member	8 205,36
Rytis Jezepčikas	Member	1 717,15
Ramutė Ribinskienė	Member	1 116,63
<b>Total:</b>		<b>29 423,69</b>

\* Remuneration is presented before tax





# 02 COMMITTEE ACTIVITIES

The Committee organizes its activities by preparing an annual activity plan with the topics to be discussed. Twice a year, the Committee submits a report on its activities to the Board, and annually conducts a self-assessment of its activities. The approved activity plan for 2024 was implemented in full. In 2024, 8 Committee meetings were held, which were attended by the all members of the Committee. The main activities of the Committee in 2024 when implementing the established functions:

## FINANCIAL REPORTS AND EXTERNAL AUDITOR

- Review of the external audit strategy for 2024.
- Discussion of the results of the external audit for 2023, the auditor's conclusion on the financial statements.
- Submission of recommendations to the Board on the approval of the financial statements.
- Monitoring the implementation of the external auditor's recommendations.

## INTERNAL AUDIT

- Submission of recommendations to the Board on the approval of the internal audit activity plan and internal audit budget;
- Discussion of internal audit reports;
- Monitoring of the implementation of internal audit recommendations;
- Submission of recommendations to the Board on the approval of the Internal Audit Policy;
- Assessment of internal audit activities.

## RISK MANAGEMENT

- Monitoring of the status of the implementation of the most significant risks, their management plans and tolerance indicators;
- Recommendations to the Board on the determination of Risk Appetite;
- Monitoring of the process of transferring operational functions to other persons;
- Monitoring of anti-corruption risk management;
- Monitoring of received reports of corruption, money laundering and terrorist financing, and bribery of foreign officials and ongoing internal investigations.

## COMPLIANCE

- Assessment of compliance policy;
- Monitoring of the function of external compliance with the legislation;
- Discussion of compliance issues and legal disputes that may have a significant impact on the financial statements;
- Assessment of compliance with and appropriateness of the requirements of the Law on the Prevention of Money Laundering and Terrorist Financing and its implementing legislation.



# 02 DIVIDEND POLICY

The parent company, Lietuvos Paštas, pays dividends in accordance with Resolution No. 665 of the Government of the Republic of Lithuania, dated June 6, 2012, which establishes the principles for allocating dividends for state-owned shares.

According to the Law on Companies of the Republic of Lithuania, the General Meeting of Shareholders shall not make the decision to allocate and pay dividends if least one of the following conditions is met:

- 1) The Company has outstanding obligations, which fell due before making the decision;
- 2) The amount of profit [loss] available for distribution for the current financial year is negative [loss is incurred];
- 3) The Company's equity is lower or would become lower after payment of dividends than the total sum of the Company's share capital, legal reserve, revaluation reserve and reserve for acquisition of own shares.

## THE PORTION OF PROFIT ALLOCATED FOR THE PAYMENT OF DIVIDENDS FOR THE FINANCIAL YEAR SHALL BE:

1. No less than 85% of the company's distributable profit, if its return on equity for the reporting year does not exceed 1% of the return on equity;
2. No less than 80% of the company's distributable profit, if its return on equity for the reporting year exceeds 1% but does not exceed 3% of the return on equity;
3. No less than 75% of the company's distributable profit, if its return on equity for the reporting year exceeds 3% but does not exceed 5% of the return on equity;
4. No less than 70% of the company's distributable profit, if its return on equity for the reporting year exceeds 5% but does not exceed 10% of the return on equity;
5. No less than 65% of the company's distributable profit, if its return on equity for the reporting year exceeds 10% but does not exceed 15% of the return on equity;
6. No less than 60% of the company's distributable profit, if its return on equity for the reporting year exceeds 15% of the return on equity;
7. The portion of profit allocated for the payment of dividends for any period shorter than the financial year shall be no less than 60% of the distributable profit of the state-owned company;
8. Unused reserves and reserves not expected to be utilized shall be transferred to distributable profit (or loss), except for the mandatory reserve amount specified in the Law on Joint Stock Companies.

Resolution on the legislative act under which dividends are paid - <https://e-sei-mas.lrs.lt/portal/legalAct/lt/TAD/TAIS.427069/asr>

In 2024, Lietuvos Paštas distributed EUR 3.1 million in dividends. Prior to that, dividends were only paid in 2016, totaling EUR 0.7 million.



# 02 INSTITUTION AND LEGAL ACTS REGULATING THE ACTIVITIES OF LIETUVOS PAŠTAS

## COMMUNICATIONS REGULATORY AUTHORITY OF THE REPUBLIC OF LITHUANIA

Governs the provision of Universal Postal Services (UPS) and postal services under the Law on the Post of the Republic of Lithuania and its implementing legislation.

## BANK OF LITHUANIA

Governs the provision of Universal Postal Services (UPS) and postal services under the Law on the Post of the Republic of Lithuania and its implementing legislation.

## PUBLIC PROCUREMENT OFFICE

Oversees public procurement processes under the Law on Public Procurement of the Republic of Lithuania, the Law on Procurement by Contracting Entities in the Fields of Water Management, Energy, Transport, and Postal Services of the Republic of Lithuania, and related implementing legislation.

## COMMISSION FOR THE COORDINATION OF PROTECTION OF OBJECTS CRITICAL FOR NATIONAL SECURITY

Regulates the status of Lietuvos Paštas as an enterprise critical to national security under the Law on the Protection of Objects Critical to National Security of the Republic of Lithuania.

## GOVERNMENT OF THE REPUBLIC OF LITHUANIA: MANDATES LIETUVOS PAŠTAS, A JOINT-STOCK COMPANY, TO PROVIDE

Mandates Lietuvos Paštas, a joint-stock company, to provide universal postal services throughout the Republic of Lithuania from January 1, 2020, to December 31, 2026, in accordance with Resolution No. 467 of May 15, 2019, On the Obligation to Provide a Universal Postal Service [Official Gazette, 17-05-2019, No. 2019-07911].



# 03

## EVENTS AND PERFORMANCE



## A CONVENIENT WAY TO SEND AND RECEIVE. FOR EVERYONE.

### NETWORK

Customer service points – 170  
Yellow letter boxes – 516  
Self-service parcel terminal (together with uDrop) – 734  
Locker boxes of parcel lockers – around 83 000

### LOGISTICS

Number of delivery routes – 251  
Logistics centres – 98  
Distance made per year – 2 680 000 km

### EMPLOYEES

Remuneration fund – EUR 46,6 M.  
Number of employees – 2 491

### CUSTOMERS

Number of business customers – 12 780

### PARCEL STATISTICS

Number of parcels sent through the LP EXPRESS and UNISEND networks – 60 686  
Number of parcels handled through the postal network – 155 444  
Letters and parcels delivered to 224 destinations



# 03 MAJOR EVENTS DURING THE REPORTING PERIOD 1/2

New tariffs for the universal postal service for private customers came into effect

LP EXPRESS became the first parcel delivery network in Lithuania to introduce reusable parcel packaging, available for purchase directly from parcel lockers

Lietuvos paštas has signed a long-term cooperation memorandum with Latvia Post (Latvijas Pasts)

The Board of the Company, elected in 2020, has completed its term

A new Board of Lithuania Post has been elected

JANUARY →

FEBRUARY →

MARCH →

APRIL →

MAY →

JUNE →

The first Unisend parcel lockers have been installed in Latvia and Estonia

Unisend parcel locker network has officially started operations in Latvia and Estonia

A memorandum of understanding has been signed with Singapore Post (SingPost) – the largest provider of postal and e-commerce logistics services in the Asia-Pacific region

The first postal stamp block in Lithuania featuring a QR code has been released, dedicated to the centenary of the Lithuanian Song Festival



# 03 MAJOR EVENTS DURING THE REPORTING PERIOD 2/2

The new Board of Lithuania Post has begun its work

The updated and more user-friendly LP EXPRESS self-service website has been introduced

In Vilnius and Kaunas, a number of LP EXPRESS parcels have started to be delivered by the first electric vans; Rolandas Zukas has stepped down from his position as the Company's CEO

JULY →

AUGUST →

SEPTEMBER →

OCTOBER →

NOVEMBER →

DECEMBER →

LP EXPRESS, together with the Innovation Agency, organized the election of the Most Favourite E-Shop in Lithuania for the second consecutive year

At the Parcel and Postal Awards, Lietuvos Paštas received awards for the reusable packaging sold at LP EXPRESS parcel lockers

A partnership between Lithuania Post and Latvijas Pasts has been launched, allowing customers of both companies to send and receive parcels using each other's parcel lockers



# 03 KEY PERFORMANCE INDICATORS AND FINANCIAL RESULTS

INDICATORS	LP GROUP			COMPANY		
	2024	2023	2022	2024	2023	2022
Sales volume of services (thousands of units)*	58 828	67 452	89 356*	58 722	67 452	89 356*
Sales volume of UPS (thousands of units)*	5 673	8 128	8 238	5 673	8 128	8 238
<b>FINANCIAL RESULTS (EUR '000)</b>						
Revenue from operations	110 626	110 374	113 477	111 413	110 374	113 477
EBITDA	10 703	14 414	13 035	13 349	14 416	13 040
EBIT	927	6 088	5 507	3 737	6 090	5 509
Net profit /loss	242	5 152	4 838	3 096	5 154	4 841
Non-current assets	62 840	60 054	56 937	63 200	60 604	56 943
Current assets	57 457	70 039	64 946	59 014	69 423	64 871
Equity	34 414	37 240	32 089	37 202	37 174	32 020
Investments	3 412	6 364	4 262	3 404	6 364	4 262
<b>EMPLOYEES</b>						
Number of employees at the year end	2 491	2 683	3 031	2 476	2 681	3 029
Average relative number of employees, FTEs	2 425	2 626	2 964	2 412	2 626	2 963

\*In the table above, the sales volumes of services for 2022 differ from those reported in the Annual Report 2022 due to changes introduced in the calculation methodology.



# 03 KEY PERFORMANCE INDICATORS AND FINANCIAL RESULTS

INDICATORS	LP GROUP			COMPANY		
	2024	2023	2022	2024	2023	2022
<b>PROFITABILITY RATIOS, %</b>						
Return on equity (ROE)	0,7	13,8	15,1	8,3	13,9	15,1
Return on assets (ROA)	0,2	4,0	4,0	2,5	4,0	4,0
EBITDA margin	9,7	13,1	11,5	12,0	13,1	11,5
EBIT margin	0,8	5,5	4,9	3,4	5,5	4,9
EBT margin	0,4	4,9	4,4	3,0	4,9	4,4
Net profit margin	0,2	4,7	4,3	2,8	4,7	4,3
<b>FINANCIAL LEVERAGE AND LIQUIDITY RATIOS</b>						
Debt ratio	0,7	0,7	0,7	0,7	0,7	0,7
Equity to assets ratio	0,3	0,3	0,3	0,3	0,3	0,3
Current liquidity ratio	0,9	1,0	1,0	1,0	1,0	1,0
Net debt to EBITDA ratio	-1,6	-1,8	-1,5	-1,3	-1,7	-1,5
<b>ASSETS TURNOVER RATIOS</b>						
Non-current assets turnover ratio	1,6	1,6	1,6	1,6	1,6	1,6
Trade receivables turnover ratio	9,8	8,1	8,7	9,9	8,1	8,7



# 03 CALCULATION OF INDICATORS

## Profitability ratios

EBITDA = pre-tax profit + interest expense - interest income + depreciation + amortisation

EBIT = pre-tax profit + interest expense - interest income

Return on equity (ROE) = net profit / [(equity at the beginning of the period + equity at the end of the period) / 2]

Return on assets (ROA) = net profit / [(assets at the beginning of the period + assets at the end of the period) / 2]

EBITDA margin = EBITDA / operating income

EBIT margin = EBIT / operating income

Net profit margin = net profit / operating income

## Financial leverage and liquidity ratios

Debt ratio = liabilities at the end of the period / assets at the end of the period

Equity to assets ratio = equity at the end of the period / assets at the end of the period

Current liquidity ratio = current assets at the end of the period / current liabilities at the end of the period

Net debt to EBITDA ratio = (financial debts [short-term and long-term] - cash and cash equivalents) / EBITDA

## Assets turnover ratios

Non-current assets turnover ratio = sales revenue / non-current assets at the end of the period

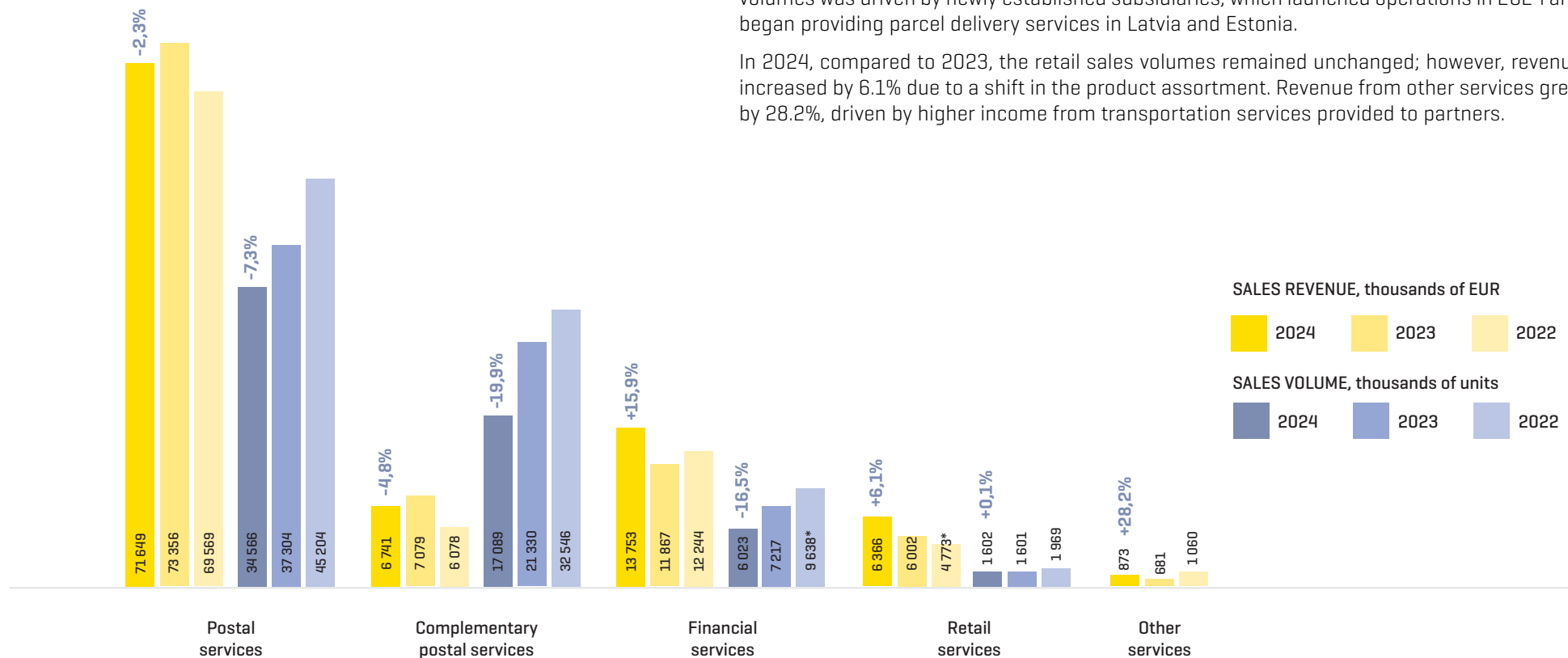
Trade receivables turnover ratio = sales revenue / trade receivables at the end of the period



# 03 REVENUE

The LP Group's sales revenue increased by 0.4 % in 2024 compared to 2023 and totalled EUR 99.5 million in 2024. Sales revenue is generated mostly from the provision of postal services. The sales volume and revenue of postal services decreased in 2024 compared to 2023: revenue decreased by EUR 1.7 million [2.3%], volume by 2.7 million [7.3%]. This was influenced by the rapidly declining popularity of traditional mail, as an increasing number of residents opt for electronic means of communication. A positive impact on LP Group's sales revenue and volumes was driven by newly established subsidiaries, which launched operations in 2024 and began providing parcel delivery services in Latvia and Estonia.

In 2024, compared to 2023, the retail sales volumes remained unchanged; however, revenue increased by 6.1% due to a shift in the product assortment. Revenue from other services grew by 28.2%, driven by higher income from transportation services provided to partners.



\*In this graph, volumes of financial services of year 2022 differ from those in the 2022 Yearly Report due to a change in the calculation methodology.



# 03 REVENUE

## from postal services by type

In 2024, Lithuania Post's domestic market experienced a 4.4% decrease in parcel volume and a 29.0% reduction in letter volume compared to 2023.

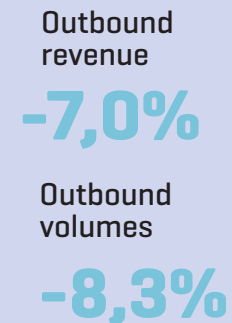
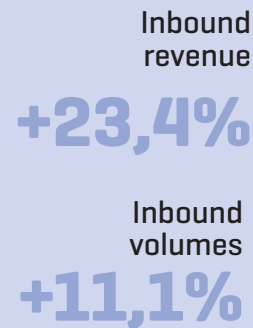
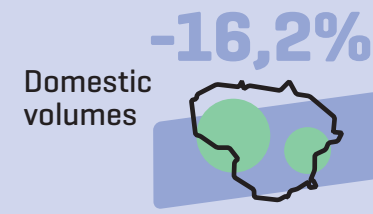
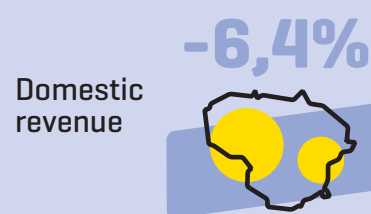
The volume of parcels handled through post offices and courier channels declined by 37.9% and 12.8%, respectively.

However, the volume of parcels processed via self-service parcel terminals increased by 6.4%.

Revenue from outbound postal traffic in 2024 decreased by 7.0% compared to 2023, primarily driven by the decline in ETOE traffic.

Conversely, inbound postal traffic revenue increased by 23.4% in 2024 compared to 2023, owing to a rise in the volume of inbound parcels to Lithuania.

ETOE refers to a business model defined by the Universal Postal Union (UPU), which enables a postal operator to establish and manage extra-territorial offices of exchange in countries other than its own national territory.

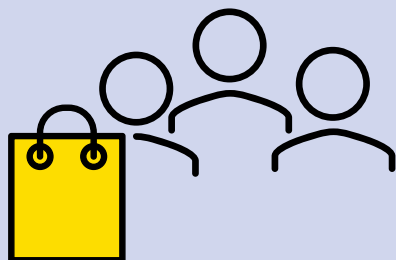




# 03 REVENUE

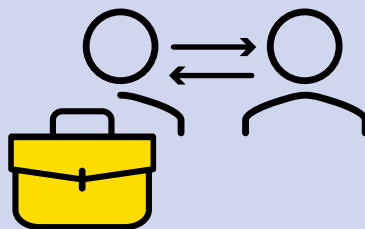
from postal services by type of customer

Revenue from  
private customers



-20,8%

Revenue from  
contractual customers



+5,7%

In 2024, revenue from private customers amounted to EUR 18 million, representing a decrease of EUR 4.7 million or 20.8% compared to 2023. The main reason for this decline was a drop in revenue from the imported goods market, which decreased by EUR 3.1 million or 36.5% compared to 2023. Revenue from the export and domestic markets of parcel delivery also declined by EUR 1.4 million [15.6%] and EUR 0.6 million [17.5%], respectively. On the other hand, revenue from letter mail increased by EUR 0.3 million or 14.8% in 2024 compared to the previous year.

In 2024, revenue from business customers totaled EUR 53.5 million, an increase of EUR 2.9 million or 5.7% compared to 2023. This growth was primarily driven by a EUR 5.5 million increase in revenue from the imported goods market. Additionally, revenue from the export parcel delivery market rose by EUR 0.5 million or 5.7% year-over-year. However, revenue from letter mail decreased by EUR 1.7 million [10.7%], from ETOE by EUR 0.9 million [21.4%], and from domestic parcel delivery by EUR 0.5 million [2.4%].

REVENUE FROM



private customers decreased by

**4,7  
million Eur**



contractual customers increased

**2,9  
million Eur**

**75%**

Revenue generated  
from postal services  
provided to business  
customers

**25%**

Revenue generated  
from postal services  
provided to private  
customers



# 03 EXPENSES

## OPERATING EXPENSES OF LP GROUP AND THE COMPANY, THOUSANDS OF EUR

	LP GROUP				COMPANY			
	2024	2023	CHANGE, %	2022	2024	2023	CHANGE, %	2022
Operating expenses	109 442	104 484	4,7%	108 238	107 419	104 480	2,8%	108 236
Employee-related expenses	48 525	47 899	1,3%	46 786*	48 074	47 892	0,4%	47 781*
Expenses of cross-border post deliveries and settlements with foreign post offices	17 242	19 926	-13,5%	23 745	17 194	19 926	-13,7%	23 745
Expenses of utility services	2 280	2 230	2,3%	2 896	2 280	2 230	2,3%	2 896
Lease of motor vehicles	4 262	3 190	33,6%	3 084	4 206	3 190	31,8%	3 084
Expenses of consumables and raw materials	2 507	2 548	-1,6%	3 270	2 488	2 548	-2,4%	3 270
Repair and maintenance expenses	2 266	2 127	6,6%	3 231	2 248	2 127	5,7%	3 231
Depreciation and amortisation of non-current assets	9 776	8 325	17,4%	7 528	9 612	8 325	15,5%	7 531
Cost of goods and services for resale	3 241	3 157	2,6%	2 606	3 241	3 157	2,6%	2 606
Taxes (other than income tax)	1 498	975	53,7%	1 773	1 498	975	53,7%	1 773
Communications expenses	464	347	33,8%	657	410	347	18,2%	657
Other expenses	17 382	13 950	24,6%	12 663*	16 169	13 949	15,9%	12 663*

*\*In 2022, employee-related expenses and other group expenses differ from those presented in 2022 due to a changed method of expense allocation.*

Operating expenses of LP Group totalled EUR 109.4 million in 2024, i.e. increased by EUR 5.0 million or 4.7% compared to 2023.

Employee-related expenses accounted for the major portion of total operating expenses [44.3%]. These expenses were EUR 0.6 million or 1.3% higher in 2024 compared to 2023, mainly due to an increase in the minimum monthly wage, the annual employee salary review, and the recruitment of new employees for the subsidiaries launched in Latvia and Estonia in 2024.

In 2024, compared to 2023, there was a significant decrease in expenses of international mail transportation and settlements with foreign post offices by almost EUR 2.7 million or 13.5%, driven by a lower volume of export and ETOE flows.

In 2024, expenses of short-term vehicle rental and related services increased by EUR 1.1 million or 33.6%. This growth was driven by costs associated with the return of vehicles.

In 2024, compared to 2023, depreciation and amortisation expenses of non-current assets increased by EUR 1.5 million or 17.4%, due to investments made in 2024 in new parcel terminals, the signing of new lease agreements, and investments in software.

In the group of other expenses, spending on advertising and representation was higher in 2024 compared to 2023, driven by expansion into the Baltic States.



# 03 PROFIT (LOSS) BEFORE INCOME TAX, EBITDA AND EBIT

CHANGES IN PROFIT (LOSS) BEFORE INCOME TAX, EBITDA AND EQUITY OF LP GROUP AND THE COMPANY, THOUSANDS OF EUR

PERFORMANCE INDICATORS	LP GROUP				COMPANY			
	2024	2023	CHANGE, %	2022	2024	2023	CHANGE, %	2022
Profit (loss) before income tax	480	5 438	-91,2%	4 997	3 334	5 441	-38,7%	5 000
Adjusted profit (loss) before income tax	-1 869	2 837	-165,9%	-3 351	985	2 840	-65,3%	-3 348
EBITDA	10 703	14 414	-25,7%	13 035	13 349	14 416	-7,4%	13 040
Adjusted EBITDA*	8 353	11 813	-29,3%	4 687	10 999	11 815	-6,9%	4 692
EBIT	927	6 088	-84,8%	5 507	3 737	6 090	-38,6%	5 509
Adjusted EBIT*	-1 422	3 487	-140,8%	-2 841	1 387	3 489	-60,2%	-2 839

In 2024, the LP Group earned a profit before tax of EUR 480 thousand. The Group's EBITDA [earnings before interest, taxes, depreciation, and amortization] decreased by EUR 3.7 million compared to 2023, amounting to EUR 10.7 million in 2024. Due to the decrease in retained earnings, as of 31 December 2024, the LP Group's equity amounted to EUR 34.4 million, representing a 7.6% decline compared to 2023.

*\*Adjusted performance indicators are intended for internal performance evaluation only. Adjustment includes the following actions: eliminating the EUR 4,964 thousand value of compensation for the losses incurred in 2021 when providing UPP from the 2022 operating income; eliminating the EUR 2,016 thousand value of compensation for the losses incurred in 2022 when providing UPP from the 2024 operating income and assigning it to the 2022 operating income; as well as eliminating from the operating income for 2022, 2023, and 2024, respectively, the EUR 5,400 thousand, EUR 2,601 thousand, and EUR 334 thousand net results from the sale of long-term assets.*



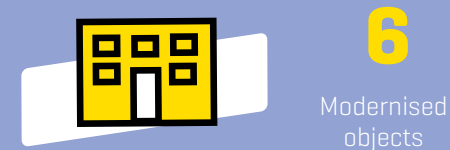
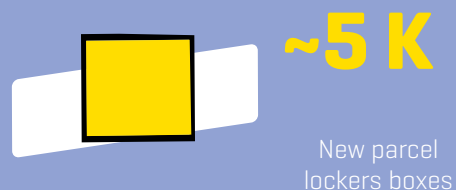
# 03 INVESTMENTS

LP GROUP'S AND THE COMPANY'S INVESTMENTS IN PP&E AND INTANGIBLE ASSETS, THOUSANDS OF EUR

PERFORMANCE INDICATORS	LP GROUP				COMPANY			
	2024	2023	CHANGE, %	2022	2024	2023	CHANGE, %	2022
Investments in PP&E and intangible assets	3 412	6 364	-46,4%	4 262	3 404	6 364	-46,5%	4 262
PP&E	1 873	5 358	-65,0%	3 593	1 865	5 358	-65,2%	3 593
Intangible assets	1 539	1 006	53,0%	670	1 539	1 006	53,0%	670

In 2024, LP Group's investments in tangible and intangible assets totaled EUR 3.4 million, representing a 46.4% decrease compared to 2023. Most investments in 2024 were allocated to software (EUR 1.5 million) and the parcel locker network (EUR 1.2 million). Additional investments were made in building renovations, furniture, vehicles, and security systems.

LP Group's patents and licenses, as well as software, are key intangible assets that directly contribute to the efficiency of its business model and the creation of value. Consistent investment in these resources supports the company's long-term growth, competitiveness, and success in the market.





# 03 FINANCING

An overdraft agreement was signed with OP Corporate Bank plc Lithuanian Branch to finance the working capital of the LP Group. Lietuvos paštas and Nordic Investment Bank (NIB) have signed a loan agreement to finance the Company's investment project for amount of EUR 17.5 million. The financing has a designated purpose as it is intended for the construction of a new centralised Vilnius Distribution Centre (VDC), for the repairs of the parking area, and for acquisition of self-service parcel terminals. The longest maturity term of borrowings is 7 years, with the last repayment date due in 2028.

As at 31 December 2024, the repaid amount of borrowings was EUR 8.2 million.





# 04

## OVERVIEW OF OPERATIONS



# 04 OVERVIEW OF OPERATIONS

## Membership in international organizations

The parent company, Lietuvos paštas, is a member of PostEurop, the association of European public postal operators, one of the regional unions of the Universal Postal Union. The company participates in the groups of the International Postal Corporation (on quality issues - OUC, on declaration issues - COMETS, on decision-making issues - IOSC, on operational issues - IOWG), as well as in the activities of the Nordic Postal Union.

Lietuvos paštas uses the products developed by the International Postal Corporation: LIRAE (system for settlements for international correspondence), PIRA (group for settlements for international premium parcels), UNEX (system for postal parcel delivery control).

## Research and development activities

The company carries out long-term strategic planning, which helps to determine its directions of development and necessary investments. In 2023-2026, important strategic projects related to the development of LP Group e-commerce solutions, process efficiency, and service quality improvement will continue, as well as in order to ensure the creation of a motivating work environment. Several other areas of activity will also remain important - financial sustainability and reduction of the impact on climate change.

Lietuvos paštas is currently paying particular attention to several areas of innovation development - the implementation of innovations in the LP EXPRESS parcel locker network and the use of big data on a company-wide scale. In the first case, the potential for the development of autonomous parcel lockers, as well as new services in the market, is being actively analysed. In turn, automation and digitalization of activities are necessary to strengthen the company's competitiveness - tools are currently being developed that will allow important decisions to be made using big data analytics.



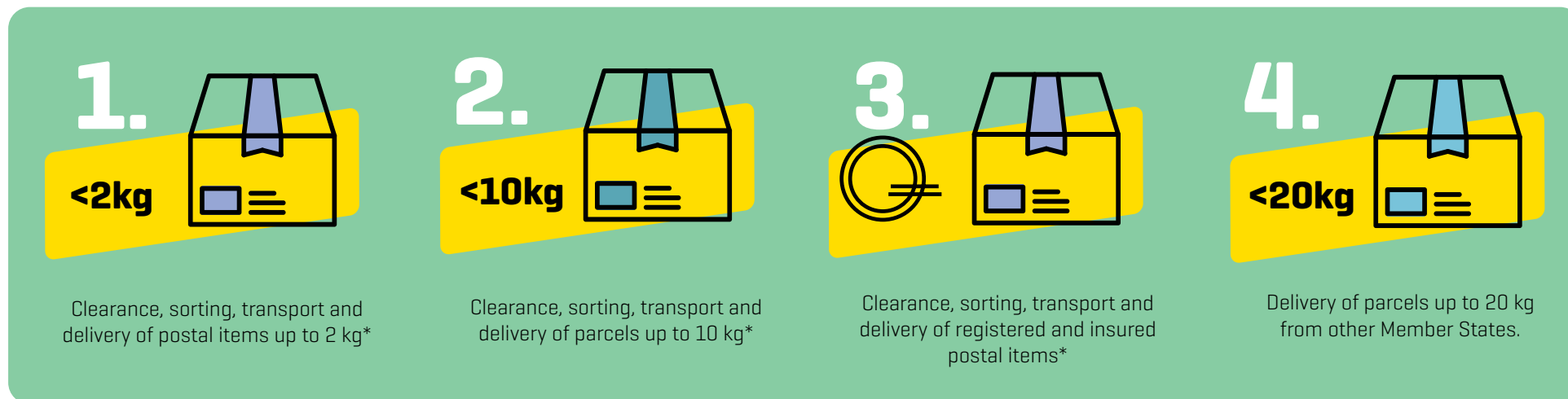


# 04 OBLIGATED POSTAL SERVICES

The basic rights and duties of the users of postal services are stipulated in the Postal Law of the Republic of Lithuania, the Civil Code of the Republic of Lithuania, the Law on Consumer Protection of the Republic of Lithuania, and the UPS Rules.

By Resolution No. 467 of 15 May 2019 of the Government of the Republic of Lithuania Regarding a designated provider of the universal postal service, Lietuvos paštas has been designated to provide the universal postal service across the entire territory of the Republic of Lithuania during the period from 1 January 2020 to 31 December 2026.

Under the Postal Law, the UPS provider is required to provide the following universal postal service across the territory of the Republic of Lithuania:



\* covering domestic and international postal service.

The Postal Law\*\* obliges the Universal Postal Service (UPS) provider to ensure the continuous provision of UPS across the territory of the Republic of Lithuania under equal conditions for all users, at least five working days per week, except in cases of force majeure. The provider must also ensure at least one collection and one delivery of postal items per working day to the recipient's place of residence or business location.

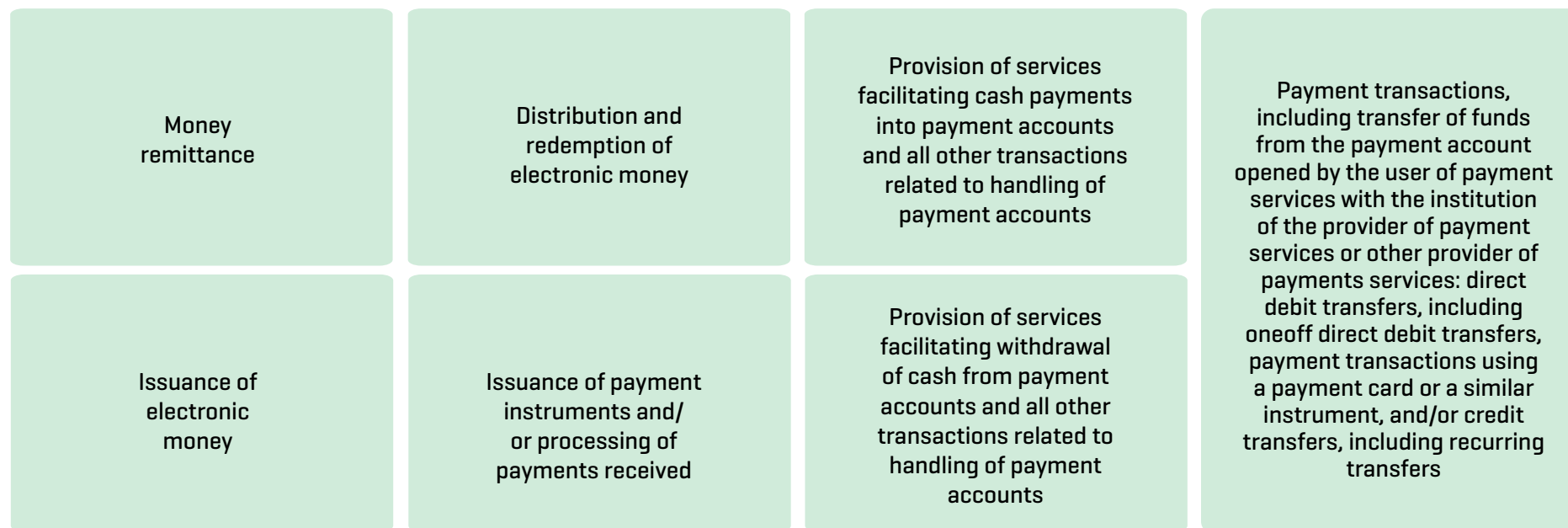
The Communications Regulatory Authority (the CRA) approves the maximum tariffs in respect of each weight category of postal items. Based on the approved maximum permitted UPS tariffs, the newly introduced tariffs for universal and other postal services are approved by the orders of the CEO of Lietuvos paštas. Lietuvos paštas, being obliged by the Government to provide the UPS, must deliver periodicals to subscribers in rural areas and cities that fall into sparsely and moderately densely populated residential areas.

\*\*According to the Postal Law in effect until December 31, 2024, a new version of the Postal Law came into force on January 1, 2025.



# 04 LICENSED ACTIVITIES OF PAYMENT AND ELECTRONIC MONEY INSTITUTION

Lietuvos Paštas AB holds an electronic money institution licence issued by the Bank of Lithuania [licence issued on 29 November 2016, licence No. 4, available at: [https://www.lb.lt/lt/frd-licencijos/view\\_license?id=256](https://www.lb.lt/lt/frd-licencijos/view_license?id=256)].



In March 2024, the Bank of Lithuania granted permission to Lietuvos Paštas to begin providing payment services in the Baltic States. The Bank of Lithuania informed that, in accordance with Article 18(8) of the Republic of Lithuania Law on Electronic Money and Electronic Money Institutions, the electronic money institution Lietuvos Paštas is authorized to provide payment services in Latvia and Estonia as of March 27, 2024.



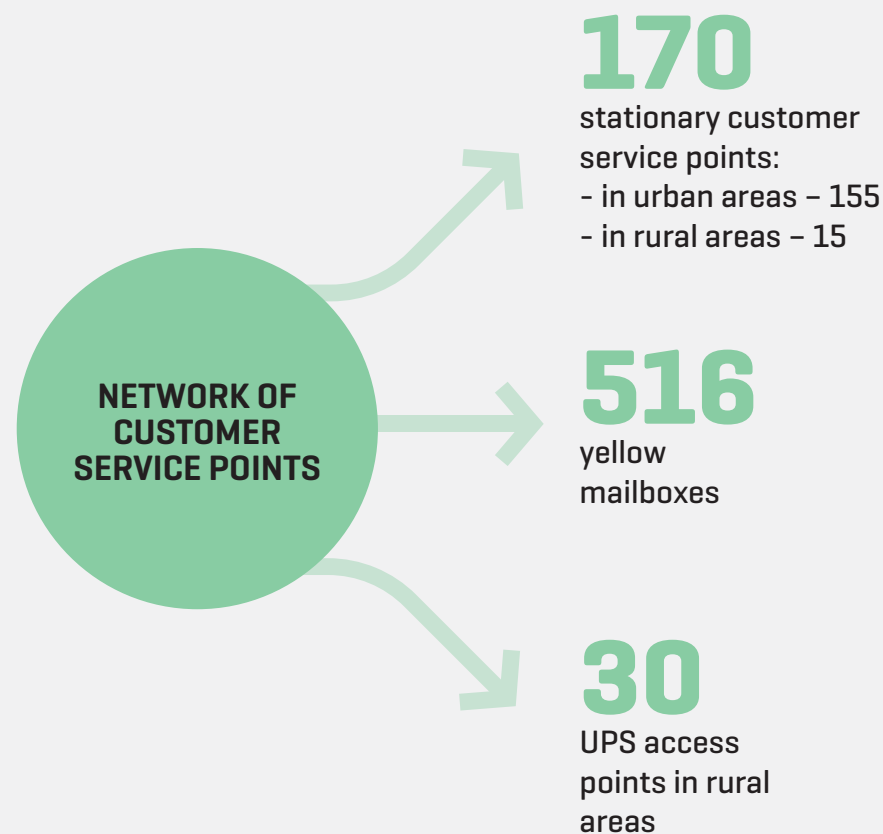
# 04 PUBLIC POSTAL NETWORK

The parent company, Lietuvos paštas, in fulfilling the requirements for the location of UPS service provision points, must maintain a certain postal network in accordance with the Order of the Minister of Transport and Communications "On Amendments to the Order No. 3-46 of the Minister of Transport and Communications of the Republic of Lithuania "On Approval of the Characteristics of the Postal Network of the Universal Postal Service Provider" of 25 January 2013" of 15 October 2020:

- in urban residential areas, the distance from the user's place of residence or domicile to the stationary or non-stationary service point must not exceed 3 km in the straight line;
- in rural residential areas, there must be at least one stationary or non-stationary service point in the territory of one eldership.
- in a rural residential area with more than 300 residents, at least one mailbox for public use must be installed. In the event that a UPS provider in the territory of a rural residential area ensures the provision of UPS at the agreed service provision point, the installation of a mailbox for public use is not mandatory in that territory.
- by 01 January 2027, all stationary service provision points must be adapted for the disabled.

As of 31 December 2024, Lietuvos paštas had a network of 201 UPS provision points, which consisted of: 170 post offices (155 in cities, 15 in villages), 1 agent in the city, 30 UPS provision points in rural areas.

As of 31 December 2024, Lietuvos paštas, together with its partner, the parcel locker sharing network uDrop, operated a network of 437 parcel lockers LP EXPRESS in Lithuania and a network of 297 parcel lockers Unisend in Latvia and Estonia. The total number of parcel locker parcel compartments in the three Baltic States was almost 83 thousand.



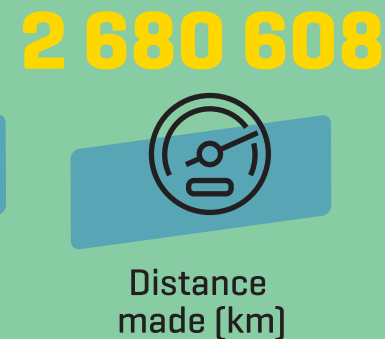
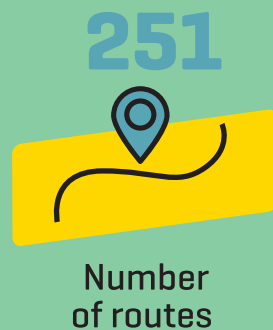


# 04 LOGISTICS

Logistics plays a significant role in the Company's activities, with its processes directly relating to services provided to customers: collection, distribution, transportation and delivery of postal parcels. Logistics also ensures that the post offices are supplied with both materials and goods for retail trade.

In 2024, the Company's fleet of cargo vehicles consisted of 88 commercial vehicles (including three electric vehicles) and 220 commercial vehicles used by subcontractors.

As part of the synergy between Lithuania Post's mail carriers and couriers, the number of logistics routes increased from 250 routes in 2023 to 251 routes in 2024.



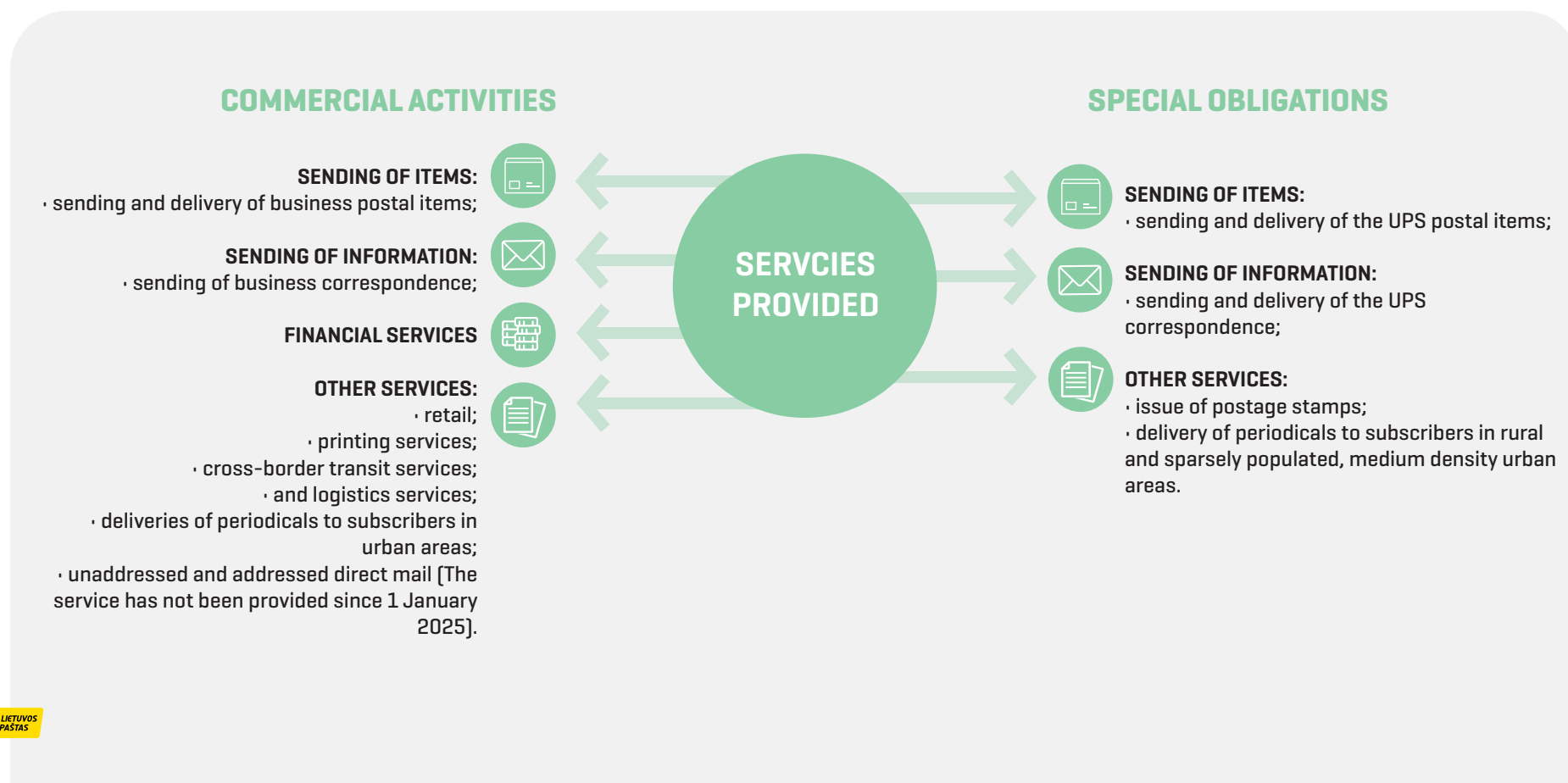


# 04 SERVICES, MARKETS, CUSTOMERS

Lietuvos paštas carries out commercial activities and ensures the fulfilment of special obligations.

Company provides services to both residents and various companies and organisations, cooperates with foreign post offices and financial institutions.

Lietuvos paštas customers are grouped into two segments: customers who purchase the postal services at the post offices, through online self-service platform or parcel lockers (typically these are private customers), and customers who have concluded agreements with the company (typically these are business customers).





# 04 INFORMATION ABOUT SPECIAL OBLIGATIONS

In accordance with the “Establishment of Special Obligations of State-Owned Enterprises and the Approval of Recommendations for the Submission of Information” dated 20 December 2013 [revised version No. 4-1036 of 29 September 2021], Lietuvos Paštas, as the designated provider of the Universal Postal Service (UPS), delivers universal postal and periodical delivery services as part of its special obligations. These

services are provided to subscribers in rural and urban areas, including sparsely and moderately populated residential zones.

Article 14, Part 5, of the Law on Postal Services stipulates that UPS rates must be accessible to all users, based on service costs, transparent, and non-discriminatory. If the maximum UPS rates established by the Communications Regulatory Authority (the Authority) are lower than the service costs, the difference must be covered by the UPS provider through state budget funds, as determined by the Government. On 25 No-

vember 2024, the Authority approved the decision to set new, below-cost rates for the universal postal services provided by Lietuvos Paštas in 2025. The Company has submitted an application to compensate for UPS-related losses incurred in 2023, totaling EUR 5.019 million.

Although the delivery of periodicals to subscribers is not part of the UPS, the postal service provider, as mandated by the Government, is obligated to deliver periodicals to subscribers in rural and urban areas, particularly in sparsely and moderately populated residential areas.

In 2024, the Company received compensation from the state budget amounting to EUR 10.323 million. This compensation was allocated as follows: €5.119 million for UPS in 2021, EUR 2.016 million for UPS in 2022, EUR 0.422 million for periodical delivery losses in the second half of 2022, and EUR 2.764 million for periodical delivery losses in the second half of 2023. The Company is awaiting payment for the following: EUR 2.258 million for the balance of periodical delivery losses in the second half of 2023, and EUR 3.885 million for periodical delivery losses in the first half of 2024. These loss amounts have been approved through separate decisions by the Authority.

As a UPS provider, Lietuvos Paštas adheres to accounting practices that comply with the principles of cost accounting and the requirements set forth by the Communications Regulatory Authority. This includes requirements for auditing and maintaining cost accounting systems, as outlined in the amended Cost Accounting Rules for Universal Postal Service Providers (amended on 29 June 2023, No. TN-292) and the Rules for Calculating Losses of the Universal Postal Service.

In line with the amended cost accounting rules, Lietuvos Paštas is required to apply the historical cost accounting principle. This means that fixed assets used in operations and the related costs are accounted for at their carrying amount without assessing changes in the value of these assets. Additionally, the return on investment, meeting the prudential criteria, must be clearly distinguished as a separate cost category and allocated to final services based on the capital volume used to provide each service. The Company must also separately account for each universal postal service and periodical delivery service to subscribers in rural and sparsely populated urban areas, distinguishing these from other services offered by the provider.

According to the Loss Calculation Rules for Universal Postal Service, the Company is required to record and allocate income and expenses by geographical area and user group in the cost accounting system. This includes incorporating the return on investment calculated in accordance with the Cost Accounting Rules.

The Lietuvos Paštas Group does not currently provide a functional distribution of financial information in the 2024 balance sheet or profit and loss statement. Information on the special obligations performed by the parent company, Lietuvos Paštas, is submitted to the Management Coordination Center in a separate document.

**The UPS price is affordable, transparent and non-discriminatory to all users of postal services.**



# 04 DOMESTIC POSTAL SERVICE MARKET

According to data from the Communications Regulatory Authority of the Republic of Lithuania, as of December 31, 2024, a total of 44 entities were actively operating in the postal services market—one less than at the end of 2023.

The total postal services market, measured by revenue, grew by 5% in 2024 compared to 2023, increasing from EUR 274 million to EUR 288 million.

In terms of market share based on revenue in 2024, the leading companies were Lietuvos paštas AB – 24.5%, DPD Lietuva UAB – 19.8%, and Venipak Lietuva UAB – 12.5%.

In terms of revenue generated from postal items sent by means of non-universal postal service in 2024, the market share of Lietuvos paštas AB was 20.3%, DPD Lietuva UAB was 21%, Venipak Lietuva UAB – 13.3%.

Revenue from universal postal services declined by 14.6% in 2024 compared to 2023, decreasing from EUR 15.8 million to EUR 13.5 million. Meanwhile, the volume of universal postal services fell by 30%, from 8.0 million to 5.6 million units.

25%

LIETUVOS PAŠTAS

20%

DPD

13%

VENIPAK



# 04 RISKS AND THEIR MANAGEMENT

Risk management at the Company is an integral part of strategic planning and strategy implementation, developed and implemented taking into account the recommendations of the international standard ISO 31000:2018. The Risk Management Policy, updated in 2023 and approved by the Board of the Company, defines the principles of risk management, the determination of risk categories and risk appetite, the stages of the risk management process, as well as participants and their responsibilities. After the review of the risk management process, changes to the Description of the Risk Management Procedure also entered into force in 2023. Risk management of specific areas of operations is regulated in internal documents detailing them, and integrated into routine operational processes and daily management.





# 04 RISK MANAGEMENT BASED ON THE THREE LINES MODEL

Risk management is based on the Three Lines Model, according to which a system of responsibilities has been created, which helps strengthen the Company's governance and risk management.

The CEO is responsible for the operation of the risk management system in the Company.

The first line - risk owners, usually heads of structural units, are responsible for the formation of a risk management culture, identification, assessment, and management of risks in the supervised area, implementation of risk management measures and assessment of their effectiveness.

A Risk Management Committee has been established in the Company by the order of the CEO. This committee passes risk management decisions and performs functions of risk management supervision and control. 9 committee meetings were held in 2024. During these meetings decisions related to the identification, assessment

and management of risks, approval of risk management plans, assessment of the effectiveness of measures were passed, and a quarterly risk management monitoring was performed. Together with the Risk Management Committee the second line includes employees responsible for control functions, who form the practice of risk management within the field of their control, they are responsible for consulting employees and organizing training, reporting, and continuous process improvement.

The third line - the Internal Audit Department provides independent, objective assurance and consultations on the adequacy and effectiveness of the Company's management and risk management.

The Company's Board and the Audit and Risk Management Committee under the Board carry out risk management supervision, monitoring the effectiveness of risk management at established frequency. The Company, taking into account the needs of stakeholders, cooperates with regulatory authorities.





# 04 RISK CATEGORIES AND RISK APPETITE

The risks relevant to the Company's operations are divided into strategic/business, financial, operational, compliance, and reputational.

## STRATEGIC/BUSINESS

Risk arising from the establishment and implementation of a strategy that is insufficiently defined, based on incomplete or inaccurate data, or related to changes in the operating environment and the Company's ability to prepare for or take advantage of them

## FINANCIAL

Risk arising from the management of financial assets and financial liabilities

## OPERATIONAL

Risks arising from internal [insufficient, improperly defined, or ineffective internal processes, or insufficient internal control] and external [natural disasters, cyberattacks, etc.] environmental factors

## COMPLIANCE

Risk related to the regulatory and legal environment and its changes, arising from insufficient measures to meet a legal or regulatory requirement, which results in legal liability, financial losses, or negative impact on the Company's reputation

## REPUTATIONAL

Risk arising from decisions made or situations that arise and their management, including ethical or data protection violations, lack of sustainability, systematic or recurrent failures, inadequate service quality, or lack of innovation



# KEY RISKS AND THEIR MANAGEMENT

The Company's Board established the risk appetite in respect of each risk category.

RISK CATEGORY		RISK APPETITE		
STRATEGIC/BUSINESS		As we seek to implement the strategic and development goals, we consider all potential business decisions and choose the most successful option, with reasonable risks tolerated and potential impact handled.		
	OPEN	FLEXIBLE	CAUTIOUS	MINIMAL
FINANCIAL		We seek to manage our financial resources in a reliable, safe and effective manner. We tolerate financial uncertainty to a certain degree in relation to business development, and at the same time we seek to maintain a stable organisation and implement our strategic goals.		
	OPEN	FLEXIBLE	CAUTIOUS	MINIMAL
OPERATIONAL		As we implement changes and new projects, we accept the risks that are managed through application of controls and monitoring procedures. To ensure efficient operations, we consider the potential improvements of the technology, systems and processes.		
	OPEN	FLEXIBLE	CAUTIOUS	MINIMAL
COMPLIANCE		We are not taking risks that could lead to liability and losses for breaches of legal and regulatory requirements. We will take every reasonable step to maximize compliance.		
	OPEN	FLEXIBLE	CAUTIOUS	MINIMAL
REPUTATIONAL		Our reputation is of key importance for successful delivery of services, and for maintaining trust of our stakeholders. The decisions that might affect our reputation and image are subject to diligent scrutiny to ensure minimum negative impact.		
	OPEN	FLEXIBLE	CAUTIOUS	MINIMAL

The risks with significance level higher than the risk appetite are managed through the risk management plans. Upon implementation of measures set forth in the risk management plan, the risk management process is assessed for effectiveness.

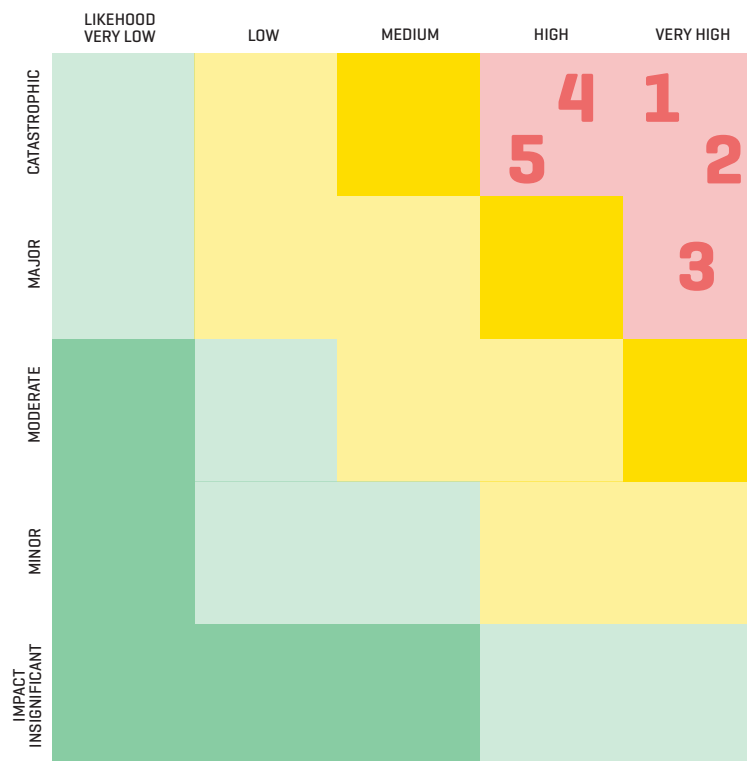


# 04 KEY RISKS AND THEIR MANAGEMENT

During 2024, the risk of the locality of the delivery network and limited competition opportunities in the goods delivery market identified in the annual report for 2023 was managed. We successfully implemented a strategic expansion project to Latvia and Estonia in the spring of 2024.

The risks arising from the regulation of the universal postal service and falling postal network volumes remain relevant in the future, as do the risks related to geopolitical uncertainty, economic growth slowdown and the competitive environment.

A regular risk review process was initiated in the spring and autumn of 2024 while taking into account the Company's strategic directions and changing external and internal environmental factors, as is the case every year. After assessing existing and newly identified risks, the Risk Register and Map were updated, which highlighted the most important risks for the future period [see below]. Risk management plans were created to manage these priority risks, providing for risk mitigation measures.



## RISK SIGNIFICANCE LEVEL

Critical
Unacceptable
Undesirable
Acceptable
Desirable

- 1 Impact on financial sustainability due to faster than expected declines in the postal network and printing services.
- 2 Risk of breaches and sanctions arising from non-compliance with international correspondence delivery quality indicators.
- 3 Losing key LP Express customers due to more intense competitive environment.
- 4 Dependence on a clearly undefined regulation of the UPS, leading to a high financial burden.
- 5 Limited opportunities to compete in the parcel market due to the locality of the delivery network.



# 04 BUSINESS CONTINUITY MANAGEMENT

The Business Continuity Policy approved in 2022, prepared based on the international standard ISO 22301:2019, establishes the principles of business management and organization, and responsibilities, on the basis of which the continuity of Company's operation management system is developed. The implementation of the policy provisions is detailed in the Description of the Procedure of Business Continuity Management, updated in June 2024, which establishes the process and resources necessary to properly prepare and, in cases of disruption, ensure the Company's ability to continue operating uninterruptedly and reduce the resulting losses.

After assessing the impact of business continuity on the implementation of the strategy, financial condition and reputation, the Company's critical activities were identified. Business Impact Analysis and a risk assessment were performed for each critical activity, based on which business continuity plans were drawn up, providing for business disruption scenarios, communication, measures and actions necessary to continue and restore the continuity of activities. In 2024, Business Continuity plans were tested, during which deficiencies were identified and corrective actions were planned, and plans' updates were initiated.





# 04 AUDITORS

The audit of the financial statements for the year ended 31 December 2024 prepared according to IFRS (International Financial Reporting Standards), as adopted by the European Union, was carried out by PricewaterhouseCoopers UAB.

Under the agreement on procurement of audit services signed between the Company and PricewaterhouseCoopers UAB on 8 September 2022, and the arrangement on amendment to the agreement No. 2022-P00117, dated 8 September 2022, the fee for the audit of the consolidated and separate financial statements for 2024, including the preparation of the report to the Bank of Lithuania, amounted to EUR 86.2 thousand (excl. VAT).

During 2024, the following non-audit services (assurance services under ISAE 3000 on reports delivered to the Communications Regulatory Authority), as set out in the agreement on audit services, were rendered for the total value of EUR 32 thousand:

Reasonable assurance report on the UPS provider's internal cost accounting

system used in 2023, as well as on the income/cost report for 2023 on the service of delivery of periodicals to subscribers in rural residential areas and cities that fall within sparsely and moderately densely populated residential areas;

Reasonable assurance report on the UPS provider's internal cost accounting system used in 2023, as well as on the UPS cost report for 2023;

Limited assurance report on the UPS provider's internal cost accounting system used in H1 2024, as well as on the income/cost report for H1 2024 on the service of delivery of periodicals to subscribers in rural residential areas and cities designated as residential areas with low and moderate population density.

Translation services from Lithuanian into English for the Group's 2023 Annual Report and Consolidated Financial Statements, as well as the Company's Annual Report and Financial Statements, for the fee of EUR 2.5 thousand.





# 05

## PLANS AND PROJECTIONS



# 05 SHAREHOLDERS EXPECTATIONS FOR THE DEVELOPMENT OF THE COMPANY

For implementation of the strategy of Lietuvos paštas, the Shareholder's Letter of Expectations sets the goals, the areas of focus, the purpose, and the general expectations regarding the principles of operation. The Shareholder's Letter of Expectations is available on the official website of Lietuvos paštas under the section Management.

## ASSURANCE OF FUNCTIONS OF NATIONAL IMPORTANCE

The Company is committed to ensure provision of the universal postal service and periodicals delivery services, as defined in the relevant legal acts and agreements with the Company; postage stamps release and withdrawal from circulation.

## INNOVATIONS, DIGITALISATION, SUSTAINABILITY

The Company is expected to contribute to promotion of innovations, implement new technologies and modern work approach. It is also expected to integrate the UN sustainable development goals.

## CUSTOMER SERVICE QUALITY

The Company is expected to improve the quality of its services, ensure clear and transparent communication; also to seek that the postal infrastructure and services are accessible to people with individual needs.

## TRANSPARENCY

The Shareholder expects that the Company will have in place corruption prevention and risk management measures ensuring transparent and fair operations. The Company will ensure that all information recommended under the SOE Transparency Guidelines will be made available to public.

## GOOD GOVERNANCE AND EFFICIENCY

The Company is expected to ensure governance that is efficient and meets the best practice in line with the governance improvement recommendations issued by the Governance Coordination Centre; also to seek that its rating in the SEO Good Governance Index is not lower than A. The Company is expected to focus on improvement of efficiency of operations and cost management, and to make decisions regarding inefficiently managed property.

## SOCIAL RESPONSIBILITY

Development and implementation of frameworks for values, replaceability of skills, and motivation of employees; ensuring a fair work pay and work environment that meets the market standards; ensuring work conditions for people with individual needs.

## SERVICE PROVISION AND POSSIBILITIES FOR DEVELOPMENT OF OPERATIONS

The Company is expected to engage in profitable commercial activities, including the financial services, that are compatible with the fulfilment of special obligations; also seek to maintain and expand its market share in postal delivery services, look for innovative and sustainable solutions for development of operations.

## FINANCIAL EXPECTATIONS

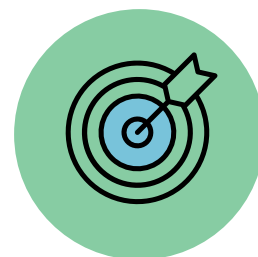
The Company's long-term profitability and capital structure indicator must meet the one set by the Government of the Republic of Lithuania.



# 05 STRATEGY 2025-2028

Strategic planning and monitoring at Lietuvos paštas are carried out based on the recommendations of the Governance Coordination Center, the Company's internal policies and procedures, as well as best practices. In preparing the strategy, all Company departments are involved, and a stakeholder survey is conducted. The procedure for strategy development is defined in the Integrated Strategic Planning and Monitoring Policy, which was updated and approved by Resolution No 18-53 of the Lietuvos paštas Board of 18 December 2024.

**SUSTAINABLE GROWTH.**  
Focus on the parcel market, innovating to create easy and seamless customer experience.



## MISSION

Convenient way to receive and send. For everyone.



## VISION

Trustiest delivery network connecting our region with the world.



## VALUES

We are cooperating. We take responsibility. We are changing.

## STRATEGIC DIRECTIONS

The Group's updated strategy 2025-2028 defines the main areas of focus to be pursued until 2028, the strategic goals and target indicators.



Ensuring financial sustainability



E-commerce enabler known in Baltics and beyond



Transforming and efficient post



Developing sustainable processes and services



Together creating desirable work environment for growth



# 05 2025–2028 STRATEGIC GOALS

Segment	Strategic direction	Goal	Goal indicator
<b>FINANCES</b>	Ensuring financial sustainability	Creating added value for the shareholder	Return on equity (ROE), %
<b>CUSTOMERS</b>	E-commerce enabler known in Baltics and beyond	Increase parcels revenue market Yearly change in market share in Lithuania	Yearly change in market share of revenue from the delivery of parcels, p.p.
		Expansion to Baltics	Revenue from Baltic parcels, million EUR
<b>PROCESSES</b>	Transforming and efficient post	Increase postal network efficiency	Postal network costs and sales revenue ratio
	Developing sustainable processes and services	Improve sustainability	Sustainability evaluation, %
<b>EMPLOYEES</b>	Together creating desirable work environment for growth	Strengthen employee engagement	Employee engagement, %



# 05 MISSION IN MORE DETAIL



## MISSION

### A CONVENIENT WAY

We strive to ensure that our services are easily accessible to our customers by providing a wide range of service channels and affordable prices, and making sure that the services are unsophisticated and user-friendly.

### TO SEND AND RECEIVE

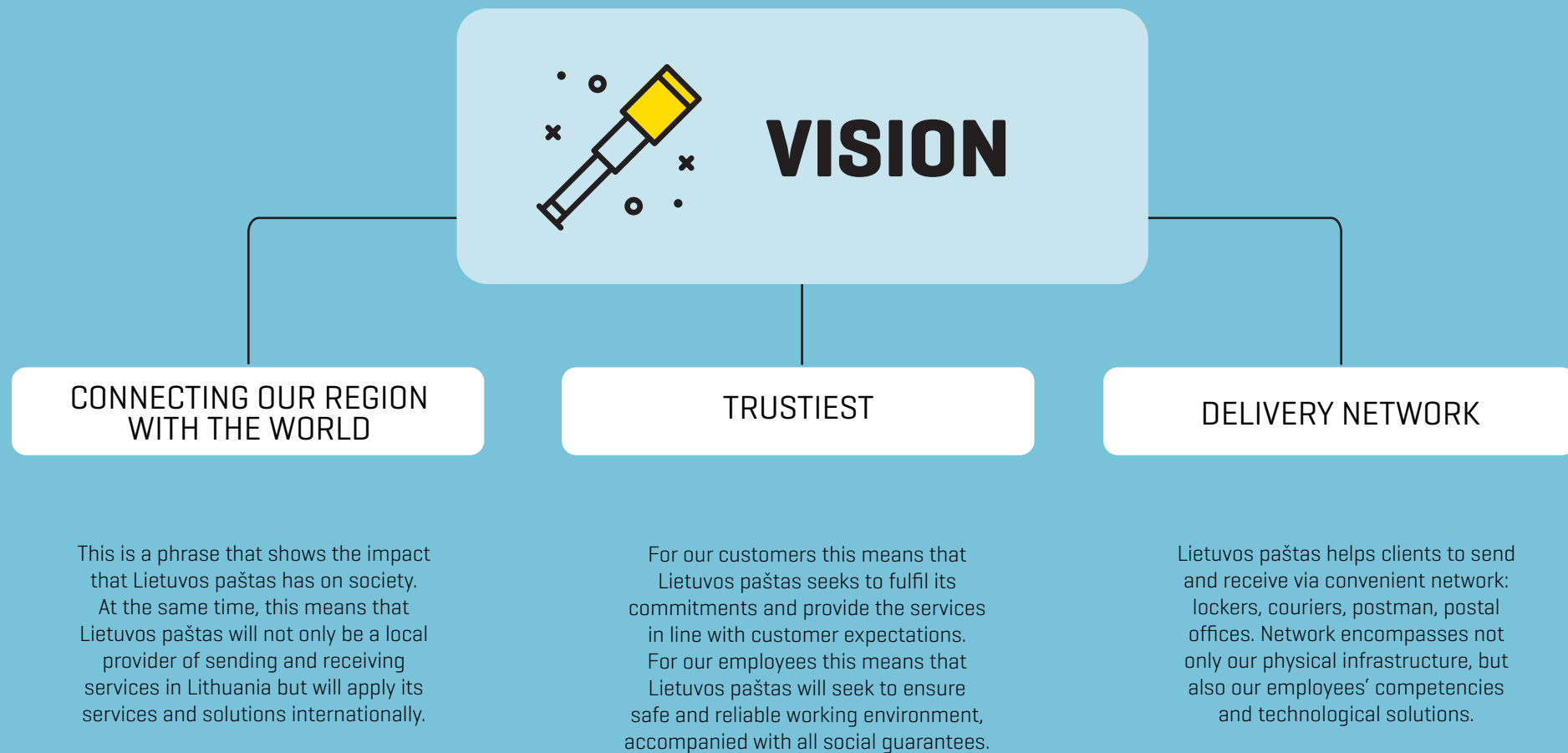
These are the key words reflecting the purpose of our organisation.  
Our customers can send and receive parcels, correspondence parcels, and benefit from financial services.

### FOR EVERYONE

We provide our services to both business and private customers (B2B, B2C, C2C).

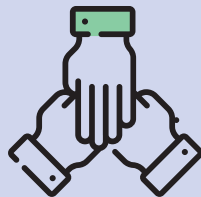


# 05 VISION IN MORE DETAIL





# 05 VALUES IN MORE DETAIL



## VALUES

### WE COOPERATE

1. I am aware of our common goal and expectations of our customers.
2. I understand my contribution towards common goal.
3. I share my knowledge and expertise to add value to customers.
4. I observe, respond and follow up.

### WE TAKE RESPONSIBILITY

1. I follow the rules and other arrangements.
2. I deliver on my promises to employees and customers.
3. I demonstrate respectful behaviour with my colleagues and customers.
4. I create an environment that nurtures professional and personal wellbeing.

### WE CHANGE

1. I demonstrate courage to change in order to work more effectively and create added value to customers.
2. I am positive about and open to changes.
3. I make suggestions for improvement of operations.
4. I take initiative and act.



# 05 IMPLEMENTATION OF STRATEGIC GOALS 2024

STRATEGIC DIRECTION	GOAL	GOAL INDICATOR	2022	2023	2024	2024 PLAN	COMMENT
ENSURING FINANCIAL SUSTAINABILITY	Create added value for the shareholder	Return on Equity (ROE), %	15.1	13.9	8.3	10.3	The achievement of the ROE target was negatively affected by only partial compensation for UPP's 2022 operating loss.
E-COMMERCE ENABLER KNOWN IN BALTICS AND BEYOND	Increase parcels revenue market share in Lithuania	Yearly change in market share of revenue from the delivery of parcels, p.p.	-2	0.3	0.4	≥0.5	The reported value for 2024 is preliminary.
	Expansion to Baltics	Revenue from Baltic parcels, million EUR	-	-	2.7	1.8	Exceeds the target indicator.
TRANSFORMING AND EFFICIENT POST	Increase postal network efficiency	Postal network costs and sales revenue ratio	1.06	0.94	0.90	<1.0	The efficiency review of the entire Lietuvos paštas network has been completed, including the optimization of the network management model, the reduction of mobile mailman stabilization locations, and the introduction of variable pay for postal managers.
DEVELOP SUSTAINABLE PROCESSES AND SERVICES	Improve sustainability	Sustainability evaluation, %	-	70	76	+ 1 p.p.	Annual assessment. The assessment is conducted within the NPS survey sample.
TOGETHER CREATING DESIRABLE WORK ENVIRONMENT FOR GROWTH	Strengthen employee engagement	Employee engagement, %	45	53	58	47	The positive growth was driven by the Company's efforts and the implementation of the workplace improvement program.



# 05 IMPLEMENTATION OF ANNUAL GOALS FOR 2024

ANNUAL GOAL	INDICATOR	2024 PLANNED	2024 RESULT	COMMENT
<b>CREATE ADDED VALUE FOR THE SHAREHOLDER AND INCREASE EFFICIENCY</b>	Return on Equity (ROE), %	10.3	8.3	The achievement of the ROE target was negatively affected by only partial compensation for UPP's 2022 operating loss.
<b>CREATE ADDED VALUE FOR THE SHAREHOLDER</b>	Prepare proposals for changes to the universal postal service (UPS) model (including financial calculations and making the best efforts to obtain approval from the Communications Regulatory Authority]	100%	100%	A survey was conducted, and the results were presented to the Communications Regulatory Authority and the Ministry of Transport and Communications of the Republic of Lithuania. Proposals for changes to the UPS model were prepared, and interim results were presented to the board. Preliminary assessments of potential financial impacts were also carried out for different change scenarios.
<b>INCREASE THE MARKET SHARE OF PARCEL DELIVERY REVENUE IN LITHUANIA</b>	Annual change in the market share of parcel delivery revenue, p.p.	≥0.5	0.4	The reported value for 2024 is preliminary.
<b>EXPAND THE COMPANY'S ACTIVITY INTO THE BALTIC STATES</b>	Number of parcel terminals in Latvia and Estonia	297	717	In 2024, the Company began a development project in the Baltic States under the "Unisend" brand. Over the year, 177 "Unisend" parcel terminal lockers were installed in Latvia and Estonia, and the network of 120 partner "uDrop" parcel terminal lockers was put into use. In Latvia, an additional partnership was established with "Latvijas Pasts", allowing the integration of 420 Latvian post office parcel lockers into the shared network.
<b>ENSURE HIGH CUSTOMER SATISFACTION</b>	Customer satisfaction [LP EXPRESS], NPS index, %	64	65	In 2024, the expansion of parcel lockers continued – an additional 5,000 lockers were installed. A project to improve courier quality was launched, linked to the motivational "Best Courier" initiative. The synergy project between the contact centers in Latvia and Lithuania was successfully completed. For customer convenience, a new self-service system was launched, and the websites post.lt and lpexpress.lt were adapted for people with visual impairments.
	Customer satisfaction [LP], NPS index, %	31	42	A process for comprehensive solutions was created, and the contact center operating model was updated. A solution was developed that allows mail items to be directed to a parcel locker. A training cycle aimed at familiarizing staff with the updated customer service standard was completed – a total of 26 training sessions were held. These training sessions have become part of the ongoing training program.
	The goals set in the action plan for improving the indicators of international mail delivery for UPS have been achieved	100%	100%	The actions outlined in the action plan were implemented, and the international mail delivery indicators were improved. A positive evaluation was received from the Communications Regulatory Authority, and the decision not to impose a fine was made, considering the latest IPC assessment indicators and the actions carried out by the Company. The delivery time for international priority correspondence mail from Lithuania to EU countries was reduced by an average of 1.3 days, resulting in a more than twofold improvement in the quality indicators for international priority correspondence mail.
<b>ENSURE EMPLOYEE ENGAGEMENT HIGHER THAN THE MARKET AVERAGE</b>	Employee engagement, %	47	58	The positive growth was driven by the company's efforts and the implementation of the working conditions improvement program: additional benefits were introduced, a new collective agreement was signed, and funded team-building activities were launched. Various internal initiatives for employees were also implemented, such as Diversity and Inclusion Month and Volunteering Month. Moreover, new learning programs and other initiatives promoting employee development were launched.



# 05 INVESTMENT PROJECTS

## UPGRADE OF BUSINESS MANAGEMENT SYSTEM (BMS)

2020 06 16 / 2025

## OPERATIONAL EFFICIENCY (LAST MILE)

2023 03 21 / 2025

## BUSINESS DEVELOPMENT IN THE BALTIC STATES

2023 01 17 / 2024 07 01

### EXPECTED FINAL RESULT AND PLANNED BENEFITS OF THE PROJECT

#### EXPECTED RESULT:

- A new business management system MS0365F0 and key business management processes have been implemented.

#### PLANNED BENEFITS:

- Effective management of key business processes, reduction of error probability in key business processes, reduction of manual work;
- Reduced IT complexity;
- Ensurance of uninterrupted operation of critical activities.

#### EXPECTED RESULT:

- Delivery of a portion of parcels that meet the set parameters using a single resource, thus reducing the costs incurred in provision of the last mile delivery;
- The logic for determining last mile stops was updated.

#### PLANNED BENEFITS:

- Reduction of costs incurred by subcontractors in providing last mile delivery;
- Accurate accounting of courier data.

#### EXPECTED RESULT:

- Companies established in Latvia and Estonia;
- Operating processes to provide parcel collection and delivery services in the Baltic States with the full scope of the established products;

### WORKS COMPLETED IN 2024

- The design phase of the new system has been implemented: standard design documents have been prepared;
- The system has been set up according to the results of the design phase. Data has been prepared and uploaded to the TEST environment – manuals, cards, balances, 80% of the data has been checked;
- Initial testing of the system standard has been carried out;
- Integrations and modifications have been designed, 79 design documents have been prepared. The supplier has implemented and the buyer has partially tested 35 modifications and 8 integrations.

- The initial phase was launched in one of the regions, where, both network and courier product delivery is currently being performed by a single resource – couriers in zone III;
- In the same region, subcontractor services were foregone in zone II, taking over the performance of the activity with our own employees (couriers). This led to savings of up to 15% of costs;
- A mobile device (tablet) has been selected to be used by employees providing both postal and courier services. The new device will allow avoiding the need for a second physical device – a bank card reader.
- The possibilities of ensuring the expansion of the project in other regions by dividing the distribution of parcels between two logistics centers have been assessed.

- Operations launched in Latvia and Estonia;
- The planned 297 parcel machines have been built.



# 06

## SUSTAINABLE DEVELOPMENT



# 06 ABOUT THE REPORT

Lietuvos paštas' annual sustainable development report [hereinafter referred to as – the Report] is published along with the Company's consolidated annual report and financial statements. The report is prepared in accordance with the 2021 edition of the Global Reporting Initiative [GRI] standards. In preparing the Report, the requirements of the Law of the Republic of Lithuania on Consolidated Financial Statements were also followed, activities were evaluated in the context of the United Nations Sustainable Development Goals [UN SDGs], and the principles of the United Nations Global Compact were taken into account.

The sustainable development report should be read together with the Company's consolidated annual report, as some information relevant to the Report is provided in the annual report to avoid duplication.

The Report covers the period from 1 January 2024 to 31 December 2024.

This and previous sustainable development reports can be found on the Company's website. The data presented in previous years' reports remains valid and has not been changed due to revised calculation methods or new data, except where explicitly stated in the Report. The Board reviews and approves the Report together with the annual financial statements.

If you have any questions about the Report or the Company's sustainability initiatives, please contact us at: [darnumas@post.lt](mailto:darnumas@post.lt).





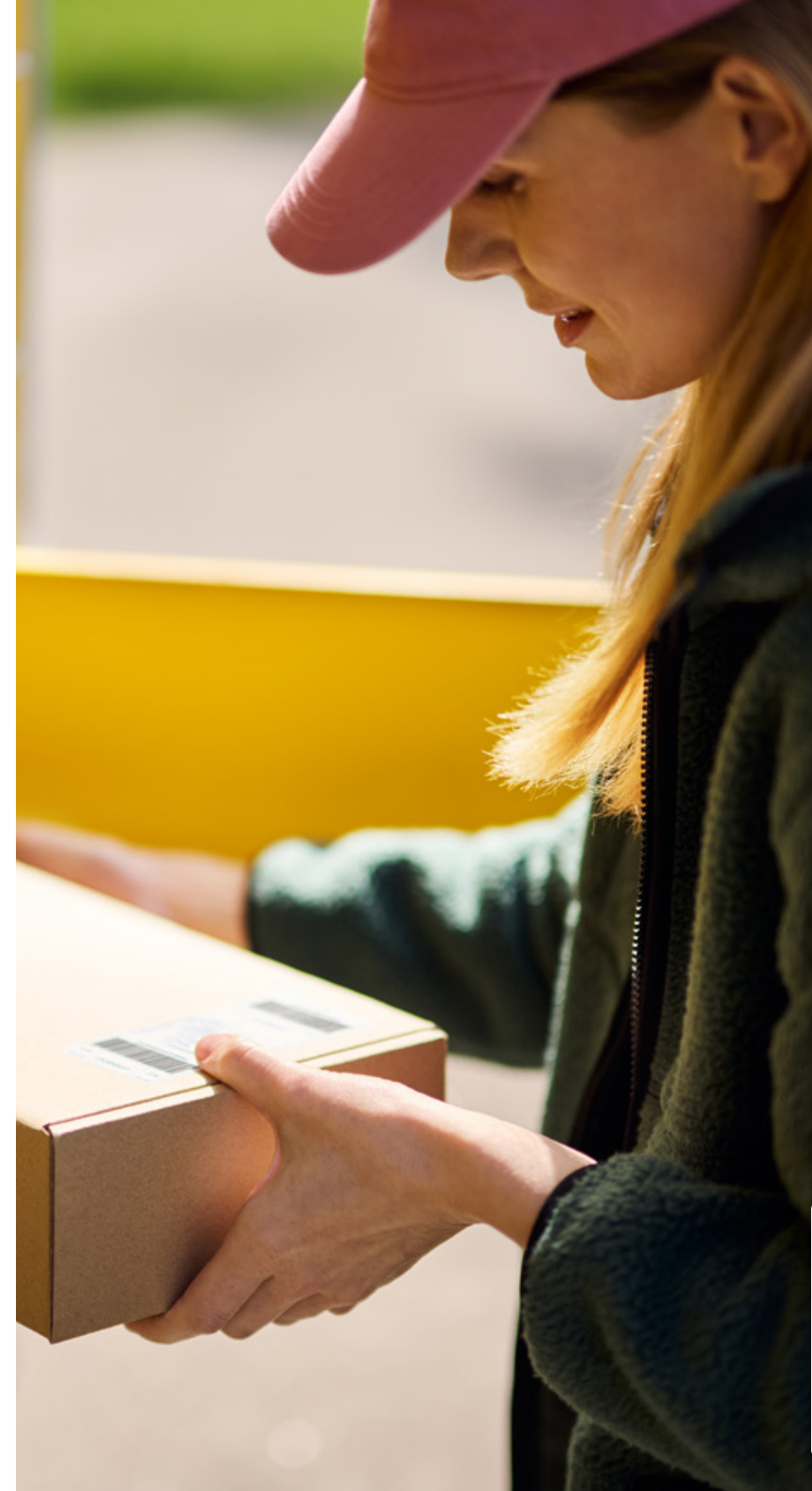
# 06 SUSTAINABLE DEVELOPMENT AT LIETUVOS PAŠTAS

Lietuvos paštas made the decision to make sustainable development one of its priorities back in 2020. Operating in one of the most polluting sectors – the transport industry – the company takes responsibility for its environmental impact and strives to act sustainably. Lietuvos paštas aims to be among the companies that implement the best sustainability practices, set an example for other organizations, and promote a responsible approach to business.

In 2021, the main focus was on understanding the expectations of stakeholders – including shareholders, customers, partners, employees, suppliers, and non-governmental organizations – refining strategic sustainability directions, and setting goals.

Since 2022, the Company has begun to focus on specific actions to implement the established commitments and develop educational initiatives. In 2023, active steps were taken to strengthen the set commitments to reduce environmental impact, and to implement various initiatives in the areas of environmental protection, social responsibility, and good governance.

Meanwhile, 2024 is not only a year for continuing ongoing work but also for preparing for the new European Union sustainability reporting requirements. Lietuvos paštas is actively preparing to comply with the Corporate Sustainability Reporting Directive (CSRD), which requires companies to provide more detailed, standardized, and data-based information on their impact on the environment, social responsibility, and governance practices. This process will ensure greater transparency, better stakeholder communication, and a more accurate evaluation of the organization's sustainability actions.





## COMPANY'S SUSTAINABLE DEVELOPMENT PRINCIPLES

The Company conducts its activities according to the highest standards of transparency, governance, ethics, and social responsibility. The Company adheres to seven principles, which are an integral and inseparable part of the business and contribute to sustainable development:

### ACCOUNTABILITY

The Company is accountable for its impact on society, the economy, and the environment.

### TRANSPARENCY

The Company practices transparency in decision-making and operations that affect society and the environment.

### ETHICAL BEHAVIOUR

The Company acts ethically, meaning its behaviour is based on the values of integrity, equality, and good faith.

### RESPECT FOR INTERNATIONAL CONDUCT STANDARDS

The Company follows the guidelines outlined in treaties and other international agreements relevant to social responsibility while adhering to all applicable laws and regulations in the Republic of Lithuania.

### RESPECT FOR LAWS

The Company complies with all laws and regulations in the Republic of Lithuania and informs stakeholders about the obligation to comply with and apply these requirements.

### RESPECT FOR HUMAN RIGHTS.

The Company respects human rights and acknowledges both their importance and universality

### RESPECT FOR STAKEHOLDER INTERESTS.

The Company respects, considers, and responds to the interests of stakeholders



## RELATIONSHIPS WITH STAKEHOLDERS

Open and ongoing cooperation with stakeholders is essential for the successful implementation of sustainable development goals. Lietuvos paštas aims for the Company's strategy and sustainable development initiatives to be shaped based on the expectations and needs of stakeholders.

The Company considers stakeholders to be both those affected by its operations and those who are interested in the Company's activities or may have a direct or indirect impact on it. Stakeholders have been identified by creating a comprehensive list. Additionally, the Company has defined the expectations, needs, risks, and opportunities associated with each stakeholder.

In the context of sustainable development, the key stakeholders are:

	SHAREHOLDER	EMPLOYEES	CUSTOMERS	SUPPLIERS AND CONTRACTORS	LOCAL COMMUNITIES AND SOCIETY	NON-GOVERNMENTAL ORGANIZATIONS
Goal of Engagement	The company aims to meet all the shareholder's expectations, including those related to sustainable development.	Employee engagement is a key factor for the success of sustainable development initiatives. Moreover, they have the opportunity to report issues and make suggestions related to sustainable development.	Customers help the Company better understand their expectations and needs for sustainable services. As a result, based on their feedback, the range of sustainable services is continuously expanded.	In its operations, the Company cooperates with various suppliers and contractors. To ensure sustainable operations, it is important that the Company's partners also adhere to the principles of sustainable business.	It is important for the Company to understand how changes in its activity affect local communities and society and, where possible, include them in the dialogue.	Cooperation with organizations operating in the field of sustainable development helps the Company gain expert knowledge, obtain valuable insights, and establish connections with target groups.
Methods of Engagement	The company's website, annual report, direct communication, and meetings.	Intranet and other internal communication channels, training, direct communication, and feedback collection, "Trust Line" and a space to suggest ideas and report problems.	The company's website and social media accounts, newsletters, customer surveys, and feedback forms.	The Company's website, direct communication, supplier surveys, documents such as the Supplier Code of Ethics.	The Company's website and social media accounts, annual report.	The Company's website and social media accounts, direct communication, and the annual report.

More detailed information about stakeholder engagement goals and methods is available in the Company's website under the „*Sustainable Development*” section.



## MATERIALITY ASSESSMENT

In 2021, the Company conducted a materiality assessment with the primary goal of identifying the most important areas of sustainability in postal activity that are most relevant to the Company's stakeholders, and evaluating the Company's impact on each area. The key result of this assessment was the Company's Materiality Matrix.

### Key actions in the materiality assessment:

- Six key stakeholders were surveyed – a total of over 1,760 individuals and their representatives.
- Twenty-four relevant sustainable development aspects were identified.
- Stakeholder representatives expressed their views on which aspects are most relevant to the Company's activities.
- An impact assessment was conducted with the organization's management – the relationship between stakeholder expectations and the Company's strategic goals was evaluated.
- Based on the results of the assessment, the Lietuvos paštas' sustainability guidelines were prepared, and strategic directions and goals were set.

The vertical axis of the matrix represents the importance of aspects to stakeholders, while the horizontal axis represents their importance to the Company's sustainable development impact.

The **most important sustainable development directions** identified during the materiality assessment, which also form the basis for the sustainable development report, are as follows:

- Reducing the impact on climate change
- Sustainable services for our customers
- A motivating work environment
- Promotion of social integration
- Sustainable supply chain
- Digitalization
- Financial stability and resilience

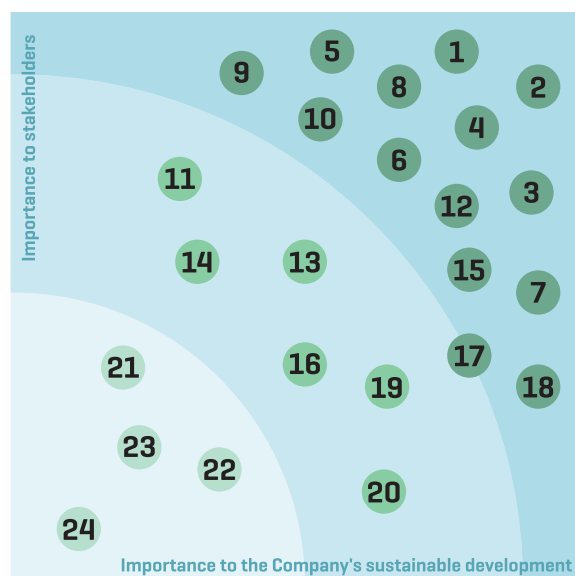
Strategic goals have been set for each material area, and the related management actions and initiatives aimed at reducing negative impacts or increasing positive impacts are detailed in this report under the relevant sections.

Information about the Company's main positive and negative impacts on the most important areas, both current and anticipated in the future, is provided in the "[Sustainable Development](#)" section of the Company's website.

The Company does not have an impact management mechanism in place.

In light of the new Corporate Sustainability Reporting Directive [CSRD] coming into force, the Company conducted a double materiality assessment at the end of 2024. According to this assessment, the most significant topics were reviewed based on the updated double materiality methodology, which allows for the evaluation of both the organization's impact on the environment and society, and the influence of external factors on the organization itself. The results of this assessment and the identified changes will be reflected in the 2025 sustainability report, and will also help the Company better address both its own and its stakeholders' expectations, ensuring more precise and comprehensive accountability.

### Materiality Matrix of Lietuvos paštas



#### Topics of very high importance:

- 1 Effective protection of personal data
- 2 Safe working environment
- 3 Development of electronic services
- 4 Fair remuneration
- 5 Equal rights of employees
- 6 Service accessibility for persons with disabilities
- 7 Prevention of bribery
- 8 Conservation of natural resources
- 9 Responsible handling packaging
- 10 Protection of human rights
- 12 Sustainable supply chain
- 15 Sustainable goods and services
- 18 GHG control and reduction

#### Topics of high importance:

- 11 Fair competition
- 13 Sustainable materials in the Company's activities
- 14 Cooperation with external partners in creating innovations
- 16 Lifelong learning
- 17 Control of the scope of pollutants emitted
- 18 Efficient for energy consumers, AER
- 20 Employee representation in company management

#### Topics of medium importance:

- 21 Education of clients and employees on ESG issues
- 22 Partnership, sharing practices with Lithuanian and foreign organizations
- 23 Citizenship
- 24 Employee volunteering



## STRATEGIC DIRECTIONS AND GOALS OF SUSTAINABILITY

	Strategic Direction	Goal by 2025	2022	2023	2024
Environmental Responsibility	Reducing the impact on climate change	Reduce GHG emissions by 25% [compared to 2020]	-4%	-18%	-*
	Sustainable services for our customers	≥50% of parcels delivered through parcel lockers **	35%	39%	48%
Social Responsibility	Motivating work environment	Employee Engagement Index: ≥ 49%	45%	53%	58%
	Promotion of social integration	80% of the infrastructure adapted for customers with disabilities	63%	68%	69%
Good governance	Sustainable supply chain	The Supplier Code of Ethics is signed with 98% of suppliers with whom written contracts are concluded	0	98%***	98%***
	Digitalization	≥ 2.5% of the company's sales revenue for innovation and digitalisation	1.1%	2.1%	1.9%
	Financial stability and resilience				

\* The latest data is provided for 2023. More information can be found in the section „Emissions“.

\*\* Historical numerical results have been recalculated in accordance with the updated calculation methodology.

\*\*\* The indicator has been calculated excluding contracts made through the CPOLIT catalog and contracts provided by suppliers as their approved and unchangeable templates, as AB Lietuvos paštas cannot include provisions of the Supplier Code of Ethics in such contracts.





The sustainable development directions and goals are defined in the internal Sustainable Development Guidelines document, which was presented to and discussed with the Board. Progress in implementing sustainability-related policies and achieving set goals is presented to the Board as needed, but at least annually.

The Company's long-term strategy, sustainable development guidelines, daily operations, and corporate culture contribute to many of the United Nations Sustainable Development Goals. Among them, five main goals have been identified, which are particularly important to stakeholders and closely aligned with the Company's strategic sustainable development directions.





## OPERATIONAL POLICIES AND COMMITMENTS

AB Lietuvos paštas, in its operations, follows operational policies that establish requirements and principles applicable to various areas of sustainable development and other activities. In accordance with the Articles of Association of Lietuvos paštas, the policies are approved by the Board, which also decides on the scope of their application. The policies apply to all the Company's business divisions.

The Company has approved a set of policies that contribute to the implementation of the strategy and achievement of sustainable development goals.

The operational policies are made public in the Sustainability section of the Company's website. When necessary, the Company announces newly approved policies on its social media accounts, in the news section of the website, and designated employees introduce them to business partners. Employees are also consistently informed about new policies or significant changes to them – the information is published in the Company's internal platform „Infonet“, and disseminated through internal communication channels. Additionally, division and department managers are separately informed to ensure that their subordinates are properly familiarized with the new policies.

To ensure effective policy implementation, each policy specifies the particular department or employee position responsible for its implementation, including other divisions as needed based on their competencies. If necessary, the implementation of policy provisions is detailed in other Company documents, which are prepared and approved by structural units within their area of competence.

### STANDARTS:

#### Quality Management Standard ISO 9001: 2015

Lithuanian Post has been granted a Quality Management Certificate for activities related to the provision of shipping and delivery services of items and information in Lithuania and abroad.

#### Environmental Protection Standard ISO 14001:2015

The certificate confirms that Lietuvos paštas complies with the key requirements for identifying, monitoring, managing, and improving its environmental protection practices.

#### Anti-Corruption Policy

The Policy is developed in accordance with the LST ISO 37001:2017 Anti-corruption Management System. This policy aims to ensure that the Company's activities and conduct align with the highest universally accepted standards of trustworthiness, integrity, transparency, and business ethics.

#### Environmental Protection Policy

The Environmental Protection Policy sets out the principles by which the Company reduces its environmental impact. It aims to optimize processes, increase the use of less polluting transport, use certified green energy, and reduce the amount of waste generated.

#### Quality Policy

This policy outlines the quality principles on which the continuous improvement of service quality is based. Its goal is to enhance the quality and efficiency of processes, promote the adoption of advanced technological and management solutions, and ensure the fulfillment of commitments, compliance with applicable laws, and adherence of international standards.

#### Equal Opportunities Policy

This Policy sets out the principles for implementing and monitoring equal opportunities, along with the main measures to support these principles. It also reaffirms the Company's commitment to contributing to the human rights and equality goals outlined in the United Nations Sustainable Development Agenda for 2030.

#### Sustainable Development Policy

This Policy defines the areas of sustainable development and the principles upon which the Company builds and fosters a sustainable business culture and practices. It also reflects the Company's commitment to achieving the goals outlined in the United Nations Agreement.

#### Code of Ethics and Conduct

The Code defines the values, principles, and standards of professional and interpersonal ethics that the Company adheres to. It also reflects Lietuvos Paštas' commitment to respecting international human rights conventions.

#### Code of Ethics of Supplier

The Code aims to ensure a sustainable supply chain and inform suppliers about the expectations placed on them regarding social responsibility, environmental protection, and good governance. The provisions of the Code are based on principles established in international agreements, such as the United Nations Global Compact, the Universal Declaration of Human Rights, the Paris Agreement, among others.

#### Violence and Harassment Prevention Policy

The Violence and Harassment Prevention Policy is designed to identify and implement effective preventive measures to protect employees from violence and harassment. It also helps employees clearly understand potential manifestations of such behavior in the workplace, recognize the signs, and know how to protect their rights.



## MEMBERSHIP IN ORGANIZATIONS

Lietuvos paštas' membership in international postal organizations ensures the Company's opportunities for international cooperation, supports to the development of relationships, facilitates the adoption of best practices and innovations, and their application in operations to improve the services provided.

### Postal unions

Lietuvos paštas represents Lithuania in major international postal organizations that unite both neighboring countries' posts and postal operators worldwide. The Republic of Lithuania has been a member of the Universal Postal Union (UPU) since 1992. Lietuvos paštas, as a provider of universal postal services (UPS), is a designated operator, which has been officially reported to the UPU by the Republic of Lithuania. The Company is also a member of the Eu-

ropean Postal Operators Association „PostEurop“ – one of the regional unions of the UPU ([www.posteurop.org](http://www.posteurop.org)). Lietuvos paštas actively participates in the activities of the International Postal Corporation and the Nordic Postal Union.

### Other memberships

In 2021, Lietuvos paštas joined the United Nations Global Compact. The goal of this initiative is to encourage businesses and non-governmental organizations to act responsibly and adhere to ten principles in the areas of human rights, labour, environmental protection, and anti-corruption.

Through the Global Compact, the United Nations also encourages organizations to contribute to the implementation of the 2030 Agenda for Sustainable Development.







# ENVIRONMENTAL PROTECTION

According to Lithuania's National Greenhouse Gas Inventory Report [2024], the transport sector is one of the country's main sources of greenhouse gas emissions. As an organization operating within the transport sector, Lietuvos paštas acknowledges its environmental impact and is committed to reducing it. The company has identified two strategic priorities in this area:

- **Reducing the impact on climate change**
- **Sustainable services for our customers**

The Company implements measures and ensures that operational processes comply with universally accepted environmental standards, contributes to achieving the goals set in the Climate Change Agenda, the National Energy and Climate Action Plan, and adheres to legal and environmental requirements. Additionally, the Company actively participates in international initiatives and follows best practices aimed at reducing its environmental impact. In developing its environmental protection efforts, the Company also upholds the international Precautionary Principle.



# EMISSIONS

Reducing greenhouse gas (GHG) emissions is one of the Company's strategic priorities. In 2021, the Company used the Universal Postal Union's OSCAR platform — an online solution for GHG analysis and reporting — for the first time to calculate its 2020 emissions. The OSCAR platform is based on the GHG Protocol and is aligned with the Global Reporting Initiative (GRI). Due to the platform's specifics, calculations can only be made for the previous year up until the end of the current year. As a result, the most recent GHG emission calculations cover the year 2023.

To ensure data accuracy, the Company initiated a project to develop a GHG emission calculator and an accompanying calculation methodology. The data calculated using the latest methodology will be presented in the Company's 2025 report.

In 2023, the greenhouse gas (GHG) emissions generated by Lietuvos paštas amounted to 12 206.36 tCO<sub>2</sub>e. Compared to 2020, GHG emissions decreased by 18%. The largest share of GHG emissions in the Company's operations originates from:

- Road transport
- International parcel delivery
- Infrastructure lighting and heating

GHG emissions were calculated using conversion factors from the DEFRA, WRI, IEA, and Ecoinvent 2.2 databases. The calculations take into account all types of greenhouse gases (GHGs).

The reduction in GHG emissions in 2023 was driven by a review of urban area routes, including route optimization and improved efficiency in distance traveled. Additionally, the parcel locker network was expanded, and postal branches were further modernized and optimized.

GHG EMISSIONS, TCO <sub>2</sub> E	2020	2021	2022	2023	CHANGE 2020-2023, %
Direct GHG emissions (Scope 1)	971.7	28.9	30.1	34.8	-96%
Indirect GHG emissions (Scope 2)	3 455.9	3 222.4	2 782.1	2 379.2	-31%
Other indirect GHG emissions (Scope 3)	10 494.9	7 302.5	11 475.4	9 792.4	-7%
<b>Total</b>	<b>14 922.5</b>	<b>10 553.8</b>	<b>14 287.6</b>	<b>12 206.4</b>	<b>-18%</b>

GHG EMISSIONS INTENSITY (SCOPE 1, SCOPE 2, AND SCOPE 3), TCO <sub>2</sub> E	2021	2022	2023	CHANGE 2020-2023, %
tCO <sub>2</sub> e / 1 000 parcels (parcels and letters combined)	0.174	0.316	0.327	4%
tCO <sub>2</sub> e / 1 employee (FTE)	0.335	0.207	0.215	4%
tCO <sub>2</sub> e / 1 000 EUR turnover	0.106	0.152	0.123	-19%



# ENERGY

In 2024, the Company consumed 163 740 GJ of energy in its operations, which is 14% more than in 2023. This increase was primarily driven by higher diesel fuel consumption in operational transport.

The Company's electricity consumption includes only directly purchased electricity, and the same scope applies to previous years. The Company's heat energy consumption is calculated based on data and assumptions provided by suppliers. Since the Company leases premises from multiple suppliers across Lithuania, and

the information provided by them may vary, certain assumptions were necessary due to limited direct data. Ventilation services are also included in the total heat consumption.

Energy consumption is calculated based on primary fuel and energy consumption data, which are converted into gigajoules [GJ] using conversion factors from reliable sources such as the IPCC and EEA.

TYPE OF ENERGY USED	2022		2023		2024		CHANGE 2023-2024
	VALUE	ENERGY [GJ]	VALUE	ENERGY [GJ]	VALUE	ENERGY [GJ]	
Petrol	951 944 l	32 556	835 355 l	26 063	790 100 l	24 888	-5%
Diesel	2 593 483 l	98 552	2 203 764 l	79 336	2 838 587 l	103 325	30%
Electricity	3 026 183 kwh	10 894	2 271 793 kwh	8 178	2 325 612 kwh	8 372	2%
- the share of electricity generated from renewable sources (only directly purchased by the Company)	2 470 702 kwh	8 895	2 271 793 kwh	8 178	2 325 612 kwh	8 372	2%
Heating	11 505 395 kwh	41 419	7 937 590 kwh	28 575	7 028 581 kwh	25 303	-11%
Gas	213 130 m3	7 950	52 708 m3	1 966	49 395	1 852	-6%
<b>Total</b>		<b>191 372</b>		<b>144 118</b>		<b>163 740</b>	<b>14%</b>

Energy intensity is calculated based on key indicators relevant to the Company, including turnover, the volume of parcels, and the number of employees. All types of energy consumed are included in the calculation of energy intensity.

ENERGY INTENSITY	2022	2023	2024
GJ / 1 000 EUR turnover	2.0	1.5	1.6
GJ / 1 employee [FTE]	64.6	54.9	67.5
GJ / 1 000 parcels [parcels and letters combined]	4.2	3.9	4.8



# WASTE

The Company pays great attention to proper waste collection and sorting. In preparation for the implementation of the ISO 14001:2015 environmental management system, an Environmental Protection Policy was adopted, and the Waste Management Procedure was updated in 2022. In 2024, the second follow-up audit was successfully completed.

In 2024, the company generated 97.53 tons of waste, which is 55% less than in 2023 (excluding municipal waste). Waste accounting is carried out using the unified product, packaging, and waste accounting information system (GPAIS).

The most significant change in waste volume in 2024 was related to post office relocations or closures, the disposal of movable and written-off assets from sold properties, and the accumulation of non-operational, unused assets in logistics centres.

Currently, the company does not track the amount of municipal waste generated, as it is collected by various service providers who do not provide data on the amount of waste collected. In the future, the company plans to collaborate with suppliers to ensure the availability of this data.

Waste distribution:

TYPE OF WASTE	HAZARDOUS WASTE	WASTE GENERATED, T.			
		2022	2023	2024	CHANGE 2023-2024, %
Paper and cardboard	No	125.234	2.739	3.736	36
Plastic, plastic packaging	No	99.635	18.27	9.499	-48
Wood, wood shavings	No	50.543	128.239	32.341	-75
Iron and steel, metals	No	27.148	6.706	15.016	124
End-of-life vehicles	Yes	1.292	0.883	3.426	288
Used tires	No	4.66	0.495	0.304	-39
Large and small equipment	No	2.588	4.27	5.373	26
Glass	No	0.724	0.23	0.399	73
IT and telecommunications equipment classified as hazardous waste	Yes	3.003	4.086	4.427	8
IT and telecommunications equipment	No	1.032	2.606	2.845	9
Clothing and textiles	No	1.683	2.209	2.728	23
Large equipment	Yes	1.06	11.333	14.688	29
Other hazardous waste	Yes	6.291	1.897	2.297	21
Other non-hazardous waste	No	10.043	30.775	0.467	-98
<b>Total</b>		<b>334.936</b>	<b>214.738</b>	<b>97.526</b>	<b>-55</b>

To reduce waste and support the development of a circular economy, the Company is actively seeking alternatives to disposable products – focusing on reusable, longer-lasting, and more environmentally friendly options. Secondary raw materials are collected and handed over to service providers using balers.

At post offices, employees sort household waste separately from paper/cardboard, packaging film, and polypropylene bags. In line with established procedures, the sorted and packaged paper/cardboard and film are sent to the Company's logistics centres, where balers are installed. All locations are equipped to separate household waste from paper/cardboard and film.

In 2024, nearly three times more material was directed to recycling compared to 2023 – a total of 399.5 tons. The largest portion consisted of paper packaging, as well as polypropylene bags and other plastic packaging (films).

	2022	2023	2024
<b>AMOUNT OF WASTE DIRECTED TO RECYCLING, TONS</b>	201.8	135.0	399.5



# SUSTAINABLE GOODS AND SERVICES

More and more Lithuanian consumers are taking environmental impact into account when choosing products or services. Therefore, Lietuvos paštas, while taking responsibility for the environmental effects of its operations, also aims to stay competitive and appealing to customers by offering sustainable and environmentally friendly services.

The Company ensures the implementation of sustainable services through the following actions:

**Reducing pollution from transport used for delivering parcels and letters.**

**Digitizing processes and minimizing paper use in daily operations.**

**Expanding the parcel locker network.**

**Ensuring the development of electronic services.**

**Expanding the range of sustainable goods available in post offices (excluding packaging materials).**

**Providing modern tools (e.g., tablets) to postal workers and couriers.**

**Offering environmentally friendly packaging materials at post offices and in parcel lockers – such as reusable packaging made from recycled materials, easy to sort or recycle, and biodegradable.**



# RISK MANAGEMENT

Risk management in the Company is an integral part of strategic planning and strategy implementation, developed and executed in accordance with the international standard ISO 31000:2018. In 2023, the updated and Company's Board-approved Risk Management Policy outlined the principles of risk management, risk categories, the determination of risk appetite, stages of the risk management process, as well as the roles and responsibilities of participants. For more information on the Company's approach to risk management, refer to the section "Risks and Their Management". At Lietuvos paštas, sustainability-related risks are considered an inseparable part of operations and are fully integrated into the overall risk management process.

In early 2024, the World Risk Report presented by the World Economic Forum highlighted that the most pressing risks in the next decade will be environmental, particularly those related to climate change. Climate risk management is especially relevant in the context of the EU Taxonomy Regulation and the Corporate Sustainability Reporting Directive (CSRD). Based on the TCFD (Task force on Climate-related Financial Disclosure) recommendations and the data from the Lithuanian Hydrometeorological Institute on physical climate changes, in 2023, the Company conducted a climate risk assessment. The analysis covered both physical (natural climate events, chronic climate change impacts) and transition (political and regulatory, technological, market, and reputational) risks.

Natural climate events - such as floods, fires, extreme precipitation, or strong winds - could disrupt or temporarily halt the Company's operations; however, their impact is generally localized. A greater impact would be felt if critical infrastructure supporting the Company's overall operations were affected, such as key logistics centers, the central office, or servers. Chronic climate change factors (e.g., changes in air temperature and precipitation levels, sea-level rise) develop over the long term, and their impact in the short-term is insignificant and manageable. Given the low likelihood of physical climate risks occurring in the Company's operations and their limited financial impact, no active risk management measures are currently planned.

On the other hand, transition risks may have a significant impact on the Company's operations. As legal regulations in the field of sustainability evolve and become more stringent, increasing efforts and resources are required to ensure proper implementation. Reputational and market risks are also important, as they may affect the Company's ability to retain existing customers or attract new ones. As stakeholder expectations regarding sustainability continue to grow, adapting to new requirements may demand greater financial resources. Management measures have been planned to mitigate these risks.





## KEY ENVIRONMENTAL RISKS

RISK	DESCRIPTION
<b>SEVERE CLIMATE EVENTS</b>	
<i>Floods/flash floods</i>	Due to warmer winters, the likelihood of traditional floods is decreasing, while the risk of flash floods is increasing. In Lithuania, floods and flash floods primarily occur in the Kaunas and Klaipėda regions, where they can damage the infrastructure of Lietuvos paštas - particularly logistics centers - thereby disrupting operations. Additionally, the Company's vehicles may be unfit for extreme weather conditions, which increases the risk of supply chain disruptions and accidents involving employees.
<i>Droughts</i>	The impact of droughts on the Company may be felt through reduced water reserves and the increased direct impact of temperature on employees. The number of droughts in Lithuania is steadily increasing, which means the scale of their consequences may also grow in the long term.
<i>Fires</i>	A changing climate increases the risk of fires in forests and open areas, particularly due to reduced rainfall, prolonged droughts, and meteorological phenomena such as lightning. The physical facilities of Lietuvos paštas may be affected by spreading fires, depending on their geographic location and surrounding environmental conditions.
<i>Extreme Precipitation</i>	Severe and extreme precipitation is one of the most common catastrophic meteorological phenomena that can directly damage Lietuvos paštas' infrastructure and disrupt its operations. Additionally, the Company's vehicles may be unfit for extreme weather conditions, increasing the risk of supply chain disruptions and accidents involving employees.
<i>Strong Winds</i>	Higher wind speeds, especially when combined with other meteorological events such as wet snow or heavy rain, can cause direct damage to infrastructure, impact road accessibility, and disrupt power supply. As a result, core operations may be temporarily disrupted.
<b>CHRONIC EFFECTS OF CLIMATE CHANGE</b>	
<i>Changing Air Temperature [Heat, Cold]</i>	In Lithuania, based on currently recorded data, climate cooling is unlikely, while climate warming is highly probable. Extreme temperature fluctuations can increase financial expenses, as they affect company premises, operations, and supply chains. In addition, they may have a direct negative impact on occupational health and safety.
<i>Changing Precipitation Levels</i>	Changes in precipitation levels are seasonally relevant; however, the most significant negative impacts in Lithuania are observed during extreme weather events [see the "Extreme Precipitation" section].
<i>Sea Level Rise</i>	Over the past 60 years, the sea level in Lithuania has risen by 20 cm. Rising water levels are influenced not only by sea level changes but also by other complex factors, such as fluctuations in reservoir and river water levels. This risk is relevant only to the Klaipėda region and may affect the Company's infrastructure or operations located there.



## KEY ENVIRONMENTAL RISKS

RISK	DESCRIPTION	RELEVANCE	RISK MANAGEMENT MEASURES
TRANSITION PERIOD RISKS			
<i>Political and Regulatory Environment Risk</i>	<p>The field of sustainability is increasingly regulated at both the European Union and national levels. Failure to comply with legal requirements may result in financial losses and negatively affect the Company's reputation.</p> <p>There is also a growing trend, both globally and within the EU, toward holding companies legally liable for pollution or for failing to meet climate impact reduction obligations.</p> <p>The Company may face the risk of not being able to fully adapt to a tightening regulatory environment, such as the Green Procurement targets set in Lithuania or requirements related to the vehicle fleet.</p>	Risk Level 4	<p>Consistently monitor legislative changes, plan preparation periods in advance, and allocate the necessary resources to ensure compliance.</p> <p>Strive to reduce greenhouse gas (GHG) emissions, minimize waste volumes, and optimize resource use.</p> <p>Actively participate in the activities of various organizations and associations—such as PostEurop, UPU, and others—to gain new knowledge and share experiences.</p>
<i>Technological</i>	<p>The growing demand for alternative energy sources, the high costs of installing them, and rising raw material prices may complicate the rapid transition to cleaner technologies. The transport sector is quickly adopting electric vehicles and alternative delivery methods. As a result, outdated technological solutions may become obsolete, fail to meet evolving needs, and pose financial risks to the Company.</p> <p>Additionally, infrastructure such as buildings and logistics centres powered by polluting energy sources may be subject to additional charges in the future.</p>	Risk Level 2	<p>Monitor funding opportunities for climate change mitigation initiatives, as well as for process and technology improvements.</p>



## KEY ENVIRONMENTAL RISKS

RISK	DESCRIPTION	RELEVANCE	RISK MANAGEMENT MEASURES
TRANSITION PERIOD RISKS			
Market	<p>Market risk is associated with fluctuations in demand, supply, or prices for relevant goods and services. For example, as the deadline for meeting legal requirements approaches, electric vehicles may become unavailable or significantly more expensive due to rising demand. The supply of renewable energy sources may also grow more slowly than demand. The market is becoming increasingly uncertain, making it more difficult to anticipate fluctuations. Poorly implemented internal changes may also limit the Company's ability to borrow under favourable conditions, as the financial sector increasingly prioritizes investments in environmentally friendly solutions.</p> <p>Additionally, supplier sustainability risk may arise—suppliers may fail to comply with green procurement requirements or may offer, but not deliver, appropriate goods or services.</p>	Risk Level 4	<p>Optimize resource use, strengthen and streamline organizational processes, and develop strategic initiatives.</p> <p>Make informed decisions regarding cooperation with key suppliers and the pursuit of sustainable solutions.</p>
Reputational	<p>If the Company fails to improve its competitive position in sustainability, does not pursue sustainable solutions, and cannot transition to less polluting technologies, it may no longer meet growing consumer and customer expectations in this area.</p> <p>Due to insufficient organizational effectiveness, stakeholders—such as shareholders, the public, suppliers, and customers—may exert pressure. Improper, delayed, or unimplemented actions could negatively impact the Company's reputation.</p> <p>Delays in implementing sustainable solutions may also require greater financial and other resources for future adaptation. Meanwhile, insufficiently implemented solutions could make it more difficult to secure financing on favourable terms or result in less favourable loan conditions.</p> <p>Additionally, negative consumer perceptions may reduce demand for the Company's services, hinder the acquisition of new customers, and affect the retention of existing ones.</p>	Risk Level 4	<p>Strengthen the organization's public and customer image by building a strong, sustainability-focused consumer profile.</p> <p>Enhance the Company's competitive position in the market by adapting to evolving consumer and customer expectations and leveraging the growing demand for sustainable solutions.</p>



# QUALITY AND ENVIRONMENTAL MANAGEMENT SYSTEMS

Lietuvos paštas places strong emphasis on good governance and continuous business improvement. For this reason, the decision was made to implement quality and environmental management systems. In 2022, the Company's operations were certified in accordance with the international ISO 9001:2015 [Quality Management] and ISO 14001:2015 [Environmental Management] standards.

The implementation of international quality and environmental management system standards helps to consistently achieve the Company's strategic goals. Quality management enables continuous improvement of service quality and a deeper understanding of stakeholder needs and expectations. Meanwhile, environmental management helps to more effectively reduce the negative environmental impact of operations. It is important to emphasize that, in pursuing sustainability, the Company also expects the same responsible approach from its partners, suppliers, and other stakeholders.

Guided by the ISO 14001:2015 standard, Lietuvos paštas identifies all direct and indirect environmental aspects that may have either a positive or negative impact on the environment.

Information on the Company's significant environmental aspects and the criteria used to assess them is available on the Lietuvos paštas website, in the [\*„Environmental Responsibility“\*](#) section.

On 16 October 2024, the certification authority TÜV Thüringen conducted the second follow-up audit to assess the compliance of Lietuvos paštas with the requirements of ISO 9001:2015 and ISO 14001:2015 standards. Based on the audit results, including document reviews and process evaluations, it was concluded that the management system fully meets the requirements of the standards and is functioning effectively. Appropriate conditions have been established for maintaining and continuously improving the management system.

The following positive aspects were highlighted during the audit:

**Measures to reduce greenhouse gas emissions are being implemented, including optimization of post offices, elimination of inefficient and unnecessary facilities, purchase of green energy, phasing out of the own vehicle fleet, etc.**

**Increasing digitalization and automation of process management.**

**Comprehensive process analysis is conducted, supported by a balanced system of indicators and strong analytical capabilities.**

**Significant attention is dedicated to development projects.**

Additionally, the audit noted opportunities to further improve the management systems by enhancing documentation and establishing more detailed process indicators.



# ENVIRONMENTAL PROTECTION INITIATIVES

## PARCEL LOCKER NETWORK EXPANSION

Compared to home delivery, using parcel lockers is a more environmentally friendly delivery method. It significantly reduces fuel consumption by couriers and lowers CO<sub>2</sub> emissions—hundreds of parcels can be delivered to a single locker, rather than being transported to individual addresses.

In 2024, the expansion of the parcel locker network began in Latvia and Estonia, where operations are carried out under the Unisend name. As of 31 December 2024, there were 554 LP EXPRESS/Unisend parcel lockers and 180 lockers operated by uDrop network partners across Lithuania, Latvia, and Estonia. Cooperation was also initiated with Latvijas Pastas, allowing its customers to use the Company's parcel locker network throughout the Baltic region. In turn, Lietuvos paštas customers gained access to 421 parcel lockers operated by Latvijas Pastas. The parcel locker network across the Baltic region is expected to continue expanding.

A new service was launched for small and medium-sized businesses — placing multiple parcels into a single parcel locker for shipping (multiparcel). This service enables more efficient use of the existing locker network, enhances the customer experience, and further reduces CO<sub>2</sub> emissions.

## GREEN ENERGY

In 2024, Lietuvos paštas continues to use green energy in its post offices and facilities directly managed by the Company, where energy supply contracts are concluded directly with the provider. In addition, green energy is also supplied to companies leasing premises from the Company.

## SUSTAINABLE TRANSPORT DEVELOPMENT

As part of its commitment to more sustainable transport solutions, in 2024, the Company purchased four electric vans for parcel and letter delivery. By using electric vehicles, Lietuvos paštas contributes to more environmentally friendly and innovative logistics in the country. In 2025, the Company plans to expand its vehicle fleet with up to 170 additional electric vehicles.

## REUSABLE PACKAGING IN PARCEL LOCKERS

In 2024, the Company became the first parcel delivery network in Lithuania to offer customers the option to purchase reusable packaging at parcel lockers. This innovative service was developed in cooperation with Vinted, the largest European online second-hand fashion marketplace. Reusable packaging helps reduce environmental impact — by encouraging reuse, it conserves natural resources and reduces excessive consumption.

This solution did not go unnoticed — it was recognized at the „Parcel and Postal Awards“ as the „Packaging Innovation of the Year“. In addition, the Company received the „Environmental Achievement of the Year“ award, acknowledging this and other sustainability initiatives in the environmental field.

## NETWORK OPTIMIZATION

One of the main sources of the Company's greenhouse gas emissions is the energy used for lighting and heating its premises. For this reason, the energy efficiency of the spaces it occupies has a significant impact on the Company's environmental footprint. In 2024, Lietuvos paštas reorganized six properties according to a new concept, relocating operations to energy-efficient, appropriately sized premises. The Company also sold ten real estate properties, most of which were in energy-inefficient buildings.

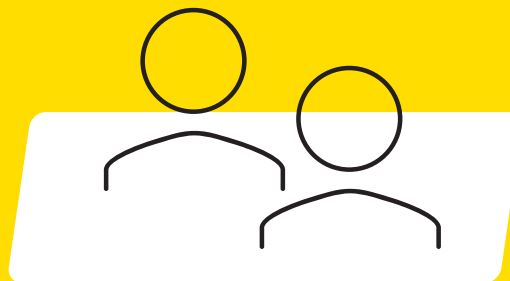
## REUSABLE PACKAGING IN THE INNER PRODUCT AREA

At Lietuvos paštas, reusable shipping boxes are used for internal goods inventory—specifically for restocking post office shelves. Up to 80% of products fit within the dimensions of these reusable boxes, while the remaining items are shipped in standard cardboard packaging. However, even the cardboard boxes are not single-use: a collection system is in place to return packaging from post offices, supporting the sustainable use of resources.

## ENVIRONMENTALLY FRIENDLY PACKAGING SOLUTIONS

Most of the paper and cardboard packaging sold at post offices is FSC certified. This certification confirms that the wood used in paper production comes from responsibly managed forests.





# SOCIAL RESPONSIBILITY

Lietuvos paštas is one of the largest employers in Lithuania, with employees who interact directly with customers across the country every day. As a result, the changes implemented by the Company and its social responsibility initiatives can have a significant impact on all stakeholders – employees, customers, communities, and others.

The Company aims for its activities to contribute to the welfare of stakeholders, respect human rights and equality, and promote diversity. Considering the ma-

teriality assessment, two strategic directions are identified in the area of social responsibility:

**- A motivating work environment**

**- Promotion of social integration**

Below, we present the actions aimed at achieving the goals of each of these directions.



# EMPLOYEES AND A MOTIVATING WORK ENVIRONMENT

One of Lietuvos paštas' strategic directions is „Together, we create an attractive work environment for development and growth.” Based on this strategic direction, we continued the employee working conditions improvement program and implemented various initiatives aimed at creating and maintaining a motivating work environment – we renovated and modernized post offices, employees at the Kaunas Logistics Center moved to new premises, and we continued to equip employees with modern work tools. We also focused heavily on training, competence development, and the development of organizational culture.

In 2024, approximately EUR 3.9 million was allocated to increasing employee salaries. Additionally, annual bonuses for the results of 2023 were paid to employees, and the variable compensation programs were updated.

In May 2024, the employee-preferred supplementary health insurance program was extended, and the accident insurance coverage, which is particularly important and relevant given that a large portion of Lietuvos paštas employees work in physically demanding outdoor conditions, was also extended. Additional benefits were introduced, such as discounts on the Company's products and the ability to access discount platforms of other organizations. On 27 May 2024, the Collective

Agreement of Lietuvos paštas was updated, providing for higher benefits for work experience, childbirth, and in the event of a family tragedy.

In 2024, initiatives that foster the employee community of Lietuvos paštas continued. For the fourth year now, the “Postal Bees” initiative is being carried out, where every quarter, Lietuvos paštas colleagues nominate employees who contribute the most to promoting the Company's values – We Cooperate, We Take Responsibility, and We Change. In September 2024, the annual event for employees, LP United, was held.

In October 2024, an employee engagement survey was conducted, with 81% of employees participating – a total of 2,023 people. Since 2023, we have observed a significant increase in the employee engagement index, which reached as high as 58% in 2024.

EMPLOYEE ENGAGEMENT INDEX, %	2021	2022	2023	2024
	45%	45%	53%	58%



## GENERAL INFORMATION ON EMPLOYEES

As of 31 December 2024, the number of employees in the Lietuvos Paštas Group decreased by 7% [192 employees] compared to the last day of 2023. A total of 1,894 women and 597 men are employed by the Company. When recalculated to full-time equivalent employees, the number of full-time positions in the Lietuvos Paštas Group decreased by 8% [200 FTEs] in 2024 compared to 2023.

The main factor contributing to the decrease in the number of employees in 2024 was the postal district review and optimization program, implemented due to the declining demand for traditional postal services. In addition, the ongoing project to equip postmen with company-owned vehicles also played a role.

In response to fluctuating workloads, part-time positions are established to allow for flexible adaptation to changing demands. This work organization model also provides employees with opportunities to earn additional income or work reduced

hours – for example, when returning from childcare leave. Fixed-term employment contracts are concluded to ensure employee substitution, such as during childcare leave or for other absences. They are also used in cases of operational necessity, particularly during seasonal increases in workload.

Employee headcount data is based on the actual situation as of the last calendar day of the year. This information is sourced from the internal system and excludes employees on childcare, maternity or paternity leave, those performing military service, or those employed under service contracts. Additionally, in 2024, data on employees of the Company's subsidiaries was not included as well.

Lietuvos paštas ensures equal working conditions and benefits for all employees, regardless of their employment contract type or working hours.

TOTAL NUMBER OF EMPLOYEES	LP GROUP					COMPANY				
	2021	2022	2023	2024	CHANGE IN 2024, %	2021	2022	2023	2024	CHANGE IN 2024, %
Number of employees	3 728	3 031	2 683	2 491	-7%	3 726	3 029	2 681	2 476	-8%
Number of full-time equivalent employees	3 534	2 964	2 626	2 425	-8%	3 533	2 963	2 626	2 412	-8%

TOTAL NUMBER OF EMPLOYEES BY CONTRACT TYPE, BROKEN DOWN BY GENDER	PART-TIME POSITION			FULL-TIME POSITION			FIXED-TERM CONTRACT			OPEN-ENDED CONTRACT		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Male	84	52	34	576	529	558	51	33	35	609	548	557
Female	324	225	116	2 045	1 875	1 768	147	100	79	2 222	2 000	1 805
<b>Total</b>	<b>408</b>	<b>277</b>	<b>150</b>	<b>2 621</b>	<b>2 404</b>	<b>2 326</b>	<b>198</b>	<b>133</b>	<b>114</b>	<b>2 831</b>	<b>2 548</b>	<b>2 362</b>



## NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

The annual need for new employees is determined in the Company's budget for the following year, taking into account payroll and other personnel-related expenses. During the budgeting process, strategic development directions, employee turnover statistics, and labour market trend forecasts are considered. In a rapidly evolving technological and economic environment, the Company aims to maintain

operational competitiveness by selecting and developing highly qualified specialists and ensuring the provision of high-quality services. A detailed employee search and selection procedure is documented and available to all employees on the Company's electronic document platform.

## NEW EMPLOYEE HIRES BY FUNCTION, BROKEN DOWN BY GENDER AND AGE GROUP

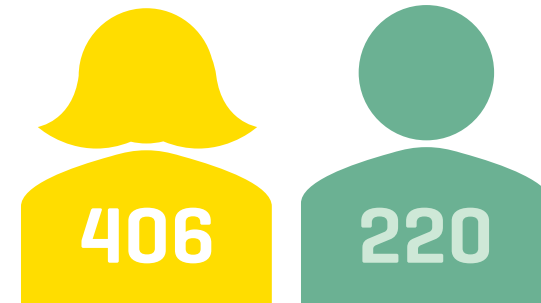
DEPARTMENT	FEMALE									MALE								
	UNDER 30 YEARS OLD			30-50 YEARS OLD			OVER 50 YEARS OLD			UNDER 30 YEARS OLD			30-50 YEARS OLD			OVER 50 YEARS OLD		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Operations	21	14	29	20	14	24	2	5	3	78	49	93	33	31	30	17	9	18
Network	150	75	80	307	182	150	200	84	121	56	26	73	44	28	35	63	29	61
Administration	23	13	16	41	35	37	6	7	7	12	4	10	31	27	17	0	1	3
<b>TOTAL</b>	<b>194</b>	<b>102</b>	<b>125</b>	<b>368</b>	<b>231</b>	<b>211</b>	<b>208</b>	<b>96</b>	<b>131</b>	<b>146</b>	<b>79</b>	<b>176</b>	<b>108</b>	<b>86</b>	<b>82</b>	<b>80</b>	<b>39</b>	<b>82</b>

## EMPLOYEE TURNOVER

Employee turnover indicators for 2024 and previous years are presented at the Company level, excluding data from subsidiaries.

	2022	2023	2024
Male	338	188	220
Female	662	432	406
<b>TOTAL</b>	<b>1 000</b>	<b>620</b>	<b>626</b>

## VOLUNTARY EMPLOYEE TURNOVER IN 2024





## VOLUNTARY EMPLOYEE TURNOVER RATE BY GENDER, AGE AND DEPARTMENT

FEMALE	DEPARTMENT	2022							
		UNDER 30 YEARS OLD		30-50 YEARS OLD		OVER 50 YEARS OLD		TOTAL NUMBER FOR EMPLOYEES	TOTAL TURNOVER, %
			%		%		%		
	Operations	39	13	35	12	14	5	88	16
	Network	96	5	248	13	147	8	491	23
	Administration	20	7	59	20	4	1	83	21
FEMALE	DEPARTMENT	2023							
		UNDER 30 YEARS OLD		30-50 YEARS OLD		OVER 50 YEARS OLD		TOTAL NUMBER FOR EMPLOYEES	TOTAL TURNOVER, %
			%		%		%		
	Operations	16	6	27	10	10	4	53	10
	Network	53	3	171	11	93	6	317	17
	Administration	17	8	36	18	9	4	62	20
FEMALE	DEPARTMENT	2024							
		UNDER 30 YEARS OLD		30-50 YEARS OLD		OVER 50 YEARS OLD		TOTAL NUMBER FOR EMPLOYEES	TOTAL TURNOVER, %
			%		%		%		
	Operations	25	36	22	19	7	5	54	17
	Network	68	43	157	20	85	8	310	16
	Administration	9	18	26	12	7	8	42	12
	<b>TOTAL</b>	<b>102</b>	<b>37</b>	<b>205</b>	<b>19</b>	<b>99</b>	<b>8</b>	<b>406</b>	<b>15</b>



## MALE

DEPARTMENT	2022							
	UNDER 30 YEARS OLD	%	30-50 YEARS OLD	%	OVER 50 YEARS OLD	%	TOTAL NUMBER FOR EMPLOYEES	TOTAL TURNOVER, %
Operations	113	48	48	20	21	9	182	34
Network	44	17	40	16	42	17	126	6
Administration	8	7	19	17	3	3	30	8

DEPARTMENT	2023							
	UNDER 30 YEARS OLD	%	30-50 YEARS OLD	%	OVER 50 YEARS OLD	%	TOTAL NUMBER FOR EMPLOYEES	TOTAL TURNOVER, %
Operations	46	18	25	10	14	5	85	16
Network	21	10	29	14	31	14	81	4
Administration	7	6	15	13	0	0	22	7

DEPARTMENT	2024							
	UNDER 30 YEARS OLD	%	30-50 YEARS OLD	%	OVER 50 YEARS OLD	%	TOTAL NUMBER FOR EMPLOYEES	TOTAL TURNOVER, %
Operations	56	34	22	21	9	8	87	23
Network	41	46	30	36	45	22	116	30
Administration	2	7	14	13	1	5	17	11
<b>TOTAL</b>	<b>99</b>	<b>35</b>	<b>66</b>	<b>22</b>	<b>55</b>	<b>16</b>	<b>220</b>	<b>24</b>



## OTHER WORKERS

To manage parcel volume peaks more efficiently, in 2024, in cooperation with temporary employment agencies, Lietuvos paštas hired 67 temporary employees, who worked a total of 4 340 hours. For comparison, in 2023, temporary employees worked 4 007 hours.

These employees were responsible for parcel processing, sorting, and data entry into the Company's information systems. Temporary employees were employed in the roles of sorters and sorter operators.

	2023	2024
Temporary employees	37	67
Hours worked by temporary employees	4 007	4 340

## EMPLOYMENT RELATIONS

When implementing operational changes, the Company complies with the requirements set forth in national legislation and the Company's Collective Agreement:

- Once per calendar year, the Company provides trade unions with information on the current and future state of the Company's operations, economic situation, and employment relations.
- When making changes to internal policies or other rules related to employment relations and the social and economic status of employees, the Company conducts information and consultation procedures with trade unions in accordance with the procedure established by the Labour Code.
- Before making decisions regarding dismissal of employees or the reorganization of the group, amendments to internal legal acts specified in the Labour Code of the Republic of Lithuania and the Company's Collective Agreement, or other decisions that may impact employees' working, economic, or social status, the employer must inform employee representatives and, upon their request, carry out consultation procedures as stipulated in the Labour Code.
- According to the Company's Collective Agreement, the employer must notify the United Trade Unions' Representation of any adopted decision to dismiss 10 or more employees during a single organizational change.





# TRAINING AND EDUCATION

Lietuvos paštas places strong emphasis on employee development by organizing mandatory occupational training and consistently supporting the improvement of employee qualifications.

In 2024, data on the training indicators for employees of the Company's subsidiary companies were not collected; therefore, the information provided reflects only the training statistics of Lietuvos paštas employees.

## NUMBER OF IMPLEMENTED PROGRAMS

### INTERNAL TRAINING PROGRAMS

2022	2023	2024
36 programs	81 programs	79 programs

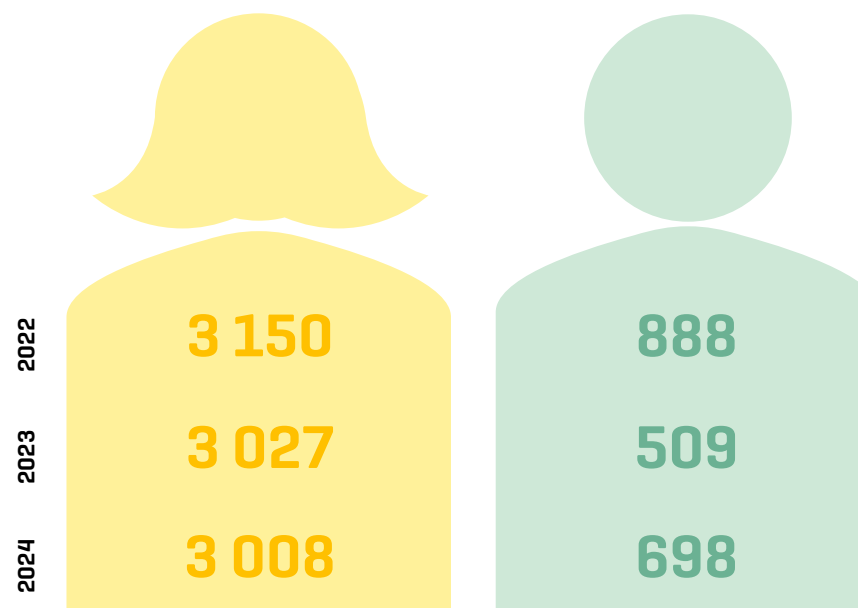
### EXTERNAL TRAINING PROGRAMS

2022	2023	2024
103 programs	145 programs	177 programs

### ONLINE PROGRAMS

2022	2023	2024
37 programs	72 programs	72 programs

## NUMBER OF EMPLOYEES (UNIQUE EMPLOYEES) PARTICIPATING IN TRAINING\*



\*The number includes all employees who worked and participated in training in 2024.

## AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE

	2022	2023	2024
Female	10	15	13
Male	6	13	10
<b>TOTAL</b>	<b>8</b>	<b>14</b>	<b>12</b>



	TOP-LEVEL EXECUTIVES			MID-LEVEL EXECUTIVES			SPECIALISTS			LOGISTICS AND DISTRIBUTION EMPLOYEES			CUSTOMER SERVICE EMPLOYEES		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Number of participants in training (unique individuals)	22	20	38	122	183	191	589	530	579	681	469	537	2 624	2 331	2 195
Of these, women	10	10	21	82	143	137	470	425	477	322	320	255	2 266	2 129	1 949
Of these, men	12	10	17	40	43	54	119	105	102	359	149	282	358	202	246

## STRENGTHENING OF CONTINUING EDUCATION PROGRAMS

In 2024, special attention was given to strengthening continuing education programs, with a total of five long-term programs implemented.



### PROGRAM „LEADERSHIP CREATING CHANGE IN SPACE“

A long-term leadership development program, „Leadership Creating Change in Space“, was launched in 2024, with leaders at all levels participating. The program consisted of three modules: „Self and Team Awareness“, „Emotional Resilience“, and „Leadership and Values“. The training was conducted in consistent groups to create a safe and supportive learning environment. A total of 150 employees participated in the program in 2024 (an average of 18 training hours per employee).



### LEADERSHIP MENTORSHIP PROGRAM

For the second year in a row, a successful leadership mentorship program was held, involving 12 mentor-mentee pairs. The mentorship process continued throughout the year, with training and discussion sessions organized for participants.



### „SALES MASTERY“ DEVELOPMENT PROGRAM

A „Sales Mastery“ development program was implemented for the Sales Department employees. The program included three training modules focusing on the sales process and negotiation topics. A total of 20 employees participated in the program (an average of 23 learning hours per employee).



### PROGRAM FOR CUSTOMER SERVICE SPECIALISTS

A strong focus was also placed on improving customer service skills. In the fall, a continuing education program for Customer Service Specialists (hereinafter – CSS) titled „Customer Service Mastery“ was launched. The training is expected to run until the fall of 2025, and a total of 575 employees expected to participate (214 employees participated in 2024). Participants are organized into four live training modules:

- „Personal Mastery and Stress Management“
- „Sales and Consulting“
- „Conflict Management“
- „Customer Service Standard“

Additionally, a supplementary program for senior CSS is being implemented to ensure a continued learning process beyond the core training. The internal trainers program focuses on enhancing adult learning competencies, goal setting, and developmental facilitation.



### ENGLISH LANGUAGE SKILLS ENHANCEMENT PROGRAM

In the fall of 2024, an English language skills enhancement program was also launched for employees working on the Baltic development project. During the first semester, 50 employees participated, with training delivered remotely for 4 academic hours per week.



## INTERNAL TRAINING UPDATE

As in previous years, in 2024, significant attention was devoted to employee occupational development, as well as strengthening skills related to anti-corruption awareness, money laundering prevention, information security, and personal data processing.

The **format of online training** was updated to make the learning process more interactive and engaging for users. As a result of this change, the training sessions became shorter, which contributed to an increase in the number of participants successfully completing the training.

For the fourth consecutive year, the **employee peer learning initiative „Learning Together“** was successfully implemented. During this initiative, internal lecturers share their knowledge with colleagues, contributing not only to the growth of others' competencies but also enhancing their own expertise. The training topics covered a wide range of subjects, including privacy in the digital environment, sales and negotiations, customer service standards, organizational culture, remuneration system, presentations preparation, rhetoric skills, creativity, and time management. In 2024, the program was led by nine internal lecturers, with 406 participants taking part in the training sessions.

## EMPLOYEE ASSESSMENT

At the beginning of 2024, the Company conducted an employee performance evaluation process, during which the results of the previous period were assessed, goals for the upcoming year were planned, development needs and employees' career expectations were discussed, replaceability was evaluated, and the Company's values and the behaviors that support those values were addressed. Each year, the Company's administration staff, as well as the heads and specialists of the Network and Postal Operations divisions – which together constitute about 16% of the total workforce – participate in the employee performance evaluation process. This process is detailed in the Employee Performance Evaluation Procedure, approved in 2024.







# OCCUPATIONAL SAFETY AND HEALTH

## OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT SYSTEM

The Company ensures compliance with occupational safety and health regulations for employees and individuals working under service agreements, in accordance with the legal acts of the Republic of Lithuania regulating occupational safety and health. Occupational safety and health remain among the Company's top priorities.

## HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION

Most of the Company's employees work in outdoor conditions or in logistics, where they manually handle loads and drive vehicles. For this reason, the Company continually identifies potential hazards, conducts occupational risk assessments, and investigates incidents involving potential injury risks. To prevent occupational risks, the Company purchases and provides the necessary personal protective equipment (PPE) to employees.

The Company also focuses on the occupational safety and health of office employees, as administrative work can also pose risks to employees' mental and physical well-being.

After conducting the occupational risk assessment and identifying increased risks, the Company takes preventive measures to eliminate or reduce the risks as soon as possible. During the 2022-2023 period, occupational risk assessments were carried out in the vast majority of the Company's divisions, so the need for this assessment in 2024 was lower — they were conducted only in workplaces where changes had occurred.

The results of the occupational risk assessments by job types and locations, along with the studies of psychosocial risk factors among employees, are as follows:



## EMPLOYEE PREVENTIVE HEALTH CHECKS

Employee preventive health checks are conducted regularly, following the established periodicity—once every two years. The health check service is provided by a healthcare company under contractual obligations, on the Company's premises. Additionally, all Company employees are covered by accident insurance. In the event of an accident, employees receive insurance benefits to support their health and well-being. In 2024, 846 employees underwent preventive health checks.

## EMPLOYEE PARTICIPATION, CONSULTATION, AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY ISSUES

The Company's employees are periodically informed about legal changes - new memos, occupational safety and health instructions, and fire safety instructions are prepared for them. All up-to-date information and legal acts are available on the Company's Intranet and in the internal publication „Postal Pulse“ („Pašto pulsas“). In 2024, seven new announcements related to occupational health and safety were posted on the Company's Intranet.

Employees are also required to confirm with a signature their acknowledgment of workplace occupational risk assessments results and incident investigation materials. If any questions or concerns arise regarding occupational health and safety, employees can receive consultations via phone or e-mail.





## TRAINING ON OCCUPATIONAL HEALTH AND SAFETY ISSUES

The Company's Training Group organizes mandatory periodic training in the Electronic Training Environment. In these training sessions, employees are familiarized with topics related to occupational health and safety, fire safety, manual cargo handling, and civil safety. Additionally, the Training Group manages a comprehensive database for monitoring employee training.

The Occupational Safety Group and responsible individuals designated by divisions organize occupational safety and fire safety briefings, as well as implement qualification improvement and retraining programs.

### TOTAL NUMBER OF EMPLOYEES PARTICIPATING IN OCCUPATIONAL SAFETY AND HEALTH TRAINING IN 2024\*

NAME OF TRAINING	NUMBER OF EMPLOYEES*		
	2022	2023	2024
Fire safety	335	2 806	189
Civil safety	3 488	2 504	165
Manual handling of heavy loads	2 432	2 366	2 067
Electric forklift training for employees	135	141	141
Training for Heads of Divisions on occupational safety and health issues	53	39	18

*\*In 2024, quantitative data related to occupational health and safety were collected only for the Lithuanian company AB Lietuvos paštas.*

## PROMOTION OF OCCUPATIONAL HEALTH

The Company is responsible for ensuring that all employees undergo regular health checks in accordance with national legal acts. The main activities in this area include:

**HEALTH INSURANCE AND HEALTH CHECKS.** The Company provides health insurance for all employees who have been employed for one year or longer. To ensure convenience, the Company organizes preventive health checks during working hours, directly at the work premises.

**TIMELY INVESTIGATION OF EVENTS.** In the event of a workplace accident, the Company conducts an investigation in accordance with requirements established by laws and reports the information to the relevant state authorities. This allows affected

employees to benefit from the state-provided social guarantees and receive insurance compensation.

**PROMOTION OF A HEALTHY LIFESTYLE.** On the occasion of World Day for Safety and Health at Work in May 2024, Lietuvos paštas colleagues were encouraged to focus on the importance of good posture and physical activity. This topic was addressed through online training sessions aimed at encouraging employees to take care of their health and learn about the principles of a healthy lifestyle.



## ACCIDENTS

The Company's goal is to ensure a safe working environment where every employee feels valued and secure. To achieve this, various preventive measures aimed at ensuring occupational safety are continuously implemented.

All employees of the Company are instructed and trained to recognize potential threats as well as safety and health hazards. In the event of a dangerous situation, employees must immediately stop work and inform their direct supervisor and the specialists of Occupational Safety Group about the incident or accident. In the case of an incident, the Occupational Safety Group, together with the employee representative, investigates all circumstances and provides the necessary information to the State Labour Inspectorate under the Ministry of Social Security and Labour of the Republic of Lithuania.

As a result of implementing preventive and educational measures, a consistent decrease in workplace accidents has been observed over the past five years.

### ACCIDENTS AND INCIDENTS AT WORK AND ON THE WAY TO/FROM WORK

ACCIDENT TYPE	2022		2023		2024	
	CASES	NUMBER PER MILLION HOURS WORKED	CASES	NUMBER PER MILLION HOURS WORKED	CASES	NUMBER PER MILLION HOURS WORKED
Incidents [cases]	18	3.1	23	4.6	12	2.7
Minor accidents [cases]	68	11.8	51	10.2	47	10.7
Serious accidents [cases]	0	0	0	0	0	0
Fatal accidents [cases]	0	0	0	0	0	0

### THE TOTAL NUMBER OF HOURS WORKED IN THE COMPANY OVER THE YEAR

YEAR	HOURS
2021	6 667 427.1
2022	5 750 973.6
2023	4 999 871.5
2024	4 391 829.0

## THE MOST COMMON CAUSES OF WORK-RELATED ACCIDENTS:

### WORK IN OUTDOOR CONDITIONS

Mail carriers working in private residential areas or stairwells face the risk of being attacked or bitten by dogs. Slips caused by slippery, snow-covered, icy, or frosted road surfaces are also common. The risk increases when the road surface is uneven, has potholes, or contains raised objects [e.g., tiles, sidewalk curbs]. Such incidents often occur during the night or unexpectedly when a wild or domestic dog attacks and the employee is unable to use deterrent measures in time.

### TRAFFIC ACCIDENTS WHILE DRIVING A VEHICLE

Traffic accidents may occur due to the fault of either the Company's employees or other drivers. The main causes are insufficient attention to traffic, sudden and unpredictable maneuvers by other drivers, and a limited ability to foresee dangerous situations.

### INCIDENTS IN POST OFFICES OR LOGISTICS CENTERS

At post offices, parcel sorting or logistics centers, tripping and falling incidents are common, usually caused by haste, inattentiveness, or careless actions. Sometimes employees place too much trust in the safety of their environment and fail to assess potential risks, which increases the likelihood of accidents.

Employees who have worked at the Company for more than 1 year are covered by additional health insurance. This insurance applies 24/7—if an accident or injury occurs outside of working hours, the employee may receive an insurance benefit.

### OCCUPATIONAL DISEASES

No cases of occupational diseases were reported at the Company in 2024.





# DIVERSITY AND EQUAL OPPORTUNITIES

The Company promotes a value-based organizational culture and equal employee rights and opportunities at work. The Company does not tolerate any forms of harassment, sexual harassment, psychological violence, bullying, discrimination, or abuse of position. To ensure a safe and respectful working environment, the Company has been implementing a Violence and Harassment Prevention Policy since 2022. More information about the company's commitments can be found in the „Operational Policies and Commitments” section, and information about the Trust Line and reporting can be found under the „Anti-Corruption and Transparency” section.

The Company is also open to employees with disabilities, who make up about 5% of the Lietuvos Paštas staff. To enhance the Company's accessibility and create favourable conditions for individuals with disabilities to enter the job market various initiatives are being implemented. More details about these initiatives can be found in the „Social Integration” section.

The Company's remuneration system is based on the principles of gender equality – there is no difference in pay for equal work. Further information can be found in the „Remuneration Policy” section.

## EMPLOYEE DISTRIBUTION BY GENDER, AGE AND JOB POSITIONS, %

2022	DISTRIBUTION BY GENDER		FEMALE, AGE CATEGORIES				MALE, AGE CATEGORIES			
POSITION	FEMALE	MALE	17-24	25-36	37-56	57-76	17-24	25-36	37-56	57-76
Chief Executive Officer	100				100					
Top-level executives	37	63	0	5	26	6	0	16	47	0
Mid-level executives	65	35	0	19	38	8	3	9	19	4
Specialists	75	25	4	22	36	13	2	11	10	3
Logistics and distribution employees	51	49	6	8	25	12	10	12	14	13
Customer service employees	86	14	2	12	46	26	1	2	5	6

2023	DISTRIBUTION BY GENDER		FEMALE, AGE CATEGORIES				MALE, AGE CATEGORIES			
POSITION	FEMALE	MALE	17-24	25-36	37-56	57-76	17-24	25-36	37-56	57-76
Chief Executive Officer		100							100	
Top-level executives	38	62		10	29			14	48	
Mid-level executives	70	30		19	40	10		8	19	3
Specialists	68	32	4	21	30	13	3	11	17	2
Logistics and distribution employees	52	48	5	8	25	14	8	13	15	13
Customer service employees	88	12	1	11	49	27	1	1	5	5



2024	DISTRIBUTION BY GENDER		FEMALE, AGE CATEGORIES				MALE, AGE CATEGORIES			
POSITION	FEMALE	MALE	17-24	25-36	37-56	57-76	17-24	25-36	37-56	57-76
Chief Executive Officer		100							100	
Top-level executives	44	56		11	33			11	45	
Mid-level executives	69	31		13	45	11		13	16	2
Specialists	70	30	3	23	32	12	3	11	14	2
Logistics and distribution employees	50	50	4	8	22	16	9	14	17	10
Customer service employees	87	13	1	11	47	28	1	2	4	6

In Lithuania, the postal network has traditionally been dominated by women, particularly in customer service positions such as postal carriers and customer service specialists. The Company aims to enhance diversity and expects that, as the volume of letters decreases and parcel deliveries increase, the nature of the work will become more attractive to men.

#### EMPLOYEE DISTRIBUTION BY AGE AND PERCENTAGE SHARE

AGE	2022		2023		2024		CHANGE 2023-2024	
	NUMBER OF EMPLOYEES	SHARE OF TOTAL EMPLOYEES, %	NUMBER OF EMPLOYEES	SHARE OF TOTAL EMPLOYEES, %	NUMBER OF EMPLOYEES	SHARE OF TOTAL EMPLOYEES, %	NUMBER OF EMPLOYEES	%
Up to 35	599	20	486	18	490	20	4	1
35 - 45	651	21	536	20	501	20	-35	-7
45 - 55	841	28	737	28	640	26	-97	-13
55 - 60	477	16	513	19	378	15	-135	-26
more than 60	461	15	408	15	467	19	59	14

Many employees at Lietuvos Paštas have been working for a long time – in 2024, approximately 36% of the workforce had over 10 years of service with the Company.



## EMPLOYEE DISTRIBUTION BY LENGTH OF SERVICE

LENGTH OF SERVICE, YEARS	2022		2023		2024		CHANGE 2023-2024	
	NUMBER OF EMPLOYEES	SHARE OF TOTAL EMPLOYEES, %	NUMBER OF EMPLOYEES	SHARE OF TOTAL EMPLOYEES, %	NUMBER OF EMPLOYEES	SHARE OF TOTAL EMPLOYEES, %	NUMBER OF EMPLOYEES	%
Up to 1	485	16	340	13	424	17	84	25
From 1 to 5	1 055	35	994	37	784	32	-210	-21
From 6 to 10	464	15	407	15	381	15	-26	-6
From 11 to 20	536	18	481	18	468	19	-13	-3
From 21 to 30	238	8	223	8	202	8	-21	-9
More than 30	251	8	235	9	217	9	-18	-8

In 2024, most employees at Lietuvos paštas had either a secondary or post-secondary/higher education. Individuals with secondary education typically hold positions as postal carriers, logistics and customer service specialists, who make up a significant part of the Company's operations.

## EMPLOYEE DISTRIBUTION BY EDUCATION

EDUCATION	2022		2023		2024		CHANGE 2023-2024	
	NUMBER OF EMPLOYEES	SHARE OF TOTAL EMPLOYEES, %	NUMBER OF EMPLOYEES	SHARE OF TOTAL EMPLOYEES, %	NUMBER OF EMPLOYEES	SHARE OF TOTAL EMPLOYEES, %	NUMBER OF EMPLOYEES	%
Higher	686	23	542	20	539	22	-3	-1
Post-secondary	735	24	388	15	341	14	-47	-12
Secondary	1 484	49	1 293	48	1 169	47	-124	-10
Basic	77	3	69	3	61	2	-8	-12
Not specified	47	2	388	15	366	15	-22	-6





# REMUNERATION POLICY

## PRINCIPLES OF THE REMUNERATION POLICY

On 25 April 2024, the Board of Lietuvos paštas approved the Remuneration Policy, which is based on the following principles:

- Internal equity: the Remuneration Policy aims to ensure similar or equal pay for similar or equivalent work. The remuneration system is based on the Company's job structure, which includes positions classified into job levels, with salary ranges established for each job level. Pay differences within the range must be justified, fair, and based on competence, job performance, or the nature of the job.
- External competitiveness: when setting salary ranges, data from independent salary market research is taken into account.
- Control and transparency: implementation is accountable through the public disclosure of salary information in accordance with all requirements of applicable legal acts.
- Equal opportunities and non-discrimination: remuneration decisions must be made in accordance with the provisions outlined in the Remuneration Policy and the Company's Equal Opportunities Policy.

The implementation of the provisions of the Remuneration Policy is further detailed in the Company's internal documents, which are developed by the Organizational Development Department and approved by the head of the Company or business units. Responsibility for preparing and updating this policy in a timely manner lies with the Organizational Development Department.

## COMPONENTS OF EMPLOYEE REMUNERATION

Employee remuneration consists of the following components:

- Fixed remuneration (monthly salary) portion or piece-rate pay.
- Variable remuneration portion.
- Bonuses, awarded at the employer's initiative to incentivize employees.
- Allowances and supplements as defined by the Labour Code of the Republic of Lithuania, other legal acts, the Company's internal regulations, and/or the Collective Agreement.
- Additional benefits.

## REMUNERATION SYSTEM

The remuneration policy is detailed in the Remuneration System, which is a component of the Company's Collective Agreement, approved by the Employees' Conference on 27 May 2024, under protocol No S-2024/2517. The aim is for the average salary of the Company's positions to align with the market average for similar positions. Efforts are also made to reduce the salary disparity between top-level management and the lowest-paid employees.

In 2024, EUR 3.9 million was allocated for salary increases, and the salary change affected more than 80% of employees. The total annual salary fund is presented on the table below.

LP GROUP  
PAYROLL FUND

2021  
**45.1 M**

2022  
**44.8 M**

2023  
**43.9 M**

2024  
**46.6 M**



## EMPLOYEE DISTRIBUTION IN THE LP GROUP BY POSITION AND AVERAGE FIXED (ASSIGNED) REMUNERATION, EUR

POSITION	FEMALE			MALE			TOTAL			MALE VS FEMALE RATIO			FEMALE VS MALE RATIO		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
General Manager	9 172	9 290	-	-	10 157	10 969	9 172	10 019	10 969	-	1.09:1	-	-	0.91:1	-
Top-level executives	5 021	5 940	6 193	5 372	6 127	6 537	5 227	6 062	6 407	1.07:1	1.03:1	1.06:1	0.93:1	0.97:1	0.95:1
Mid-level executives	2 717	3 149	3 322	3 187	3 562	3 664	2 863	3 288	3 436	1.17:1	1.13:1	1.10:1	0.85:1	0.88:1	0.91:1
Specialists	1 497	1 699	1 872	2 302	2 739	3 020	1 688	1 976	2 188	1.54:1	1.61:1	1.61:1	0.65:1	0.62:1	0.62:1
Production employees of the Postal Operations Division	1 201	1 360	1 511	1 349	1 574	1 773	1 277	1 474	1 660	1.12:1	1.16:1	1.17:1	0.89:1	0.86:1	0.85:1
Production employees of the Network Division	867	976	1 119	808	938	1 062	857	971	1 112	0.93:1	0.96:1	0.95:1	1.07:1	1.04:1	1.05:1
<b>Total</b>	<b>1 040</b>	<b>1 176</b>	<b>1 357</b>	<b>1 419</b>	<b>1 719</b>	<b>1 990</b>	<b>1 120</b>	<b>1 297</b>	<b>1 505</b>	<b>1.36:1</b>	<b>1.46:1</b>	<b>1.47:1</b>	<b>0.73:1</b>	<b>0.68:1</b>	<b>0.68:1</b>

## SALARY OF THE GENERAL MANAGER

The principles for determining the General Manager's salary and incentivizing the General Manager are regulated by the Remuneration Policy approved by the Board of Lietuvos paštas on 25 April 2024. The General Manager's salary is determined by the Company's Board, in accordance with the requirements set forth in the applicable legal acts.

The variable part of the salary for the General Manager is awarded by the Board's decision, based on the General Manager's performance and in accordance with the rules outlined in this section of the Remuneration Policy.

Each year, in the first quarter, the Board sets and approves the General Manager's annual performance goals, and the amount of the variable salary component awarded to the General Manager after the end of the reporting year depends on the achievement of these goals.

The General Manager's salary from January to March 2024 was EUR 10 000 per month, and from April 1, it increased to EUR 11 400 per month. In 2024, the General Manager was awarded an annual bonus of EUR 30 000 for the results of 2023.

## EMPLOYEE REMUNERATION

The employee remuneration system is based on principles of gender equality, and therefore, unequal pay for the same type of work is not applied. The gender pay gap is observed due to differences in qualifications and positions held.

SALARY RATIO	2022	2023	2024
Ratio of the annual remuneration of the highest earner in the organization to the average annual remuneration of all employees	-0.07:1	-0.06:1	-0.06:1
Percentage increase in the annual remuneration of the highest earner in the organization compared to the median increase in the annual remuneration of all employees [ratio]	8.19:1	7.72:1	7.29:1



## COOPERATION WITH EMPLOYEE REPRESENTATIVES

Lietuvos paštas cooperates with two trade union organizations – the Lietuvos paštas Employees' Trade Union and the Lithuanian Communications Workers Trade Union. All change projects within the Company are coordinated with the representatives of the trade unions.

At the beginning of 2024, negotiations took place for the renewal of the Lietuvos paštas Collective Agreement. This agreement was approved by the Lietuvos paštas Employees' Conference and officially signed on 27 May 2024. The Collective Agreement addresses the formation of employment contracts, employees' working and rest time, occupational safety, and other relevant labour and social conditions. It also defines the wage system, provision of benefits to employees in case of accidents, rewards for long-term service, and other initiatives aimed at improving working conditions. The purpose of the Collective Agreement is to establish additional labour legal provisions governing employees' work, social, and economic conditions and guarantees, as well as to define mutual rights, obligations, and responsibilities of the parties. The agreement is valid for two years, with the possibility of extending it for an additional period of two years.

Throughout 2024, other meetings with trade union representatives were held, during which various organizational changes were discussed.





# SOCIAL INTEGRATION

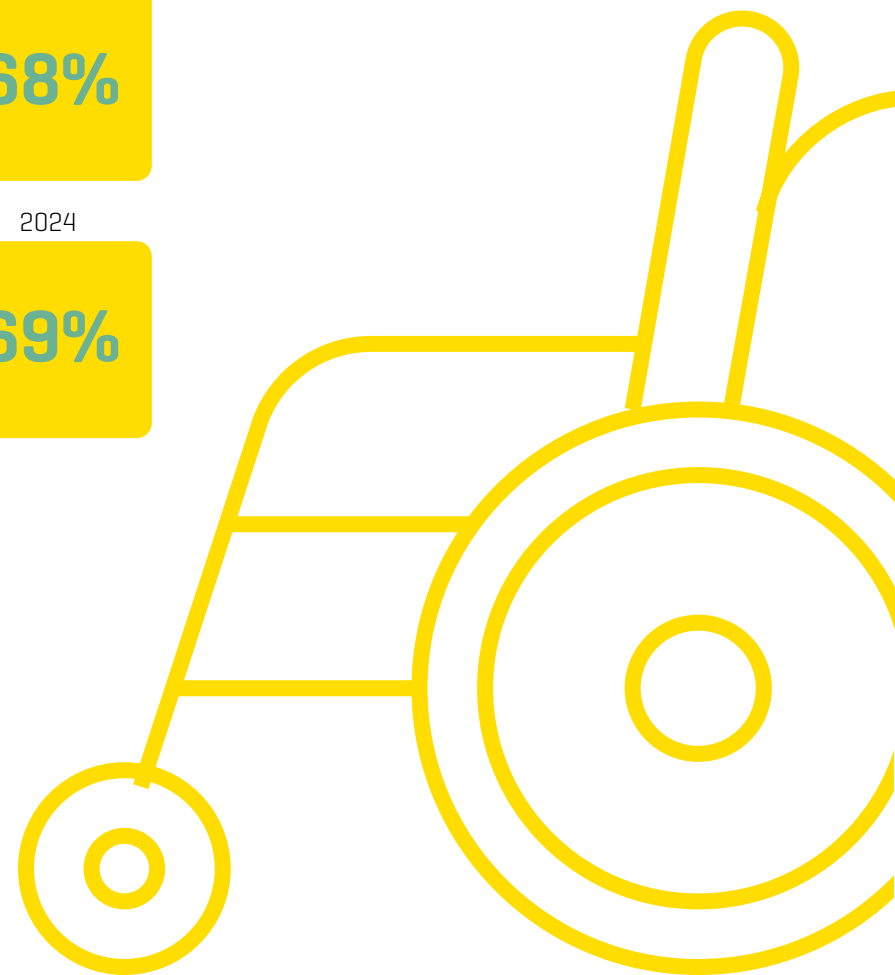
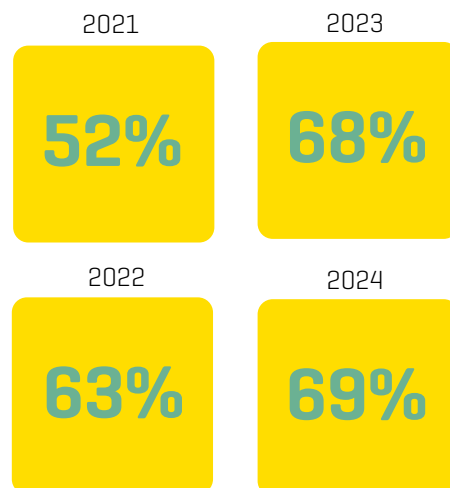
Lietuvos paštas promotes social integration, aims to reduce social exclusion, and ensures the accessibility of its services to all segments of society. In 2024, the company focused on the following initiatives:

- Ensuring service accessibility for people with disabilities.
- Employing individuals from socially vulnerable and disadvantaged groups.
- Cooperating with other organizations to disseminate relevant information to people from socially vulnerable and sensitive groups, who are reached through the company's operations due to the nature of its services.

## INFRASTRUCTURE ACCESSIBILITY FOR PEOPLE WITH INDIVIDUAL NEEDS

Lietuvos paštas has been systematically updating its post offices to ensure that every visiting customer can easily and comfortably access the services provided.

### ACCESSIBILITY OF POST OFFICES FOR INDIVIDUALS WITH PHYSICAL DISABILITIES:





## INITIATIVES TO PROMOTE SOCIAL INTEGRATION, IMPLEMENTED OR CONTINUED IN 2024:

**MEMORANDUM AND ACTION PLAN FOR ADAPTING POSTAL SERVICES TO PEOPLE WITH INDIVIDUAL NEEDS**

Lietuvos paštas is committed to ensuring that its services are adapted to meet the needs of individuals with special needs. In 2021, the Company joined the Memorandum initiated by the Ministry of Transport and Communications, aiming to improve the accessibility of transport vehicles and both physical and informational transportation infrastructure. To implement these commitments more effectively, the Memorandum's action plan was updated in 2023 with new goals. The implementation of this plan continued consistently throughout 2024.

**PEOPLE WITH DISABILITIES TRIED THEMSELVES IN POSTAL WORK**

From 23 to 30 May 2024, the **DUOday** initiative took place for the fifth time in Lithuania. This global initiative invites companies and organizations to offer people with disabilities the opportunity to try new professions and work roles. This year, Lietuvos paštas joined the initiative, welcoming 14 „shadowers“ to explore the Company's operations from the inside. Participants observed work processes, performed tasks, attended meetings, communicated with colleagues, and had lunch together. This unique experience took place at 11 different Lietuvos paštas branches, including: in Alytus, Druskininkai, the 39th post office in Kaunas, the 19th post office in Klaipėda, Kuršėnai, the 40th and 61st post offices in Vilnius, Rokiškis, Pakruojis, as well as the sorting centers in Ukmergė and Marijampolė.

**DIVERSITY AND INCLUSION MONTH**

In October 2024, Lietuvos paštas organized employee meetings that provided an opportunity to discuss the importance of diversity and building an inclusive organization, as well as how each individual can contribute to creating a strong and diverse team. Gender equality, disability, neurodiversity, LGBT+ inclusion and age diversity – these were just a few of the many topics discussed during the sessions. Additionally, from 14 to 20 October, the exhibition „Autism – a Part of Me“ was displayed in the Company, becoming an important part of Diversity and Inclusion Month.

**ENCOURAGING VOLUNTEERING**

In May 2024, special attention was given to promoting volunteering – employees of Lietuvos paštas were encouraged to form teams and dedicate time to volunteer activities. Meetings with representatives from the Food Bank and the Red Cross were also organized.

**OTHER ACTIVITIES**

As in previous years, Lietuvos paštas joined the informational campaign „**No Difference**“ initiated by the Department of Disability Affairs under the Ministry of Social Security and Labour. The campaign aims to encourage employers to integrate individuals with disabilities into the open labour market and demonstrate that disability is not an obstacle to successful employment.



# COOPERATION AND SUPPORT INITIATIVES



## SOCIAL INITIATIVES AND COMMUNITY RELATIONS

The principles of public relations development are outlined in the *Company's Sustainable Development Policy* and the *Code of Ethics and Conduct*. The Company strives to create a dialogue and maintain direct communication with the public. To ensure transparency and raise awareness, the public is informed about operational changes [e.g., the relocation or optimization of post offices]. Information is shared in post offices, meetings are organized with local communities, and press releases are distributed to the media. In 2024, four post offices were relocated to new locations: in Kaišiadorys, Kėdainiai, Klaipėda and Raseiniai.



## SUPPORT TO UKRAINE

Lietuvos Paštas actively contributed to supporting Ukraine by helping transport aid donated by Lithuanian residents – a total of 100 tons of goods [18 trucks] were delivered. In 2022, two special postage stamps were issued: „Hugging Ukraine”, marked by a public hugging campaign near the Ukrainian Embassy, and „Joint Bayraktar”, dedicated to the civic initiative that raised funds for purchase a drone. Lietuvos Paštas, together with Laisvės TV, encouraged people to use this stamp on letters to world leaders, urging them to take more active measures in supporting Ukraine. By purchasing these stamps, stickers, Ukrainian flags, and other goods, customers contributed a portion of the proceeds to the NGO Blue/Yellow. Total donations: 2022 – 49.3 thousand EUR; 2023 – 9.1 thousand EUR; 2024 – nearly 6 thousand EUR. All these initiatives contributed to supporting Ukraine and its fight for freedom.



## „FAMILY CARD“ INITIATIVE

Cooperation with the Department of Supervision of Social Services began in 2023 and continues in 2024, as Lietuvos paštas joined the social initiative „Family Card.” Cardholders can send parcels via LP EXPRESS parcel lockers with a 5% discount when the shipments are created through the self-service system at lpexpress.lt.





# GOOD GOVERNANCE

The company, recognizing its responsibility for economic activity, aims not only for financial growth and profitability but also for the long-term value creation for society and the environment. In decision-making, it takes into account the expectations of stakeholders, promotes sustainable development, and encourages social responsibility. At the same time, continuous innovations and advanced solutions help improve operational efficiency and ensure the provision of modern, high-quality services for customers.

The strategic directions of sustainable development in the field of good governance are:

- **Sustainable supply chain**
- **Digitalization**
- **Financial stability and resilience**



# FINANCIAL STABILITY AND RESILIENCE

The goal of financial sustainability is to ensure profitable operation. The company aims to achieve this by:

- Increasing income
- Optimizing pricing
- Saving and improving expense efficiency.

The Company drives revenue growth by expanding e-commerce solutions focused on the rapidly growing parcel market and ensuring the service quality expected by customers. In 2024, the Company successfully expanded its operations into Latvia and Estonia, continued expanding its parcel locker network, modernized post offices, and made significant improvements to self-service solutions.

In 2024, the Company reviewed and updated its service portfolio and pricing. Pricing for business and private customers was set with consideration for the competitive environment and market changes.

The Company effectively manages costs by continuously implementing operational efficiency improvement initiatives, such as eliminating unnecessary processes and manual labour, optimizing real estate management by adjusting spaces according to operational needs, and renting or selling unnecessary property.

The modernization of IT solutions also plays an important role in expense reduction. Speed and flexibility in implementing innovations are crucial today, but Lietuvos paštas faces challenges due to the large number of different systems that have been created for it. This increases the risk of errors, requires high maintenance costs, and complicates further development.







# SUSTAINABLE SUPPLY CHAIN

In its procurement activities, Lietuvos paštas follows all applicable regulatory legal acts and the recommendations of the Public Procurement Service to ensure green procurement. A sustainable supply chain helps the Company reduce its environmental impact, strengthen relationships with suppliers, improve service quality, and protect against risks associated with cooperating with organizations that operate unsustainably.

According to the decision of the Government of the Republic of Lithuania, starting from 2023, 100% of procurements must be green procurements. To ensure the implementation of this indicator, the Company conducted internal training for procurement initiators on the application of green criteria in procurement. Additionally, procurement documentation forms prepared by procurement initiators were standardized, enabling the selection of specific environmental requirements both when completing the application and when preparing documents confirming the fact of procurement.

	2021	2022	2023	2024
Proportion of advertised public procurement in relation to the value of all procurements, %*	90.8	93	97.6	84
Share of green procurement as a percentage of total procurement value, %*	1.1	62	98.9	100**

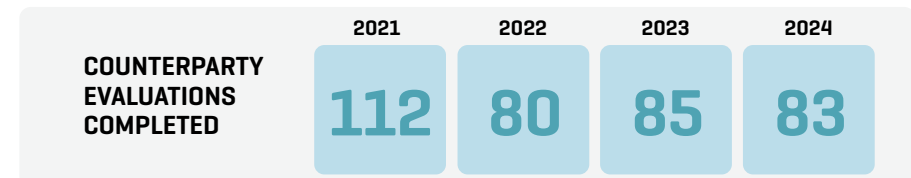
\*Indicator calculated based on the Public Procurement Office's data on published and unpublished procurements of AB Lietuvos paštas and the annual report data (Atn3).

\*\*It should be noted that the Public Procurement Office calculates the "green procurement" data based on the requirements set by the Ministry of Environment, excluding low-value procurements for which contracts are not required to be published. According to the calculations by the Public Procurement Office, the "green procurement" indicator for AB Lietuvos paštas in 2024 is 100% of all procurements that require contract publication. Considering the total value of all procurements, including those that are not required to be published, the indicator stands at 96%.

## INITIATIVES AND PRACTICES THAT CONTRIBUTE TO A SUSTAINABLE SUPPLY CHAIN:

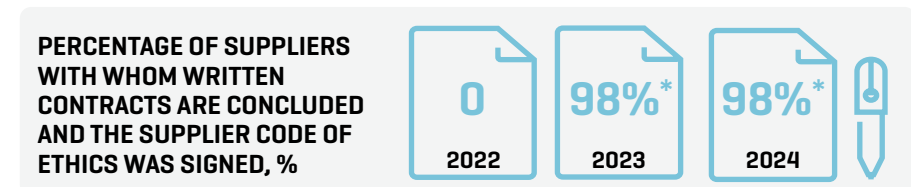
**Establishing sustainability criteria.** The Company's Management Board, when making decisions regarding the initiation of procurement, takes into account alternatives that include sustainability criteria.

**Counterparty Risk Assessment.** The Company aims for its partners to adhere to high transparency and ethical business conduct. Therefore, before entering into agreements, the Company evaluates them in accordance with the Counterparty Risk Assessment Procedure. In case of any form of corruption, the Company reserves the right to terminate the contract with them unilaterally.



**Verification of suppliers' reliability.** When purchasing goods, services, and works, the Company aims to do so from reliable and honest suppliers. For all public procurement contracts with a value exceeding EUR 30 000 (excluding VAT), the suppliers are verified for criminal records, debts, proper contract performance with other organizations, and other information relevant to the Company.

**Supplier Code of Ethics.** In 2021, the Company approved the Supplier Code of Ethics, reflecting the commitment to ensuring a sustainable supply chain and informing suppliers of the expectations in social, environmental, and economic responsibility. The year 2022 was dedicated to introducing suppliers to the contents of the Supplier Code of Ethics. Starting from 2023, all existing and new suppliers are required to familiarize themselves with this Code and confirm their acknowledgment with a signature.



\*The indicator is calculated excluding contracts made through the CPOL.T catalog and contracts provided by suppliers as their approved and unchangeable templates, as AB Lietuvos paštas does not have the ability to include provisions regarding the Supplier Code of Ethics in such contracts.



# DIGITALIZATION

In 2024, the Company continued its efforts in process automation, digitization, and robotization. Robotization activities began back in 2021, when 26 processes were initially robotized. From 2022 to 2023, the focus was mainly on improving these robotized processes — implementing new solutions that make it easier to create, manage, maintain, and evaluate the benefits they provide. In 2024, an additional 26 processes were robotized. The main areas of robotization include reducing administrative work, eliminating routine tasks in accounting and sales processes, and implementing new customer onboarding solutions in the Baltic States.

In order to ensure a systematic and strategic approach to the development of IT systems, Lietuvos Paštas has updated the Business Development Committee and the decision-making process in this area. This centralized decision-making system helps manage the development needs of systems according to the organization's priorities, set clear boundaries between system developers' capabilities and initiators' needs, and optimally allocate the Company's resources.

## OTHER INITIATIVES AND ACHIEVEMENTS:

### SELF-SERVICE UPDATE

The Company aims to improve the customer experience, so it continuously enhances the LP Express self-service platform. In 2024, the self-service website was significantly updated. These updates make it easier for customers to find the required service by price and delivery method, use the parcel locker map, and access the platform in English. Additionally, the self-service platform is now better adapted to various devices — desktop computers, mobile phones, and tablets, and the parcel tracking function has been improved.

### PLUGINS

Technological solutions have been created to streamline and simplify customer onboarding — both updated and newly developed plugins for e-commerce platforms (WooCommerce, Magento, PrestaShop, Shopify) have been introduced.

### DOCUMENT MANAGEMENT SYSTEM

In 2024, access to the system was activated for mobile postal workers using tablets, allowing them to remotely submit, approve, and review all necessary documents. The LP and Unisend billing module was also implemented, and a Contact Center Query Register was created for other divisions. In Estonia, Unisend customers were provided with the ability to sign contracts electronically using the Mobile ID EE feature.

### OPTIMIZATION OF THE CENTRALIZED DISTRIBUTION DEPARTMENT (CDD) CONSOLIDATION ZONE

In 2024, the parcel movement process between CDD, other logistics centers, and post offices was improved. Both physical and system processes were optimized to speed up and perform parcel dispatch and acceptance actions more efficiently. The hierarchy of containers was simplified, reducing the time needed for printing shipping documents, preparing containers for CDD, and accepting parcels at post offices and parcel centers.



# REPORT OF COMPLIANCE WITH THE EU TAXONOMY REGULATION FOR 2024

The European Union, aiming to achieve the objectives of the European Green Deal—which primarily seeks to promote sustainable development based on balanced economic growth, high-level environmental protection, and the improvement of environmental quality—has adopted a Regulation and related Delegated Acts that establish a list of environmentally sustainable economic activities, along with the technical screening criteria for each environmental objective. These Delegated Acts are commonly referred to as the EU Taxonomy.

The objective of the EU Taxonomy is to support companies in increasing investments in environmentally sustainable activities, to harmonize definitions under which an economic activity is considered sustainable, and to assist companies, investors, and policymakers in directing capital towards such activities.

## STAGES OF TAXONOMY DISCLOSURE:



### 1. Identification of Taxonomy-eligible economic activities.

Based on the environmental objectives of the Climate Delegated Act and the Complementary Climate Delegated Act, Lietuvos Paštas identifies the economic activities it performs that fall within the scope of the EU Taxonomy.



### 2. Assessment of compliance with technical screening criteria:

a. Determining whether the activity makes a substantial contribution to one or more of the environmental objectives set out in Article 9 of the Regulation.

b. Verifying whether the activity does not cause significant harm (DNSH) to any of the other environmental objectives listed in Article 9.



### 3. Verification of compliance with minimum safeguards.

An assessment is conducted to ensure that the identified economic activities are carried out in compliance with the minimum safeguards as defined in Article 18 of the Regulation.



### 4. Determination of Taxonomy alignment.

If the economic activity meets the above criteria, it is classified as a Taxonomy-aligned economic activity.



## 5. Disclosure of key financial performance indicators.

In accordance with the Regulation, the following financial indicators are disclosed: capital expenditures (CapEx), operating expenditures (OpEx), and revenue derived from Taxonomy-eligible and Taxonomy-aligned activities.

Article 9 of the EU Taxonomy Regulation outlines the following environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

During the preparation of the 2022 report, technical screening criteria were available only for the environmental objectives of climate change mitigation and adaptation. In 2023, additional criteria were adopted for activities contributing to non-climate-related objectives, expanding the list of Taxonomy-eligible economic activities. However, this update did not affect the list of activities applicable to Lietuvos Paštas, as no relevant activities performed by the company were identified in the Environmental Delegated Act.

The first step in the assessment is to determine which of Lietuvos Paštas' activities are included in the EU Taxonomy Delegated Acts. The second step is to evaluate whether these activities meet the technical screening criteria and other regulatory requirements.

Definitions:

- Taxonomy-aligned economic activity – an activity included in the Delegated Acts that meets all technical screening criteria, including substantial contribution, DNSH, and minimum safeguards.
- Taxonomy-eligible but not aligned activity – an activity listed in the Delegated Acts, but which does not meet the technical screening criteria or other regulatory requirements.
- Non-Taxonomy-eligible activity – an activity not included in the EU Taxonomy Delegated Acts.

Following a review of the Delegated Acts, it was determined that Lietuvos Paštas conducts the following Taxonomy-eligible economic activities related to the climate change mitigation and adaptation objectives. These activities are detailed in the table below.



## LIST OF TAXONOMIC ECONOMIC ACTIVITIES

Activities covered by Delegated Acts	Taxonomy code	NACE Code	Description of activity for climate change mitigation goal	Description of activity for climate change adaptation goal	Activity conducted by Lietuvos paštas
Acquisition and ownership of buildings	7.7	L68 – Real estate activities	Purchase, ownership, and use of buildings.	Purchase, ownership, and use of buildings.	The company owns and operates premises and buildings.
Road freight transport services	6.6	H49.41 – Freight transport by road; H53.10 – Postal activities under the universal service obligation; H53.20 – Other postal and courier activities; N77.12 – Rental and leasing of trucks	Purchase, financing, leasing, rental, and operation of N1, N2, or N3 category vehicles meeting EURO 6 E standards or later, for freight and postal transport services.	Purchase, financing, leasing, rental, and operation of N1, N2, or N3 category vehicles meeting EURO 6 E standards or later, for freight and postal transport services.	Letter and parcel delivery services.
Operation of personal mobility equipment, bicycle logistics	6.4	N77.11 – Rental and leasing of cars and light motor vehicles; N77.21 – Rental and leasing of personal and household goods	Sale, purchase, financing, leasing, rental, and operation of personal mobility or transport equipment powered by human activity, zero-emission engines, or a combination of both. Includes freight transport by bicycle.	Sale, purchase, financing, leasing, rental, and operation of personal mobility or transport equipment powered by human activity, zero-emission engines, or a combination of both. Includes freight transport by bicycle.	Letter and parcel delivery services.
Carriage by motorcycles, passenger cars and light commercial vehicles	6.5	H49.39 – Other passenger land transport n.e.c.; N77.11 – Renting and leasing of cars and light motor vehicles	Purchase, financing, leasing, rental, and operation of M1 or N1 category vehicles under Regulation [EC] No 715/2007, or L-category vehicles (e.g., two-/three-wheel vehicles, quad bikes).	Purchase, financing, leasing, rental, and operation of M1 or N1 category vehicles under Regulation [EC] No 715/2007, or L-category vehicles (e.g., two-/three-wheel vehicles, quad bikes).	Letter and parcel delivery services.



## TAXONOMY COMPLIANCE ASSESSMENT

Once the economic activities carried out by Lietuvos paštas that fall under the Taxonomy Regulation are identified, an assessment is conducted to determine whether these activities meet the applicable technical screening criteria. This involves evaluating whether the activities make a substantial contribution to climate change mitigation and/or climate change adaptation, and whether they do not cause significant harm to any of the other environmental objectives defined in the Regulation.

The criteria for the Climate Change Mitigation objective require that economic activity contributes significantly to the reduction of greenhouse gas (GHG) emissions,

or to the enhancement of GHG removal processes. The Climate Change Adaptation objective requires that the activity substantially reduces the risk of negative climate impacts or contributes significantly to the management of climate-related risks, both current and future.

The Company's operations have direct environmental impact—transportation activities generate GHG emissions, and waste is produced. However, by improving operational efficiency and optimizing mail and parcel delivery systems, Lietuvos Paštas provides solutions that enable senders and recipients to reduce their environmental footprint.

The following section outlines how the Company's activities align with the technical screening criteria set out in the EU Taxonomy for climate change mitigation and adaptation.

Taxonomy economic activity	Climate Change Mitigation	Climate Change Adaptation
Acquisition and ownership of buildings	Due to the nature of its activities, Lietuvos Paštas owns and leases a significant number of real estate properties. Lietuvos Paštas consistently strives to reduce its climate impact and lower GHG emissions through network optimization and relocation to energy-efficient premises. An analysis of the buildings and premises used by the company revealed that they do not meet the substantial contribution criteria related to high energy efficiency standards.	A large portion of Lietuvos Paštas' activities depends on physical infrastructure, which is why a physical climate risk assessment was conducted. These locations are exposed to hydrometeorological extreme events, but due to risk mitigation measures (e.g., fire protection systems, regular inspections, and technical upgrades), the risk level is considered low, and no material risks have been identified. The company continually upgrades its premises to improve energy efficiency, and green electricity is used in company-managed buildings. The buildings are not used for storing or transporting fossil fuels, but they do not meet the energy efficiency thresholds required to satisfy the Do No Significant Harm (DNSH) criteria.
Freight road transport services	In 2024, Lietuvos Paštas operated a fleet of owned and leased vehicles, classified under M1, N1, N2, and N3 categories. These vehicles are not used for transporting fossil fuels. By the end of 2024, the company began using four electric vans, which meet the substantial contribution criteria for climate change mitigation. Financial indicators in line with the EU Taxonomy (revenue, CAPEX, OPEX), including the financial impact of these vehicles, will be disclosed in the 2025 report. However, since the majority of the fleet remains non-zero-emission, the company did not meet the CO <sub>2</sub> emission thresholds required by the substantial contribution criteria in 2024. The company also considered the DNSH criteria, including recyclability and reusability of vehicles under the Circular Economy, and tire noise levels under Pollution Prevention. These criteria will be taken into account in future fleet acquisitions.	The company conducted a physical climate risk assessment. Geological and hydro-meteorological events affect freight operations, but no significant physical climate risks were identified. In 2024, CO <sub>2</sub> emissions criteria and DNSH requirements related to tires were not met. Due to current technological limitations in electrifying heavy transport, the company is focusing on route optimization. While vehicles are not used to transport fossil fuels, the activity does not currently meet DNSH criteria related to the Circular Economy and Pollution Prevention and therefore does not meet Taxonomy alignment requirements.



Operation of personal mobility vehicles and bicycle logistics	<p>Part of Lietuvos Paštas' delivery services is provided by postal workers on foot or using bicycles. This activity meets the substantial contribution criteria, such as:</p> <ul style="list-style-type: none"> <li>- Equipment is powered by human activity, a zero-emission engine, or both.</li> <li>- Movement is permitted on pedestrian and bicycle paths.</li> </ul> <p>Therefore, this activity meets the requirements of the EU Taxonomy Regulation.</p>	<p>In urban areas, postal workers deliver letters and parcels on foot or bicycle. The activity is influenced by climate conditions, particularly extreme heat and hydrometeorological events. The company uses electric bicycles and ensures proper recycling or disposal of components through contractual obligations.</p> <p>This activity meets the requirements of the EU Taxonomy Regulation.</p>
Transport by motorcycles, passenger cars, and light commercial vehicles	<p>In 2024, Lietuvos Paštas used owned and leased vehicles classified under M1 and N1 categories.</p> <p>The Company continues to update its fleet. In 2021, a decision was made to replace Company's cars, with most replacements completed by 2022 and continued through 2023–2024. Despite replacing part of the fleet with lower-emission vehicles, the company did not meet the CO<sub>2</sub> emissions thresholds set by the substantial contribution criteria in 2024.</p> <p>The company assessed DNSH compliance, including vehicle recyclability under the Circular Economy and noise emissions from tires under Pollution Prevention. These criteria will be applied in future procurement.</p>	<p>In 2024, the company continued efforts to motorize postal delivery staff to improve access to universal postal services, which also contributed to resource optimization. A climate risk assessment identified no significant physical risks affecting this activity. However, CO<sub>2</sub> emissions thresholds and tire noise requirements under the EU Taxonomy were not met, and the activity therefore does not comply with alignment criteria.</p>





## MINIMUM SAFEGUARDS

The company operates in compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Lietuvos Paštas is a member of the UN Global Compact and regularly reports on its progress in line with the Compact's principles. The company's employees follow the Ethics Code and ask suppliers to commit to adhering to the Supplier Ethics Code provisions. The company also adheres to various policies, including Equal

Opportunities, Personal Data Protection, Anti-Corruption, Remuneration, Quality, and others, which set out specific responsibilities and commitments to ethical and responsible business conduct.

Lietuvos Paštas' public policies are available at [www.post.lt](http://www.post.lt), and more detailed information about the applicable policies can be found in section "Operational policies and commitments" of this report.

## REVENUE UNDER THE EU TAXONOMY REGULATION

### Definition of revenue

In 2024, Lietuvos paštas generated revenue from provision of parcel delivery services (including universal postal service commitment, commercial postal services, and commercial parcel delivery services), as well as from financial and retail services. Additional revenue was derived from other activities, such as the sale of unused real estate. For the purposes of EU Taxonomy disclosure, revenue figures are based on the company's audited financial statements for 2024.

Revenue attributed to economic activities defined under the EU Taxonomy Regulation is categorized as follows:

### Data

In 2024, Lietuvos paštas' total revenue amounted to EUR 111.4 million, of which 0.1% or EUR 72 000 was generated from personal mobility and bicycle delivery services. This portion meets the alignment criteria of the EU Taxonomy and is therefore attributed to Taxonomy-aligned activities [A.1].

The majority of revenue – 91.6% or EUR 102.1 million – was generated from Taxonomy-eligible but non-aligned activities and is attributed to A.2. This includes

- A.1. Taxonomy-aligned revenue: Revenue from economic activities that meet the substantial contribution.

- A.2. Taxonomy-eligible but not Taxonomy-aligned revenue: Revenue from activities listed in the Delegated Acts but which do not meet all alignment criteria.

- B. Non-Taxonomy-eligible revenue: Revenue from activities not covered by the EU Taxonomy.

Revenue is attributed directly, and in cases where this is not possible, proportionally, based on the scope of each activity.

revenue from: Transport by motorcycles, passenger cars, and light commercial vehicles, Road freight transport services (which includes the universal postal service, according to the economic activity codes), and acquisition and ownership of buildings. The remaining 8.3% or EUR 9.3 million, was generated from non-Taxonomy-eligible activities and is reported under Part B.



Economic activity	NACE Code(s)	Absolute revenue in 2024	Percentage of revenue	Substantial Contribution Criteria		Do no significant harm criteria						Minimum safeguards	Percentage of revenue aligned with Taxonomy, 2024	Percentage of revenue aligned with Taxonomy, 2023	Category enabling activity	Category transitional activity
				Climate Change Mitigation	Climate Change Adaptation	Climate Change Mitigation	Climate Change Adaptation	Water and marine resources	Circular economy	Pollution prevention	Biodiversity and ecosystems					
		Million EUR	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	E
A. TAXONOMY-ELIGIBLE ACTIVITIES																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																
6.4. Operation of personal mobility vehicles and bicycle logistics	N77.11, N77.21	0.07	0.1	100	100	Yes	Yes		Yes	Yes		Yes	0.1	0.1		
Revenue from environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0.07	0.1										0.1	0.1		
A.2. Taxonomy-eligible but environmentally unsustainable activities (not Taxonomy-aligned)																
6.5. Transport by motorcycles, passenger cars and light commercial vehicles	H49.39, N77.11	7.82	7.0										7.0	7.2		T
6.6. Road freight transport services	H49.4.1, H53.10, N77.12	93.66	84.1										84.1	81.3		T
7.7. Acquisition and ownership of buildings	L68	0.58	0.5										0.5	2.5		
Revenue from Taxonomy-eligible but environmentally unsustainable activities (not Taxonomy-aligned) (A.2.)		102.06	91.6										91.6	91.0		
Revenue from Taxonomy-eligible activities (A.1.+A.2.)		102.13	91.7										91.7	91.2		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																
Revenue from non-taxonomy-eligible activities (B)		9.28	8.3										8.3	8.8		
Total (A+B)		111.41	100										100	100		



## CAPITAL EXPENDITURES (CAPEX) UNDER THE EU TAXONOMY REGULATION

### Definition of capital expenditures

In 2024, Lietuvos paštas' capital expenditures amounted to EUR 3.4 million. The majority of these expenditures were investments in tangible assets —equipment and premises — while investments in intangible asset were primarily related to software updates. Capital expenditures attributable to economic activities are allocated directly, and where this is not possible, proportionally, based on the scope of activity.

### Data

Capital expenditures allocated to Taxonomy-aligned activities account for 0.1% of total capital expenditures. The remaining portion is attributed to Taxonomy-eligible but not Taxonomy-aligned activities, i.e., investments in tangible and intangible assets that do not fully meet the alignment criteria. No capital expenditures were assigned to non-Taxonomy-eligible activities (Part B), as all investments in 2024 were related to postal operations and allocated to Taxonomy-eligible economic activities.





Economic activity	NACE Code(s)	Absolute CAPEX in 2024	Percentage of CAPEX	Substantial Contribution Criteria		Do no significant harm criteria						Minimum safeguards	Percentage of CAPEX aligned with the Taxonomy in 2024	Percentage of CAPEX aligned with the Taxonomy in 2023	Category enabling activity	Category transitional activity
				Climate Change Mitigation	Climate Change Adaptation	Climate Change Mitigation	Climate Change Adaptation	Water and marine resources	Circular economy	Pollution prevention	Biodiversity and ecosystems					
		Million EUR	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	E
A. TAXONOMY-ELIGIBLE ACTIVITIES																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																
6.4. Operation of personal mobility vehicles and bicycle logistics	N77.11, N77.21	0.002	0.1	100	100	Yes	Yes		Yes	Yes		Yes	0.1	0.1		
CAPEX from environmentally sustainable activities (Taxonomy-aligned) [A.1.]		0.002	0.1										0.1	0.1		
A.2. Taxonomy-eligible but environmentally unsustainable activities (not Taxonomy-aligned)																
6.5. Transport by motorcycles, passenger cars and light commercial vehicles	H49.39, N77.11	0.14	4.0										4.0	2.5		T
6.6. Road freight transport services	H49.4.1, H53.10, N77.12	3.03	89.0										89.0	90.2		T
7.7. Acquisition and ownership of buildings	L68	0.23	6.9										6.9	7.3		
CAPEX from Taxonomy-eligible but environmentally unsustainable activities (not Taxonomy-aligned) [A.2.]		3.40	99.9										99.9	99.9		
CAPEX from Taxonomy-eligible activities [A.1.+A.2.]		3.40	100										100	100		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																
CAPEX from non-taxonomy-eligible activities [B]		0	0										0	0		
Total [A+B]		3.40	100										100	100		



## OPERATING EXPENSES (OPEX) UNDER THE EU TAXONOMY REGULATION

### Definition of operating expenses

In 2024, Lietuvos paštas incurred operating expenses totaling EUR 107.4 million. These expenses were primarily related to the day-to-day running of the business, such as maintenance of premises and transport, repairs and maintenance costs, servicing and others. Operating expenses attributable to economic activities were allocated directly, and where this was not possible, proportionally according to the scope of the activities.

### Data

For activities that meet the criteria of the EU Taxonomy Regulation (Taxonomy-aligned activities, A.1), 0.1%, or EUR 72 000 of total operating expenses were attributed - primarily related to bicycle repair and depreciation expenses. For Taxonomy-eligible but not Taxonomy-aligned activities (A.2)—including transport by motorcycles, passenger cars and light commercial vehicles, road freight transport services (which includes the universal postal service in line with economic activity codes), and acquisition and ownership of buildings—89.9%, or EUR 96.5 million of the operating expenses were allocated. The remaining 10.1%, or EUR 10.8 million, was allocated to non-Taxonomy-eligible activities.





Economic activity	NACE Code(s)	Absolute OPEX 2024	OPEX Percentage Share	Substantial Contribution Criteria		Do no significant harm criteria						Minimum safeguards	Taxonomy OPEX percentage shares in 2024	Taxonomy OPEX percentage shares in 2023	Category enabling activity	Category transitional activity
				Climate Change Mitigation	Climate Change Adaptation	Climate Change Mitigation	Climate Change Adaptation	Water and marine resources	Circular economy	Pollution prevention	Biodiversity and ecosystems					
		Million EUR	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	E
A. TAXONOMY-ELIGIBLE ACTIVITIES																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																
6.4. Operation of personal mobility vehicles and bicycle logistics	N77.11, N77.21	0.07	0.1	100	100	Yes	Yes		Yes	Yes		Yes	0.1	0.2		
OPEX from environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0.07	0.1										0.1	0.2		
A.2. Taxonomy-eligible but environmentally unsustainable activities (not Taxonomy-aligned)																
6.5. Transport by motorcycles, passenger cars and light commercial vehicles	H49.39, N77.11	6.22	5.8										5.8	6.4		T
6.6. Road freight transport services	H49.4.1, H53.10, N77.12	85.87	79.9										79.9	79.6		T
7.7. Acquisition and ownership of buildings	L68	4.43	4.1										4.1	3.7		
OPEX from Taxonomy-eligible but environmentally unsustainable activities (not Taxonomy-aligned) (A.2.)		96.86	89.9										89.9	89.7		
OPEX from Taxonomy-eligible activities (A.1.+A.2.)		96.94	90.0										90.0	89.9		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																
OPEX from non-taxonomy-eligible activities (B)		10.83	10.1										10.1	10.1		
Total (A+B)		107.42	100										100	100		



# COMPLIANCE WITH TRANSPARENCY GUIDELINES

## SECTION OF THE GUIDELINES FOR ENSURING TRANSPARENCY OF STATE-OWNED ENTERPRISES' ACTIVITIES [ACCORDING TO THE VERSION OF 30TH OF APRIL 2021]

## DISCLOSURE

## EXPLANATION

### Chapter II. Disclosure of state-owned enterprise information

5. The following data and information must be published on the website of the state-owned enterprise:

5.1. name;	Yes
5.2. code and register where data about the company is collected and stored;	Yes
5.3. registered office (address);	Yes
5.4. legal status, if the state-owned enterprise is being restructured, reorganized (indicate the method of reorganization), liquidated, bankrupt or bankrupted;	Yes
5.5. the name of the institution representing the state and a link to its website;	Yes
5.6. operational objectives, vision and mission;	Yes
5.7. structure;	Yes
5.8. data of the executive officer;	Yes
5.9. data of the chairman and members of the board, if the board is formed according to the articles of association;	Yes
5.10. data of the chairman and members of the supervisory board, if a supervisory board is formed according to the statutes;	Irrelevant
5.11. names of committees, data of their chairpersons and members, if committees are formed;	Yes

Information is  
published on  
[www.post.lt](http://www.post.lt)



SECTION OF THE GUIDELINES FOR ENSURING TRANSPARENCY OF STATE-OWNED ENTERPRISES' ACTIVITIES [ACCORDING TO THE VERSION OF 30TH OF APRIL 2021]	DISCLOSURE	EXPLANATION
5.12. the sum of the nominal values of shares owned by the state [in euro to the nearest euro cent] and the share [percentage] in the authorized capital of the state-owned company;	Yes	Information is published on <a href="http://www.post.lt">www.post.lt</a>
5.13. special obligations implemented, which are determined according to the recommendations approved by the Minister of Economy and Innovation of the Republic of Lithuania: must be indicated the purpose of the special obligations, the state budget allocations allocated for their implementation in the current calendar year and the legal acts by which the state-controlled enterprise is entrusted with the implementation of the special obligation, determined conditions for the implementation of the special obligation and [ or] regulated pricing;	Yes	
5.14. information about social responsibility initiatives and measures, important ongoing or planned investment projects.	Yes	
6. In order to publicize the professionalism of the management and supervisory bodies established in state-owned enterprises, as well as the committee members, the following data of the persons specified in sub-clauses 5.8-5.11 of the Description must be published: name, surname, date of commencement of current positions, other current management positions in other legal entities, education, qualification, professional experience. If the person specified in sub-clauses 5.9-5.11 of the Description is elected or appointed as an independent member, this must be additionally indicated in addition to his data.	Yes	
7. The following documents must be published on the website of the state-owned enterprise:		
7.1. articles of association;	Yes	
7.2. a letter from the institution representing the state regarding the establishment of the state's goals and expectations in the state-owned enterprise;	Yes	
7.3. operational strategy or its summary in cases where the operational strategy contains confidential information or information that is considered to be a commercial [production] secret;	Yes	
7.4. a document establishing the remuneration policy, which includes the determination of the remuneration of the executive officer of the state-owned enterprise and the remuneration of the members of the collegial bodies and committees formed in the state-owned enterprise, described in more detail in the Code of Corporate Governance;	Yes	
7.5. annual and interim reports of a state-owned company, annual and interim activity reports of a state-owned enterprise for a period of at least 5 years;	Yes	
7.6. sets of annual and interim financial statements for a period of at least 5 years and the findings of the auditor regarding the annual financial statements.	Yes	



SECTION OF THE GUIDELINES FOR ENSURING TRANSPARENCY OF STATE-OWNED ENTERPRISES' ACTIVITIES [ACCORDING TO THE VERSION OF 30TH OF APRIL 2021]	DISCLOSURE	EXPLANATION
8. If the state-owned company is the parent company, the structure of the group of enterprises must be published on its website, as well as the data of subsidiaries and subsequent subsidiary companies specified in sub-clauses 5.1-5.3 of the Description, website addresses, the share of shares owned by the parent company (in percentage) in their authorized capital, as well as annual consolidated financial statements and consolidated annual reports.	Yes	Information is published on <a href="http://www.post.lt">www.post.lt</a>
9. If the state-owned company is a participant of legal entities other than those specified in clause 8 of the Description, the data specified in sub-clauses 5.1-5.3 of the Description of those legal entities and their website addresses must be published on its website.	Irrelevant	
9.1. If the company is a subsidiary company of a state-owned company or a subsidiary company of a subsequent rank, the data specified in sub-clauses 5.1-5.3 of the Description of the parent company and a link to the website of the parent company must be published on the website.	Irrelevant	
10. If the data, information and documents specified in clauses 5 and 6, sub-clauses 7.1-7.4, clauses 8, 9 and 1 of the Description have changed or been published as incorrect, they must be changed immediately on the website as well.	Yes	Changed information and documents are updated immediately
11. The set of annual financial reports of the state-owned enterprise, the annual report of the state-owned company, the annual activity report of the state-owned enterprise, as well as the findings of the auditor regarding the annual financial statements of the state-owned enterprise must be published on the website of the state-owned enterprise within 10 business days from the approval of the set of annual financial statements of the state-owned enterprise.	Yes	Documents are published on the website within a set time-limit
12. The sets of interim financial statements of the state-owned enterprise, interim reports of the state-owned company and interim activity reports of the state-owned enterprise must be published on the website of the state-owned enterprise no later than 2 months after the end of the reporting period.	Yes	Documents are published on the website within a set time-limit
13. The documents specified in clause 7 of the Description must be published in PDF format and technical possibilities must be created to print them.	Yes	PDF documents are published
<b>Chapter III Preparation of sets of financial statements, reports and activity reports</b>		
14. State-owned enterprises manage their accounting in such a way as to ensure the preparation of financial statements in accordance with international accounting standards.	Yes	The Company handles accounting in accordance with IFRS
15. In addition to the set of annual financial statements, a state-owned company prepares a set of 6-month interim financial statements, and a state-owned enterprise prepares sets of 3, 6 and 9-month interim financial statements.	Yes	The Company prepares interim financial statements for a period of 6 months



SECTION OF THE GUIDELINES FOR ENSURING TRANSPARENCY OF STATE-OWNED ENTERPRISES' ACTIVITIES [ACCORDING TO THE VERSION OF 30TH OF APRIL 2021]	DISCLOSURE	EXPLANATION
16. A state-owned company classified as a public interest enterprise according to the Law on the Audit of Financial Statements of the Republic of Lithuania, in addition to the annual report, additionally prepares a 6-month interim report. A state enterprise classified as a public interest enterprise according to the Law on the Audit of Financial Statements of the Republic of Lithuania, in addition to the annual activity report, additionally prepares a 6-month interim activity report.	Yes	The Company prepares an interim report for a period of 6 months
17. In the annual report of a state-owned company or the annual activity report of a state-owned enterprise, in addition to the content requirements provided for in the Law on Financial Reporting of Companies of the Republic of Lithuania or the Law on State and Municipal Enterprises of the Republic of Lithuania, the following information must be provided:		
17.1. a brief description of the state-owned enterprise's business model;	Yes	Information provided in the annual report
17.2. information about important events that took place during and after the financial year (before the preparation of the annual report or the annual activity report) and that were of fundamental importance to the activities of the state-owned enterprise;	Yes	
17.3. the results of the implementation of the goals provided for in the strategy of the state-owned enterprise;	Yes	
17.4. indicators of profitability, liquidity, asset turnover, debt;	Yes	
17.5. performance of special obligations;	Yes	
17.6. implementation of the investment policy, ongoing and planned investment projects as well as investments during the reporting year;	Yes	
17.7. implementation of the risk management policy applied in the state-owned enterprise;	Yes	
17.8. implementation of dividend policy in state-owned companies;	Yes	
17.9. implementation of remuneration policy;	Yes	
17.10. total annual remuneration fund, average monthly remuneration according to current position and/or units;	Yes	
17.11. information on compliance with the provisions of Chapters II and III of the Description: it shall be indicated how they are implemented, which provisions are not complied with, and an explanation is given as to why.	Yes	



**SECTION OF THE GUIDELINES FOR ENSURING TRANSPARENCY OF STATE-OWNED ENTERPRISES' ACTIVITIES  
[ACCORDING TO THE VERSION OF 30TH OF APRIL 2021]**

	DISCLOSURE	EXPLANATION
18. State-owned companies and state enterprises, which are not required to prepare a social responsibility report, it is recommended to provide information related to environmental, social and personnel, human rights, anti-corruption and bribery issues in the annual report or annual activity report, respectively.	Yes	The Company prepares a Sustainable Development Report (integrated into the annual report)
19. If the information specified in clause 17 of the Description is considered a commercial (production) secret or confidential information of the state-owned enterprise, the state-owned Company may not disclose such information, however, the state-owned company's annual report or the state-owned company's annual activity report must indicate that this information is not disclosed, and the reason for non-disclosure is given.	Yes	Information provided in the annual report
20. The annual report of a state-owned company or the annual activity report of a state-owned enterprise may contain other information not specified in this Description.	Yes	The annual report contains other information as well
21. A state-owned company, which is a parent company, in its consolidated annual report, and if it is not required by law to prepare a consolidated annual report, in its annual report presents the structure of the group of enterprises, as well as the data, specified in sub-clauses 5.1-5.3 of the Description, of each subsidiary company and subsequent subsidiary companies, share of owned shares (percentage) in the authorized capital of the subsidiary Company, financial and non-financial performance results of the financial year. If a state-owned company, which is the parent Company, prepares a consolidated annual report, it prepares consolidated annual report, the requirements of clause 17 of the Description shall apply mutatis mutandis.	Yes	Information provided in the annual report
22. The state-owned company's interim report or state-owned enterprise's interim activity report contains a brief description of the state-owned enterprise's business model, analysis of the financial performance of the reporting period, information on important events that occurred during the reporting period, as well as indicators of profitability, liquidity, asset turnover, debt and their changes compared to the corresponding period of the previous year.	Yes	Information provided in the annual report



# ANTI-CORRUPTION AND TRANSPARENCY

Honest, transparent, and standards-compliant conduct is an integral part of the Company's activity. The Company adheres to strict transparency requirements, promoting responsible, open, and ethical practices in the market. In order to strengthen the reputation of state-owned enterprises, Lietuvos paštas follows the principles of Zero Tolerance for Corruption and Unavoidability of Responsibility. Commitments related to anti-corruption activities are outlined in the publicly available Lietuvos paštas Anti-Corruption Policy, which can be read [here](#).

The Company strives to meet the standards of the Anti-Corruption Management System, implement the expectations set by the shareholder, and serve as a role model for others in shaping an anti-corruption culture. To achieve these goals, Lietuvos paštas introduces new anti-corruption measures every year, strengthens and improves existing ones, and actively participates in various initiatives.

The Company has joined the program „Transparency Academy“, initiated by the President of the Republic of Lithuania and organized by the Special Investigation Service. In 2024, it actively participated in the Academy's activities — engaging in discussions, preparing reports, and sharing relevant experiences with colleagues from other organizations.





## ETHICS AND ANTI-CORRUPTION DIRECTIONS

The Company has approved a *Code of Ethics and Conduct for Employees* and a *Code of Ethics for Suppliers* aimed at ensuring that all employees and partners adhere to the highest principles of transparency.

The implementation and oversight of the Anti-Corruption Management System are ensured by the Company's Board, the Audit and Risk Management Committee, the General Director, the Security and Prevention Department, the employee responsible for anti-corruption compliance, and the Heads of other functions and departments.

The key strategic documents aimed at creating and maintaining a corruption-resistant environment are the *Anti-Corruption Policy* and the Corruption Prevention

Action Plan. These documents define the strategic direction, goals, performance indicators, and key tasks.

In 2024, the Company successfully completed the implementation of the 2023–2024 Corruption Prevention Action Plan. Although all planned measures were completed, not all performance indicators were met. The level of resistance to corruption could not be measured due to the absence of a methodology approved by the Government of the Republic of Lithuania.

A new action plan for the 2025–2026 period will be developed and approved at the beginning of 2025.

DIRECTIONS OF THE MINISTRY OF TRANSPORT AND COMMUNICATION OF THE REPUBLIC OF LITHUANIA	ANTI-CORRUPTION TASKS OF THE COMPANY	EVALUATION CRITERION	2022 (REFERENCE POINT)	2023 (RESULT)	2024 (RESULT)	2024 (TARGET)
Increase the transparency of decisions and procedures, publicity, and trust in the ministry and organizations	Increase the Company's transparency and openness to customers, the public, and other stakeholders	Residents who believe that the Company is highly corrupt <sup>[1]</sup>	7 % <sup>[2]</sup>	n. d. <sup>[3]</sup>	11 % <sup>[4]</sup>	5 %
Create a corruption-resistant environment, increase employee anti-corruption awareness, and promote intolerance of corruption manifestations	Increase employee anti-corruption awareness while maintaining a high level of intolerance toward dishonest behaviour	Employees aware of the anti-corruption measures implemented in the Company	70 %	73 %	75 %	75 %
		Corruption resistance level	n. d.	n. d. <sup>[6]</sup>	n.d. <sup>[6]</sup>	≥8 <sup>[5]</sup>
Create an appropriate and effective mechanism for organizing, implementing, monitoring, and controlling the creation of a corruption-resistant environment	Continuously improve the processes dedicated to maintaining the anti-corruption management system and other Company operational processes where there is a high likelihood of corruption occurring, applying a preventive approach to corruption risks	Governance transparency assessment <sup>[7]</sup>	A+	A+	A+	A+
Ensure the identification and management of corruption risks		Employees agreeing with the statement – "Upon the emergence of potential corruption, the case would be properly investigated and evaluated within the company."	92 %	95 %	93 %	95 %

[1] SIS (Special Investigation Service) Lithuania's Corruption Map data

[2] 2021 SIS Lithuania's Corruption Map data

[3] In 2023, Lithuania's Corruption Map survey was not conducted

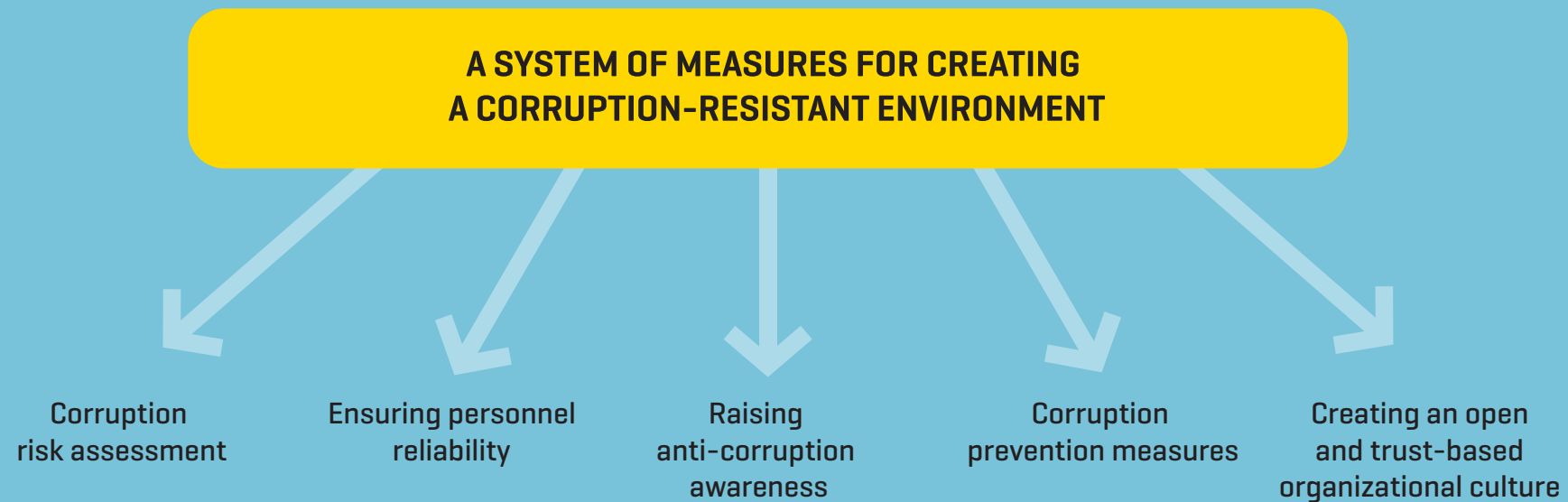
[4] 2024 SIS Lithuania's Corruption Map data

[5] Calculated based on the SIS Corruption Resistance Requirements Implementation Evaluation Methodology for public sector enterprises

[6] The SIS Corruption Resistance Requirements Implementation Evaluation Methodology for Public Sector Enterprises has not yet been approved

[7] Data from GCC (Public Enterprise „Governance Coordination Center“) evaluation

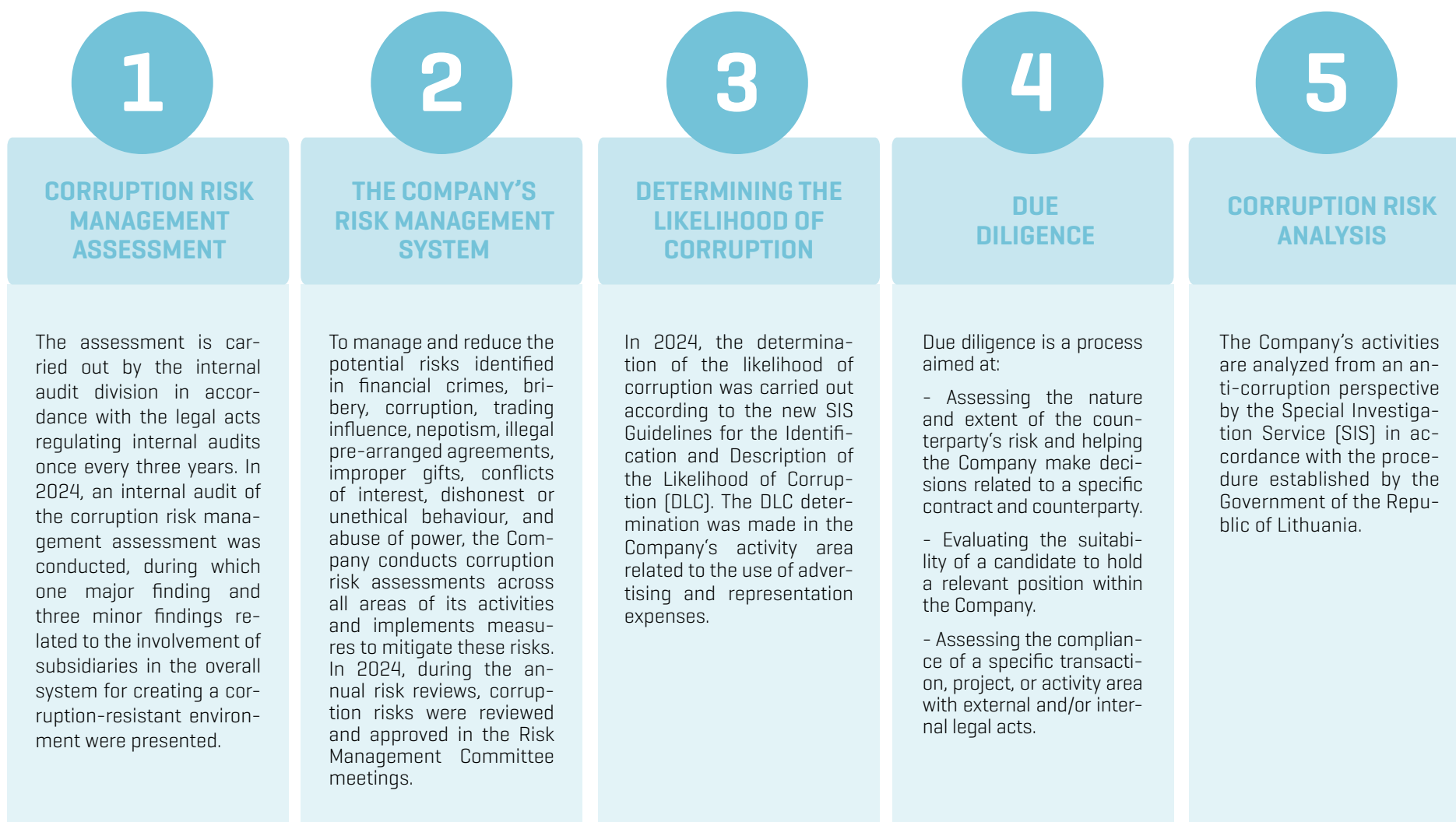






## CORRUPTION RISK ASSESSMENT

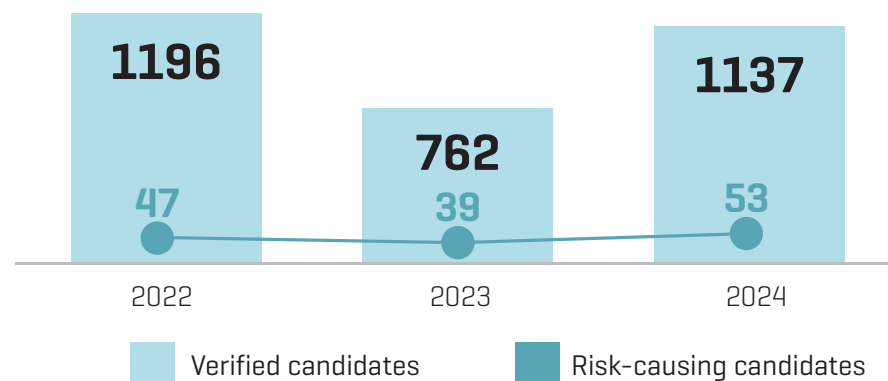
Corruption risk management is carried out in accordance with the requirements of the international anti-corruption management system standard and legal acts. Corruption risk assessment is carried out in several directions.





## ENSURING EMPLOYEE RELIABILITY

The goal of the candidate suitability verification process for relevant positions is to ensure that individuals with an impeccable reputation, who meet the requirements set by the Company and applicable legal acts, are hired and work within the Company. This process helps to avoid potential financial, legal, or reputational damage, as well as the risk of conflicts of public and private interests, which may arise if a person who has provided false information about themselves or does not meet the Company's requirements or those established by legal acts is employed.



Special attention is given to the alignment and control of public and private interests. The Company and its employees publicly and honestly declare their private interests, avoid situations that could lead to conflicts of interest, and in the event such situations arise, they recuse themselves. Decisions within the Company are made impartially and objectively, without prejudice or personal biases, based on facts and information supported by data.

The alignment of public and private interests is defined in the [Anti-Corruption Policy](#) and in the Procedures for the Coordination and Control of Public and Private Interests.

The Company conducts preventive, ongoing, and subsequent conflict of interest controls. Employees declaring private interests are regularly reminded to submit declarations and updating data; trainings are organized, memos are prepared, and other educational materials are provided.

### Statistics of public and private interests in 2024





## RAISING ANTI-CORRUPTION AWARENESS

### 1

#### COMMUNICATION THROUGH INTERNAL INFORMATION CHANNELS

The Company's *Anti-Corruption Policy* has been approved by the Board resolution. In 2024, the Board was presented with a report on the effectiveness of the implementation of the 2023 Anti-Corruption Policy. The Audit and Risk Management Committee was presented with a report covering the implementation of the Anti-Corruption Policy, the operation of the „Trust Line,” and the processes for aligning and controlling public and private interests.

The Anti-Corruption Policy and the internal documents implementing it are relevant and applicable to all employees of the Company. Employees are regularly familiarized with the Anti-Corruption Policy and the preventive measures in place, with updated information being shared through internal communication channels.

### 2

#### TRAINING PROGRAM AND TARGETED TRAINING

An anti-corruption awareness program, followed by a test taken by its participants, has been developed for all employees. The program is mandatory for all employees with computerized workplaces and is conducted annually. In 2024, an invitation to participate in the training program was sent to all employees – 90% participated, completed, and successfully passed the test.

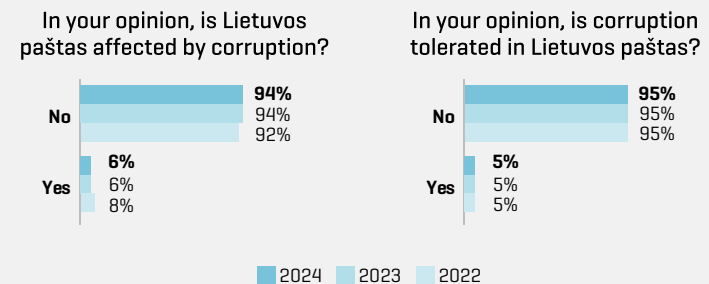
Additionally, targeted internal and external training is conducted for responsible individuals, such as managers and employees involved in public procurement processes and/or those responsible for contract management. Additional training is organized to strengthen risk management in these areas.

### 3

#### ANONYMOUS SURVEY ON EMPLOYEE TOLERANCE OF CORRUPTION

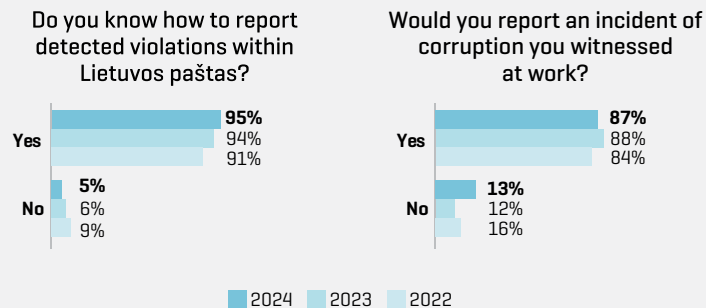
An anonymous employee tolerance to corruption survey regarding corruption manifestations within the Company is conducted annually to evaluate the effectiveness of the anti-corruption management system. In 2024, 441 employees participated in the survey.

The survey shows that employees' understanding of corruption and its prevention has been strengthening year by year. Almost all employees know what corruption is and how to act if they receive gifts from customers or business partners. A total of 94% of survey participants believe that the Company is not affected by corruption, and 95% assert that corruption is intolerable at Lietuvos paštas.

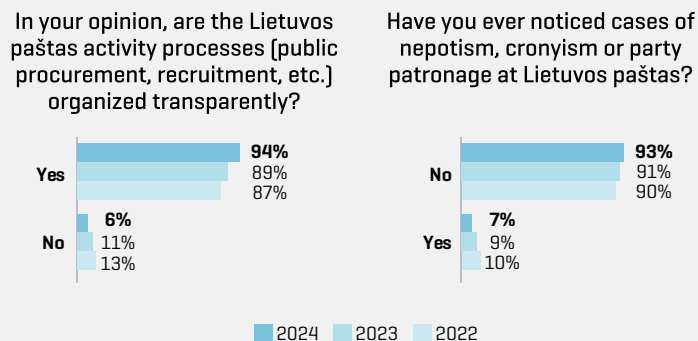


Employees' anti-corruption awareness also continues to grow, particularly in terms of knowing what actions to take when corruption is observed. As many as 95% of employees know how to report detected violations, and 87% say they would inform the responsible authorities if they encountered corruption. Each year, the Safety and Prevention Department receives more and more reports about potential violations through the „Trust Line”, indicating increasing employee trust and awareness of reporting channels.

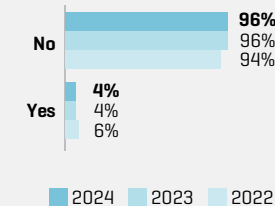




Employees' perception of the prevalence of corruption is also improving. All surveyed employees stated that they were not aware of any cases in which a company employee received an unjustified reward over the past year. Additionally, there has been a 5% increase in the proportion of employees who believe the Company's processes are organized transparently. Processes considered less transparent include those most commonly associated with transparency issues in society, such as recruitment, public procurement, and the sale and use of property. 93% of respondents reported not observing nepotism or cronyism, and 96% indicated that they have not experienced pressure from managers, colleagues, or stakeholders recently in the past year.

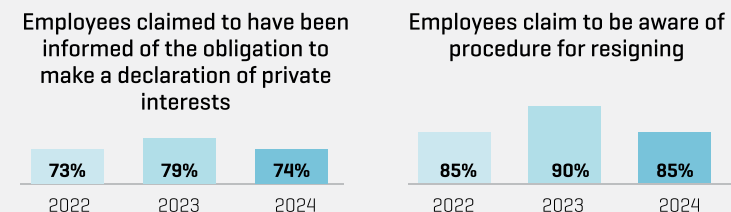


**Did you experience, during the last year at Lietuvos paštas, any illegal pressure or influence from managers, colleagues, or stakeholders?**



In the area of public and private interest reconciliation, there has been a decline in results. Five percent fewer employees declaring private interests are aware of the procedure for recusing themselves from potential conflicts of interest. 74% of respondents [5% fewer than in 2023] indicated that they were informed about the duty to submit a declaration of private interests, although this information is provided to all employees without exception.

Based on these results, in 2025, it is planned to organize targeted training on the alignment and control of public and private interests and a test for employees who are required to declare their private interests at the Company.



In summary, the survey results show a steady increase in employees' anti-corruption awareness each year. It is especially significant that 86% of employees reported noticing positive changes on this issue within Lietuvos paštas over the past two years.



## OTHER CORRUPTION PREVENTION MEASURES

### Gift policy

The company has approved a clear *procedure for giving and receiving gifts*. The Company does not give or accept any gifts or services that do not comply with international protocol or traditions, are not intended for representation purposes, or are not acceptable according to legal acts. All such gifts are registered in a public registry.

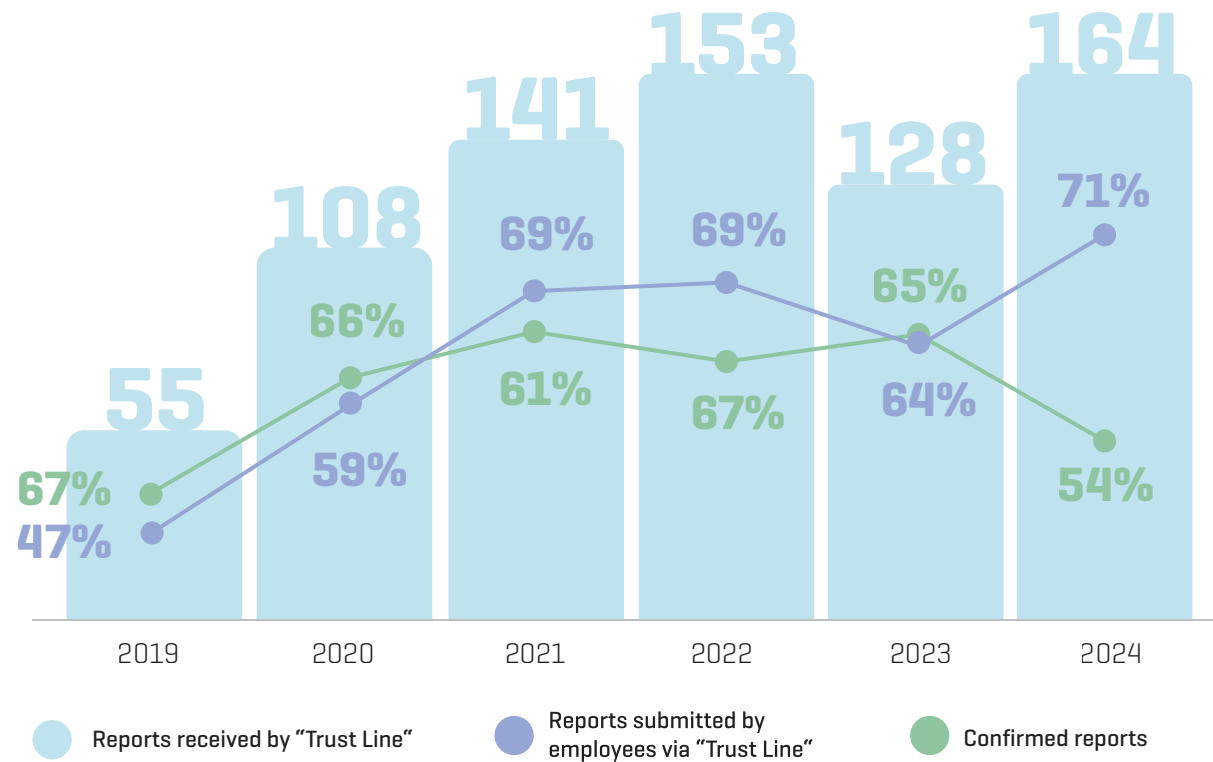
### Trust Line and Investigation Procedures

The Company has established an *internal reporting channel* – the „Trust Line” – through which both employees and other stakeholders can report violations that have been, are being, or might be committed within the Company. Each report is investigated – investigations are carried out, and based on their results, proposals and recommendations for process improvements and risk management are made, if necessary. If elements of illegal activities are identified, the Company cooperates with law enforcement agencies. The number of reports received through the „Trust Line” increases annually, reflecting growing employee trust in this channel.

In 2024, 13 reports potentially related to corruption-related legal violations were received\*. All of them were investigated: In 8 cases, the violations were not confirmed, in 5 cases, disciplinary procedures were initiated, in 1 case, the matter was handed over to law enforcement agencies, and in 1 case, the investigation is still ongoing.

\*A corruption-related legal violation refers to an administrative offense, breach of work duties, or official misconduct committed by abusing authority and directly or indirectly seeking personal or another person's benefit, as well as criminal acts of a corrupt nature.

### EFFECTIVENESS OF THE „TRUST LINE”



# 91%

of employees agree with the statement: „When reporting corruption at Lietuvos paštas, the confidentiality of the whistleblower would be ensured.”

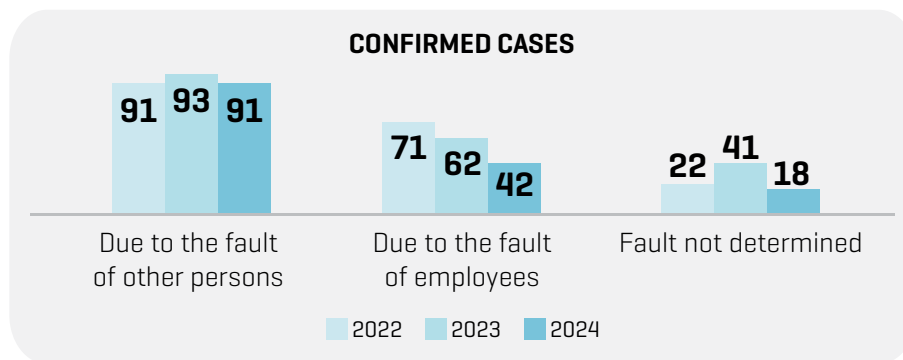
# 93%

of employees agree with the statement: „When a potential corruption case arises, the case at the Lietuvos paštas would be properly investigated and assessed.”



Investigations are carried out not only based on information received through the „Trust Line“ but also on the initiative of the Safety and Prevention Department, as well as on reports received from other institutions or through other channels. In 2024, 241 investigations were conducted (compared to 265 in 2023) regarding potential unlawful actions by employees and other individuals, with 67% of the cases substantiated. Since 2023, the number of investigations initiated has gradually decreased. The majority (more than half) of the investigations were initiated after receiving reports through the „Trust Line“. This indicates that long-term efforts to promote the internal reporting channel are yielding results.

Confirmed reports of violations occurred: in 62% of cases due to the actions of other individuals, in 15% of cases due to employee fault, and in 23% with no responsible individual identified.





## PERSONAL DATA PROTECTION

Effective personal data protection is one of the most important aspects of sustainable development, significant both for Lietuvos paštas and for stakeholders. Personal data protection in the Company is ensured in accordance with the EU General Data Protection Regulation and other applicable legal acts. The oversight of this area is regularly carried out by the internal audit, which prepares reports and provides recommendations for improving operations.

In 2024, the Company continued to focus on employee competence development in personal data processing and protection. Lietuvos paštas also employs a designated data protection officer and information security expert.

The main information for customers about the processing of their personal data is provided in the Lietuvos Paštas Privacy Notice, which is regularly reviewed and updated. The Privacy Notice is available both at service delivery locations and on the Lietuvos paštas [website](#).

In 2024, the State Data Protection Inspectorate did not make any decisions regarding the Company and did not conduct any planned or unplanned inspections.

## COMPLIANCE WITH LAWS AND REGULATIONS

Every year, the Company undergoes inspections by various supervisory authorities. The Company's activities are supervised by the Communications Regulatory Authority, the Governance Coordination Center, the State Data Protection Inspectorate, and other regulatory authorities. Additionally, statutory inspections are carried out, such as planned inspections by the Fire Protection and Rescue Department, which are conducted at service delivery locations.

During 2024, regulatory authorities did not impose any significant measures of impact on the Company. Moreover, during this year, no significant decisions were adopted by courts concerning the Company's activities.

The Vilnius Regional Administrative Court, by its decision of 7 November 2024, upheld the Company's request and annulled Resolution No. TN-581 of the Communications Regulatory Authority dated 16 November 2023 „On the Violation of Item 4 of Paragraph 2 of Article 16 of the Postal Law of the Republic of Lithuania and the Imposition of an Economic Sanction on the Joint Stock Company Lietuvos Paštas,” which had imposed a fine of EUR 184 489 on the Company. This decision was appealed to the Supreme Administrative Court of Lithuania, and the case is currently pending in the appellate instance.





# 06 KEY PLANS FOR 2025

In 2025, the Company will continue implementing changes and initiatives that will help achieve the set goals.



Prepare for the implementation of sustainability reporting in accordance with the new Corporate Sustainability Reporting Directive (CSRD) requirements.



Ensure the smooth integration of the new GHG emissions calculator into operational processes, as well as the efficient collection and processing of data.



Successfully implement the Company's fleet electrification project, including infrastructure adaptation.



Consistently improve employees' working conditions.



Adapt the website for individuals with visual impairments.



Ensure the comprehensive accessibility of the Company's infrastructure for people with individual needs.



# 06 DISCLOSURE OF THE UN GLOBAL COMPACT GOALS

Lietuvos paštas joined the United Nations Global Compact in 2021. By becoming a member of this initiative, the company committed to submitting annual reports on its adherence to the ten key principles of the international agreement and to setting more ambitious goals for implementing sustainable practices.

AREA	PRINCIPLE	ANNUAL REPORT PAGE
Human rights	Support and respect the protection of internationally proclaimed human rights.	69, 74, 88-89, 93, 97-99, 103, 105-107
	Ensure that business practices are not complicit in human rights abuses.	103, 137
Labour	Uphold the freedom of association and the effective recognition of the right to collective bargaining.	93, 105
	Eliminate all forms of forced and compulsory labor.	93, 111
	Abolish child labor.	100-101, 104
	Eliminate discrimination in employment and occupation.	100-101, 104, 106
Environmental	Support a precautionary approach to environmental challenges.	77-85
	Undertake initiatives to promote greater environmental responsibility.	86
	Encourage the development and diffusion of environmentally friendly technologies.	112
Anti-Corruption	Fight corruption in all its forms including extortion and bribery.	128-136





# 06 GRI CONTENT INDEX (1/2)

GRI STANDARD	DISCLOSURE	PAGE(S) OF INTEGRATED ANNUAL REPORT
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2-18	Evaluation of the performance of the highest governance body	18
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# 06

## ISSUE OF POSTAL STAMPS



# 06 ISSUE OF POSTAL STAMPS

Each year, Lithuanian Post issues up to 25 new postage stamps. As a designated Universal Postal Service (UPS) provider, the company is legally required to issue and withdraw postage stamps in accordance with the Law on Postage [Article 16, Paragraph 2, Section 5].

The selection of postage stamp themes follows Section II of the Rules for the Issue, Cancellation, and Accounting of Postage Stamps, as approved by Order No. 3-258 of the Minister of Transport and Communications of the Republic of Lithuania on April 30, 2013. Stamp designs are selected and produced in accordance with Sections III and IV of the same Order.

In 2024, a total of 18 new postage stamps [17 individual stamps and 1 postage stamp block] were issued, covering the following themes:

- Baltic tribes. Aukštaičiai
- Red Data Book of Lithuania
- Europe. Underwater Fauna and Flora
- Lithuania's Chairmanship of the Committee of Ministers of the Council of Europe

- Children's drawings. My Pet
- The Regatta of Tall Ships
- 100th Anniversary of the Song Festival
- 100th Anniversary of the Lithuanian Philatelic Union
- 2024 Summer Olympics
- Lithuanian Resorts. Birštonas
- Lithuanian Cultural Season in France
- Lithuanian Heritage. Manors
- 150th Anniversary of the Universal Postal Union
- Christmas and New Year

More details on Lietuvos paštas philately activities and plans can be found [here](#).





# CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS



# CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	NOTES	YEAR ENDED 31 DECEMBER			
		GROUP		COMPANY	
		2024	2023	2024	2023
Revenue from contracts with customers	3	99 370	98 986	100 158	98 986
Subsidies	4	10 492	8 356	10 492	8 356
Other income	5	764	3 033	763	3 033
<b>Total operating income</b>		110 626	110 374	111 413	110 374
Employee-related expenses	7	[48 525]	[47 899]	[48 074]	[47 892]
Expenses of cross-border postal services and settlements with foreign post offices		[17 242]	[19 926]	[17 194]	[19 926]
Costs of courier and parcel locker services		[11 063]	[8 581]	[10 373]	[8 581]
Depreciation and amortisation expenses of non-current assets		[9 776]	[8 325]	[9 612]	[8 325]
Cost of goods held for resale and services		[3 241]	[3 157]	[3 241]	[3 157]
Reversal of impairment/[impairment] of financial assets		[ 423]	189	[ 423]	186
Reversal of impairment/[impairment] of non-current assets		[ 914]	-	[ 914]	-
Other expenses	6	[18 259]	[16 784]	[17 589]	[16 784]
<b>Total operating costs</b>		<b>[109 442]</b>	<b>[104 484]</b>	<b>[107 419]</b>	<b>[104 480]</b>
Other gain	8	[250]	42	[250]	42
<b>Operating profit</b>		<b>934</b>	<b>5 932</b>	<b>3 744</b>	<b>5 936</b>



	NOTES	YEAR ENDED 31 DECEMBER			
		GROUP		COMPANY	
		2024	2023	2024	2023
Finance income	9	1 033	560	1 053	560
Finance [costs]	9	[1 486]	[1 053]	[1 463]	[1 055]
<b>Profit before income tax</b>		<b>480</b>	<b>5 439</b>	<b>3 334</b>	<b>5 441</b>
Income tax	27	[239]	[287]	[239]	[287]
<b>Profit for the period</b>		<b>242</b>	<b>5 152</b>	<b>3 096</b>	<b>5 154</b>
<b>Other comprehensive income/(expenses)</b>					
Other comprehensive income/(expenses) that will be subsequently reclassified to profit or loss		-	-	-	-
Other comprehensive income/(expenses) that will not be subsequently reclassified to profit or loss		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>242</b>	<b>5 152</b>	<b>3 096</b>	<b>5 154</b>

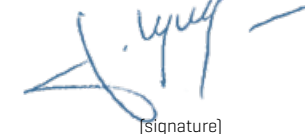
The accompanying notes form an integral part of these financial statements.  
These financial statements were approved and signed on 31 March 2025 by:

Mindaugas Kvekšas  
Interim CEO and Director of Finance  
and Administration



(signature)

Jūratė Vyšniauskienė  
Head of Accounting Department, Chief  
Accountant



(signature)



# CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

	NOTES	YEAR ENDED 31 DECEMBER			
		GROUP		COMPANY	
		2024	2023	2024	2023
ASSETS					
Non-current assets					
Intangible assets	10	4 931	4 459	4 931	4 459
Property, plant and equipment	11	35 796	38 176	35 790	38 177
Right-of-use assets	12	20 948	16 209	20 315	16 209
Investment property	13	1 165	1 131	1 165	1 131
Non-current financial assets	14	-	79	1 000	629
Deferred income tax assets		-	-	-	-
Total non-current assets		62 840	60 054	63 200	60 604
Current assets					
Inventories	15	3 456	3 693	3 456	3 693
Trade receivables	16	10 101	12 228	10 093	12 228
Contract assets	17	5 570	4 701	5 570	4 701
Prepayments, deferred expenses	18	823	1 277	816	1 277
Other amounts receivable	19	11 000	10 705	12 657	10 705
Cash and cash equivalents	20	26 313	37 394	26 228	36 778
		57 264	69 997	58 821	69 381
Non-current assets held for sale	11	193	42	193	42
Total current assets		57 457	70 039	59 014	69 423
Total assets		120 297	130 093	122 214	130 028



	NOTES	YEAR ENDED 31 DECEMBER			
		GROUP		COMPANY	
		2024	2023	2024	2023
<b>EQUITY</b>					
Share capital	21	32 792	32 792	32 792	32 792
Legal reserve	22	1 315	-	1 315	-
Other reserves		-	-	-	-
Retained earnings/(deficit)		308	4 449	3 096	4 383
<b>Total equity</b>		<b>34 414</b>	<b>37 240</b>	<b>37 202</b>	<b>37 175</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	24	7 000	9 333	7 000	9 333
Lease liabilities	25	15 627	11 635	15 303	11 635
Long-term employee benefits		322	341	322	341
Grants and subsidies		79	95	79	95
Deferred income tax liability	27	560	322	560	322
<b>Total non-current liabilities</b>		<b>23 589</b>	<b>21 726</b>	<b>23 264</b>	<b>21 726</b>
<b>Current liabilities</b>					
Current portion of borrowings	24	2 352	2 333	2 352	2 333
Current portion of lease liabilities	25	5 435	4 445	5 125	4 445
Trade payables		25 593	23 699	25 450	23 699
Contract liabilities	28	6 346	17 867	6 344	17 867
Accrued expenses	29	17 283	18 503	17 239	18 503
Current portion of long-term employee benefits		338	352	338	352
Income tax	27	-	-	-	-
Other amounts payable	30	4 947	3 928	4 899	3 927
Total current liabilities		62 294	71 127	61 746	71 127
<b>Total liabilities</b>		<b>85 883</b>	<b>92 853</b>	<b>85 012</b>	<b>92 853</b>
<b>Total equity and liabilities</b>		<b>120 297</b>	<b>130 093</b>	<b>122 214</b>	<b>130 028</b>

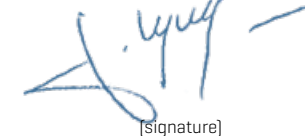
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Interim CEO and Director of Finance  
and Administration



[signature]

Jūratė Vyšniauskienė  
Head of Accounting Department, Chief  
Accountant



[signature]



# CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

		YEAR ENDED 31 DECEMBER			
		GROUP		COMPANY	
	NOTES	2024	2023	2024	2023
Cash flows from operating activities					
Profit for the period		242	5 152	3 096	5 154
Adjustments for non-cash items:					
Depreciation and amortization	10, 11, 12, 13	9 777	8 325	9 612	8 325
Profit from disposal of property, plant and equipment	5	(334)	(2 601)	(334)	(2 601)
Write-off and change in impairment of property, plant and equipment, property, plant and equipment held for sale and non-current intangible assets	10, 11, 13	922	1 344	922	1 344
Change in depreciation of trade receivables, contract assets, and inventories	15, 16, 17	332	(234)	332	(234)
Change in impairment of loans granted and investment in subsidiary	14	-	48	-	48
Increase in long-term employee benefits (decrease)		(33)	97	(33)	97
Change in provisions	30	314	560	314	560
Change in deferred income tax	27	239	287	239	287
Elimination of results of financing activities	9	552	649	528	650
Changes in working capital:					
(Increase)/decrease in inventories	15	245	(373)	245	(373)
Decrease in trade receivables (increase)	16	1 611	(3 455)	1 619	(3 455)
Increase in other amounts receivable, prepayments, deferred expenses	18, 19	(6 899)	(496)	(6 699)	(496)
Change in contract assets	17	(694)	1 012	(694)	1 012
Increase/(decrease) in trade payables		1 682	(3 462)	1 538	(3 462)
Decrease in other amounts payable, advance amounts received	30	(12 741)	(254)	(12 786)	(254)
Compensation for regulated pricing postal services received	19	7 136	-	7 136	-
Change in accrued expenses/contract liabilities	28, 29	705	3 287	658	3 287
Net cash flows from operating activities		3 053	9 885	5 693	9 888



	NOTES	YEAR ENDED 31 DECEMBER			
		GROUP		COMPANY	
		2024	2023	2024	2023
<b>Cash flows from investment activities</b>					
Acquisition of non-current assets	10, 11	(3 196)	(4 053)	(3 188)	(4 053)
Disposal of non-current assets	5, 11	523	5 356	523	5 356
(Increase)/decrease in investments in other companies/institutions	14	-	12	(450)	(532)
Loans granted to subsidiaries	19	-	-	(1 865)	-
Interest received	9	926	400	941	400
<b>Net cash (outflow) from investing activities</b>		<b>(1 746)</b>	<b>1 714</b>	<b>(4 039)</b>	<b>1 170</b>
<b>Cash flows from financing activities</b>					
Repayments of borrowings	24	(2 333)	(2 333)	(2 333)	(2 333)
Lease payments	25	(5 529)	(4 714)	(5 366)	(4 715)
Lease interest paid	9	(918)	(488)	(895)	(488)
Interest paid to credit institutions	9, 24	(541)	(562)	(541)	(562)
Dividend payment to shareholder	23	(3 068)	-	(3 068)	-
<b>Net cash (outflow) from financing activities</b>		<b>(12 389)</b>	<b>(8 097)</b>	<b>(12 203)</b>	<b>(8 098)</b>
<b>Net increase in cash flows (decrease)</b>		<b>(11 082)</b>	<b>3 502</b>	<b>(10 549)</b>	<b>2 961</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>37 394</b>	<b>33 892</b>	<b>36 778</b>	<b>33 817</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>26 313</b>	<b>37 394</b>	<b>26 228</b>	<b>36 778</b>

The accompanying notes form an integral part of these financial statements.

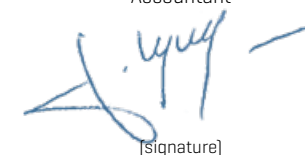
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and Administration



[signature]

Jūratė Vyšniauskienė  
Head of Accounting Department, Chief  
Accountant



[signature]



# CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

## EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

GROUP	NOTES	SHARE CAPITAL	LEGAL RESERVE	OTHER RESERVES	RETAINED EARNINGS	TOTAL
<b>Balance at 1 January 2023</b>		<b>32 792</b>	<b>0</b>	<b>-</b>	<b>(703)</b>	<b>32 089</b>
Use of legal reserve		-	(0)	-	-	(0)
Profit/(loss) for the period		-	-	-	5 152	5 152
Total comprehensive income for the period		-	-	-	5 152	5 152
<b>Balance at 31 December 2023</b>		<b>32 792</b>	<b>-</b>	<b>-</b>	<b>4 449</b>	<b>37 241</b>
<b>Balance at 1 January 2024</b>		<b>32 792</b>	<b>-</b>	<b>-</b>	<b>4 449</b>	<b>37 241</b>
Formation of legal reserve		-	1 315	-	(1 315)	-
Dividends approved		-	-	-	(3 068)	(3 068)
Profit/(loss) for the period		-	-	-	242	242
Total comprehensive income for the period		-	-	-	242	242
<b>Balance at 31 December 2024</b>		<b>32 792</b>	<b>1 315</b>	<b>-</b>	<b>308</b>	<b>34 414</b>

COMPANY	NOTES	SHARE CAPITAL	LEGAL RESERVE	OTHER RESERVES	RETAINED EARNINGS	TOTAL
<b>Balance at 1 January 2023</b>		<b>32 792</b>	<b>-</b>	<b>-</b>	<b>(771)</b>	<b>32 021</b>
Use of legal reserve		-	-	-	-	-
Profit/(loss) for the period		-	-	-	5 154	5 154
Total comprehensive income for the period		-	-	-	5 154	5 154
<b>Balance at 31 December 2023</b>		<b>32 792</b>	<b>-</b>	<b>-</b>	<b>4 383</b>	<b>37 175</b>
<b>Balance at 1 January 2024</b>		<b>32 792</b>	<b>-</b>	<b>-</b>	<b>4 383</b>	<b>37 175</b>
Formation of legal reserve		-	1 315	-	(1 315)	-
Dividends approved		-	-	-	(3 068)	(3 068)
Profit/(loss) for the period		-	-	-	3 096	3 096
Total comprehensive income for the period		-	-	-	3 096	3 096
<b>Balance at 31 December 2024</b>		<b>32 792</b>	<b>1 315</b>	<b>-</b>	<b>3 096</b>	<b>37 202</b>

The accompanying notes form an integral part of these financial statements.

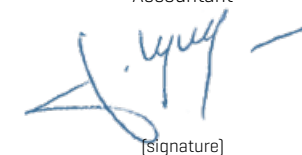
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Jūratė Vyšniauskienė  
Head of Accounting Department, Chief  
Accountant



[signature]



# EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

## 1. General information

Lietuvos paštas AB (the “Company”) is a public limited liability company registered in the Republic of Lithuania. The address of its registered office is as follows:

J. Balčikonio g. 3,  
Vilnius,  
Lithuania.

The Company started its activities on 2 January 1992 as a state-owned enterprise under the name of Lietuvos paštas. Based on Order No 3-587 On the Reorganisation of State-Owned Enterprise Lietuvos paštas into Public Limited Liability Company Lietuvos paštas issued on 23 December 2005, the Ministry of Transport and Communications transformed State-Owned Enterprise Lietuvos paštas to Public Limited Liability Company Lietuvos paštas starting from 3 January 2006. The Group is engaged in the provision of universal, other postal, courier, printing, consultation, financial and similar services.

As at 31 December 2024, the Company’s share capital was divided into 113,074,410 shares with a nominal value of EUR 0.29 each (31 December 2023: EUR 0.29). The Company has not acquired any own shares, all its shares are ordinary and fully paid. All shares of the Company are owned by the State represented by the Ministry of Transport and Communications of the Republic of Lithuania.

The Company has established permanent registered offices in Latvia and Estonia, which are registered as VAT payers in these countries.

As at 31 December 2024, the Group consisted of Lietuvos paštas AB and its wholly-owned subsidiaries: LP Mokėjimų Sprendimai UAB, Unisend Latvija SIA, Unisend Eesti OU. Subsidiary

Unisend Latvija SIA with the share capital of EUR 50 thousand was registered on 23 November 2023. Subsidiary Unisend Eesti OU with the share capital of EUR 50 thousand and share premium of EUR 450 thousand was registered on 29 November 2023.

On 23 January 2024, the Joint-Stock Company Lietuvos paštas increased the authorized capital of the subsidiary Unisend Latvija SIA by 1 euro, issuing 1 share. After the increase, the authorized capital is 50,001 euros, the authorized capital consists of 50,001 shares, the par value per share is 1 euro. One share was purchased for 450 thousand euros

Information on subsidiaries as at 31 December 2024:

	LP mokėjimų sprendimai UAB	Unisend Latvija SIA	Unisend Eesti OU
Country	Lithuania	Latvia	Estonia
The Company’s ownership interest	100 %.	100 %.	100 %.
Carrying amount of investment (EUR)	0	500	500
Profit/(loss) for 2024	[6]	[1 435]	[1 460]
Equity at 31 December 2024	60	[935]	[960]
Profile of activities	Consulting services	Courier services	Courier services

As of 31 December 2024, the number of employees of the Company was 2,476, the number of employees of the Group was 2,491 (on 31 December 2023, the number of employees of the Company was 2,683, the number of employees of the Group was 2,685).

The Company’s management approved these financial statements on 31 March 2025. The Company’s shareholder has the statutory right to approve or reject these financial statements and to require management to prepare new financial statements.



## 2. Summary of significant accounting policies

The Group's/Company's principal accounting policies applied in the preparation of the Group's/Company's financial statements for the year that ended as at 31 December 2024 are as follows:

### 2.1 Basis for preparation of the financial statements

The Group's/Company's financial statements as at 31 December 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU).

These financial statements comprise the Group's consolidated financial statements and the Company's separate financial statements prepared under the historical cost basis.

*Adoption of new and/or amended IFRS and interpretations of the International Financial Reporting Interpretations Committee (IFRIC)*

There were no changes in the accounting policies of the Group/Company, except for the following new IFRS and/or amendments to them adopted as from 1 January 2024:

**Amendments to IFRS 16 - Lease Liabilities Arising from Sale and Leaseback Transactions (published on 22 September 2022 and effective for annual periods beginning on or after 01 January 2024).** The amendments relate to sale and leaseback transactions that meet the requirements of IFRS 15, under which they may be accounted for as sales. The amendments require a seller-lessee to evaluate the liabilities arising from the transaction after initial recognition in such a way that no gain or loss is recognised on the right-of-use asset that it retains. This means that such profit is deferred even if there is an obligation to pay variable lease payments that are not index- or rate-dependent.

**Classification of liabilities as current or fixed - Amendments to IAS 1 (first issued on 23 January 2020, subsequently amended on 15 July 2020 and 31 October 2022, and ultimately effective for annual periods beginning on or after 1 January 2024).** These amendments clarify that liabilities are classified as current or fixed, depending on the rights that exist at the end of the reporting period. Liabilities are fixed if the entity has a substantive right to defer settlement of the liability for at least 12 months at the end of the reporting period. The guidelines no longer require for this right to be unconditional. The October 2022 amendment provides that the classification of a debt as current or fixed at the reporting date is not affected by the terms of the loan that must be fulfilled after the reporting date. Management's expectations regarding whether it will subsequently exercise its right to defer settlement of the liability do not affect the classification of the liability. A liability is classified as current if the condition is breached on or before the date of preparation of financial statements, even if a waiver of such condition is received from the lender after the end of the reporting period. Otherwise, the loan is classified as long-term if the loan term is breached only after the date of preparation of the financial statements. In addition, the amendments clarify the requirements for the classification of debt

that the company can settle by converting it into equity. „Settlement” is defined as the extinction of the obligation by settlement in cash, other resources providing economic benefits or equity instruments owned by the entity. An exception is provided for convertible instruments that can be converted into equity, but only for those instruments when the conversion option is classified as an equity instrument as a separate component of a compound financial instrument.

According to the management's assessment, these amendments did not have a significant impact on the financial statements of the Company and the Group.

Other new standards, amendments to standards, and interpretations that are effective for annual periods beginning on or after 01 January 2024 are not relevant to the Company and the Group or do not have a significant impact on the financial statements.

Many new standards, amendments to standards, and interpretations are effective for annual periods beginning after 01 January 2025. Management believes that IFRS 18, when adopted by the European Union, will have an impact on the financial statements of the Company and the Group.

IFRS 18 Presentation and Disclosure in Financial Statements (issued on 09 April 2024 and effective for annual periods beginning on or after 01 January 2027). In April 2024, the IASB issued a new IFRS 18 on presentation and disclosures in financial statements, which focuses on adjustments to the profit (loss) statement. The main new concepts introduced in IFRS 18 relate to: the structure of the income statement; required disclosures in financial statements for certain profit (loss) indicators that are presented in statements other than the entity's financial statements (i.e. management-defined performance indicators); clearer principles of aggregation and disaggregation applied to the primary financial statements and the explanatory notes in general.

IFRS 18 will replace IAS 1; many other principles set out in IAS 1 remain with minor changes. IFRS 18 will not affect the evaluation or recognition of items in financial statements, but it may change what an entity presents as “operating profit or loss”. IFRS 18 is effective for annual periods beginning on or after 01 January 2027, as well as for comparative information for the previous period. The Group is currently assessing the impact of these amendments on its financial statements.

In the management's assessment, other new standards, amendments to standards and interpretations that have not yet been adopted by the European Union are not relevant to the Company and the Group or will not have a significant impact on the financial statements.

### 2.2 Currency of financial statements

The amounts in these financial statements are presented in the national currency of the Republic of Lithuania, in thousands of euros. Due to rounding, the figures presented in the tables may not add up accurately.

The functional currency of the Group/Company is euros. Foreign currency transactions are initially measured using the functional currency at the date of the transaction. Financial assets and



liabilities denominated in foreign currencies are translated into the functional currency at the date of the statement of financial position using the exchange rate prevailing at the date of the statement of financial position.

The exchange rate of the euro in relation to other currencies is announced daily by the Bank of Lithuania.

## 2.3 Principles of consolidation

The Group's consolidated financial statements cover Lietuvos paštas AB and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year, using consistent accounting policies.

Subsidiaries are consolidated from the date on which effective control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Group. All intercompany transactions, balances and unrealised gains or losses on transactions between the Group companies are eliminated. Equity and net result attributable to non-controlling interests are shown separately in the statement of financial position and statement of comprehensive income.

Subsidiaries are all entities that the Company:

- has power over the investee (i.e., has existing rights that give it the current ability to direct the relevant activities);
- has exposure, or rights, to variable returns from its involvement with the investee;
- has the ability to use its power over the investee to affect the amount of the investor's returns.

## 2.4 Important management decisions and the use of estimates when preparing financial statements

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and costs and contingencies. The areas where estimates are significant to the financial statements include:

- useful lives of assets [notes 2.6, 2.7, 2.8, 10, 11, and 12];
- recognition of accrued revenue/contract assets [Notes 19 and 28];
- recognition of accrued expenses [Note 29];
- recognition and estimation of receivable subsidy for compensation of delivery of periodicals to subscribers in rural areas [Notes 4 and 19];
- recognition of subsidy for loss compensation from postal services with regulated prices [Notes 2.6 and 4];
- assessment of IFRS 16 adoption impact [Notes 12 and 25].

Future events may cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements when determinable.

## 2.5 Revenue recognition

The Group/Company renders postal services under contracts with customers or under no contracts. When there is no contract for a private customer, the customer uses the universal postal service with regulated prices, the tariffs for which are approved by the Lithuanian Communications Regulatory Authority in accordance with the Lithuanian Postal Law. The contractual customers use the postal services with unregulated prices, the tariffs for which are set directly by the Group/Company, and these activities are not subject to regulatory restrictions imposed by the Lithuanian Communications Regulatory Authority in respect of the services with regulated prices.

Revenue is recognised when the amount of revenue can be measured reliably and when the Group/Company is likely to obtain the economic benefits associated with the transaction, and specific criteria have been met for each type of revenue as described below. The Group/Company relies on historical results, taking into account the type of the customer, the type of the transaction and features of each agreement.

### Principles of recognition of revenue from contracts with customers:

#### *Revenue from postal services to Lithuanian customers*

Revenue is recognised on an accrual basis, i.e. it is recorded when earned, irrespective of the moment of cash receipts. Revenue from the provision of postal and other services is recognised after the service is rendered, when the outcome of the service provision can be estimated reliably. When services are rendered for longer than one reporting period under the existing service provision contract, revenue is allocated on a proportionate basis to those periods when the relevant services have been rendered.

#### *Revenue/expenses from postal services to foreign post offices*

A part of the Group's/Company's activities is based on international agreements, which regulate the rules for the issue and settlement of accounting documents for postal services provided. Based on these agreements, the Group/Company submits and reconciles actual parcel data, which comprises the quantities of postal services provided/received and amounts receivable/payable, with buyers/suppliers of postal services (foreign post offices) after the end of the quarter, usually during 2–3 months. Actual data on the quantities of provided/received postal correspondence delivery services is submitted and reconciled with the buyers/suppliers of postal services (foreign post offices) after the end of the quarter, usually during 2–3 months. The calculation of actual amounts receivable/payable for postal correspondence is performed after six months following the end of the reporting period, when the actual fees become known. The actual fees are based on the service quality surveys and are determined for individual countries when almost a year passes after the reporting date. The Group/Company accrues revenue that is recognised as contract assets in the statement of financial position. A contract asset is the right to consideration in exchange for goods or services that have been transferred to the customer. If the Group/Company transfers goods or services to a customer before a customer pays for them or before the due settlement date, the contract asset is accounted for at the amount equal to conditional consideration earned. When calculating accrued revenue for services rendered, the Group/Company assesses the actual volume of services rendered/received and the latest effective prices and statistical data on service volumes.



*Revenue from courier and parcel locker services to Lithuanian customers*

Revenue is recognised on an accrual basis, i.e. it is recorded when earned, irrespective of the moment of cash receipts.

When services are rendered for longer than one reporting period in accordance with the existing contract on the provision of services, revenue is allocated on a proportionate basis to those periods when the relevant services have been rendered.

*Revenue from sale of goods*

The Group/Company sells retail goods where the Group/Company acts in the capacity of owner, and consigned goods where the supplier acts in the capacity of owner. In case of goods where the Group/Company acts in the capacity of owner, they are accounted for in the statement of financial position and revenue is recognised when goods are transferred to a customer. After the sale of consigned goods, commission income is recognised.

**Recognition of other income:**

Rental income from leased assets is accounted for on a straight-line basis over the term of the lease. Interest, lease and other income is recognised on an accrual basis. Interest on late payment is recognised as income only upon receipt.

Dividend income from investments is recognised when shareholders obtain the right to receive the payment (when it is highly probable that future economic benefits will flow to the Group/Company and the amount of revenue can be reliably measured).

*Financing components*

The Group and the Company neither have nor expect any contracts with customers under which the period between delivery of goods or services and settlement by customers would be longer than one year. For this reason, the Group and the Company do not account for a financing component separately. Although international settlements with foreign post operators for cross-border postal services take longer than one year, as most of the invoices for the previous reporting year are received in the middle of the next reporting year (the reconciliation of dispatched/received quantities and calculation of final tariffs take a substantial period of time to complete), the Group/Company considers this to be a well-established practice in this industry and does not treat it as a financing component. In cases when the financial asset is recovered over the period longer than 12 months, the receivable amount is discounted to the present value at the interest rate, which would reflect the interest rate used in a separate financial transaction between the Company and the customer, and the difference between the non-discounted and discounted amounts is recognised as interest income.

**Subsidies for loss compensation***Compensation for loss incurred from delivery of periodicals to subscribers in rural areas*

The Government has set the tariffs for the delivery of periodicals to subscribers in rural residential areas and cities qualifying as residential areas with low and medium density of population, which are lower than the cost of this service. The Lithuanian Postal Law allows compensating the difference between such costs and the tariffs from the state budget under the procedure established by the Government. Every six months, the Company estimates the amount of loss

incurred from delivery of periodicals to subscribers in rural areas and when assessing the receivable amount of compensation, it includes a part or full amount in the receivable consideration only to the extent that it is highly probable that the amount of compensation for recognised loss will not be materially reduced when the uncertainty related to a variable consideration is subsequently resolved. The Company presents the subsidies for loss compensation from delivery of periodicals under the separate line item of subsidies in the statement of comprehensive income.

*Compensation for loss incurred from postal service with regulated prices*

The Company is committed to ensuring uninterrupted provision of universal postal service (UPS), and the service tariffs must be affordable to all users of the postal services. Every six months, based on the UPS cost accounting rules, the Company makes estimates and analyses loss incurred from provision of mandatory service. In case the UPS tariffs set by the Government for the Company are lower than the cost of this service, the difference between the costs and the tariffs is compensated under the procedure and terms set by the Government, as prescribed in the Lithuanian Postal Law. The Company classifies the compensation for loss incurred from postal service with regulated prices in the statement of comprehensive income under the line item of subsidies, when the Communications Regulatory Authority and the Minister of Transport and Communication confirm that estimated losses comprise an unjustifiably large financial burden for the Company.

*Criteria for revenue recognition*

Under IFRS 15, revenue is recognised at the amount equal to the transaction price when certain performance obligations established in the contract are fulfilled, however, any components of a variable consideration are recognised when it is highly probable that the latter revenue will not be reversed.

## 2.6 Intangible assets other than goodwill

Acquisitions of intangible assets are stated at cost, less subsequent accumulated amortisation and impairment loss. Value added tax expenses directly related to the acquisition of assets, which are not refundable under the Law on Value Added Tax, are added to the cost of intangible assets acquired. Amortisation is recognised in the statement of comprehensive income on a straight-line basis over the useful life of 3 to 10 years.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The useful lives, residual values and amortisation method are reviewed annually to ensure that they are consistent with the expected pattern of economic benefits from intangible assets.

The Group/Company does not have any intangible assets (other than goodwill) with indefinite useful life.



## 2.7 Property, plant and equipment

Property, plant and equipment is stated at acquisition cost less subsequent accumulated depreciation and accumulated impairment loss.

By the management's decision as from 1 January 2023, the items of assets used longer than one year for the provision of services, production of goods or administrative purposes and with the acquisition [production] cost of EUR 500 or higher should be classified as property, plant and equipment. The items of assets that do not meet the PP&E recognition criteria are written off as current period expenses. For control purposes, the items of assets that do not meet the PP&E recognition criteria and with the acquisition cost between EUR 100 and EUR 499 are recorded in off-balance sheet accounts and included in quantitative accounting.

The initial value of property, plant and equipment comprises acquisition cost including non-refundable acquisition taxes and all directly attributable costs associated with preparation for use or transportation to the place of use of assets concerned. Value added tax expenses directly related to the acquisition of assets, which are not refundable under the Law on Value Added Tax, are added to the value of property, plant, and equipment. For the purpose of the statement of comprehensive income, repair and maintenance costs incurred after the item of property, plant and equipment was put into operation are usually recognised during the period when such costs arose.

Construction in progress is stated at cost. Construction in progress comprises the cost of building, constructions and facilities and other directly attributable costs. Construction in progress is not depreciated until the completion of construction and putting of the assets into exploitation.

When property is retired or otherwise disposed, the cost and related depreciation are removed from the financial statements and any related gains or losses are determined by comparing proceeds with the net book value of the assets disposed and are included in the statement of comprehensive income.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate the cost of each asset to their net book value over their estimated useful lives, as follows:

Buildings	15 - 80 years
Machinery and equipment	6 - 15 years
Motor vehicles	10 years
Computer hardware	3 - 7 years
Communication equipment	3 - 15 years
Furniture	10 years
Other fittings, fixtures, tools and equipment	6 - 10 years
Other property, plant and equipment	4 - 10 years

The useful lives, residual values and depreciation method are reviewed annually to ensure that they are consistent with the expected pattern of economic benefits from property, plant and equipment.

## 2.8 Investment property

The Group's/Company's investment property represents real estate held to earn rental income. Investment property at the Group/Company is property leased under one or more operating lease agreements if the area leased accounts for more than 20% of the total area of property. Investment property is stated at acquisition cost less accumulated depreciation and recognised impairment loss. The initial value of investment property comprises its purchase price, including non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repair and maintenance costs incurred after the investment property has been brought to its working condition are normally charged to the statement of comprehensive income in the period when such costs are incurred. Depreciation is calculated on a straight-line basis to write-off the cost of each item of investment property to its net book amount over the estimated useful life of 15 to 80 years.

The carrying amount of the investment property is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the statement of comprehensive income in the year in which the asset is derecognised. Transfers to and from investment property are made only when there is an evidence of change in an asset's intended use.

## 2.9 Impairment of assets

### *Impairment of non-financial assets*

Other assets are assessed for impairment when events and circumstances indicate that the value of assets may not be recoverable. Where the carrying amount of an asset exceeds its recoverable amount, impairment is accounted for in the statement of comprehensive income. A reversal of an impairment loss recognised in prior periods is recorded when there is an indication that the impairment loss recognised for the asset no longer exists or has materially decreased. Reversal is accounted for in the statement of comprehensive income under the same line item as impairment loss.



## 2.10 Income tax

Income tax charge is based on profit for the year and considers deferred taxation. Income tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity, in which case the tax is also recognised directly in equity.

The standard income tax rate applied to Lithuanian companies in 2024 was 15% (as of 2025 - 16%). In Estonia and Latvia, all retained corporate earnings are exempt from tax. Corporate income tax is deferred until the profits are distributed as dividends or are deemed to have been distributed, e.g. in the case of transaction pricing adjustments, costs and payments that do not have a business purpose, additional payments, gifts, donations, representation expenses, etc. In 2024, the corporate income tax rate applied to the taxable base in Latvia and Estonia was 20%. However, before applying the statutory rate, the taxable base should be divided by a factor of 0.8. Since the taxable base is increased by a factor, the effective corporate income tax rate in Latvia and Estonia is 25%. From 2025, the corporate income tax rate in Estonia increases by 2 percentage points to 22%. And in 2026-2028, an additional temporary corporate income tax of 2% will be applied to the annual profit of companies in Estonia (as part of the new defense tax package).

In Lithuania, Tax losses may be carried forward for an indefinite period, except for losses incurred as a result of disposal of securities and/or derivative financial instruments. Such carrying forward is disrupted if the Group's/Company's entity changes its activities due to which these losses were incurred, except when the Group's/Company's entity does not continue its activities due to reasons which do not depend on the entity itself. The losses from disposal of securities and/or derivative financial instruments can be carried forward for 5 consecutive years and only be used to reduce the taxable income earned from the transactions of the same nature. With effect from 1 January 2014, tax losses available for carry forward can be used to reduce taxable income of the current tax year by maximum 70%.

Deferred tax assets are recognized in the statement of financial position to the extent that management expects them to be realized in the near future, taking into account the forecasts of taxable profit. If it is probable that part of the deferred tax will not be realized, this part of the deferred tax is not recognized in the financial statements. Deferred income tax assets are not recognized from unused potential corporate income tax benefits.

## 2.11 Non-current assets held for sale

Non-current assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell. A non-current asset is classified as held for sale if its carrying amount is recovered principally through a sale transaction rather than through continuing use. This requirement is met only when the sale is highly probable and the asset is fully ready for immediate sale. Essential conditions of a probable sale are the shareholder's approved decision to sell and the signing of a non-cancellable purchase agreement with the buyer of non-current assets. Depreciation of a non-current asset ceases at the date that the asset is classified as held for sale.

If the Group's/Company's asset classified as held for sale no longer meets the criteria described above, the Group/Company ceases to classify such asset as held for sale and measures such asset at the lower of a net book value before reclassification to assets held for sale by taking into consideration any adjustments for depreciation, amortisation or revaluation that would have been accounted for if the asset was not classified as held for sale, and its recoverable amount estimated after deciding not to sell the asset. Adjustments to the carrying amount of assets that are no longer classified as held for sale are accounted for in profit or loss of the reporting period.

## 2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses. Cost is determined using the first-in, first-out (FIFO) method. The cost of inventories comprises purchase price, transportation, other costs directly attributable to the cost of inventories and taxes other than those subsequently recoverable by the Group/Company from the state authorities. Inventories that are no longer expected to be realised are written off.

## 2.13 Financial assets

### *Initial recognition and measurement of financial assets*

Financial assets are initially classified as those subsequently carried at amortized cost, fair value through other comprehensive income, or fair value through profit or loss.

The classification of financial assets on initial recognition depends on the contractual nature of the cash flows of the financial asset and the Company's business model for managing financial assets. Except for trade receivables that do not have a significant financing component, the Company initially recognises financial assets at fair value, plus, in case of financial assets not measured at fair value through profit or loss, transaction costs. Trade receivables that do not include a significant financing component are measured at the transaction price determined in accordance with IFRS 15.

Financial assets measured at amortised cost are subsequently recorded using the effective interest method (EIR) less impairment losses. Gains or losses are recognised in the statement of comprehensive income when the asset is derecognised, replaced or impaired.

The Company's financial assets measured at amortised cost comprise cash and cash equivalents, trade receivables, other current and non-current receivables and loans granted.

### *Impairment of financial assets*

The Company recognises expected credit losses (ECL) for all debt financial instruments that



are not measured at fair value through profit or loss. ECL are based on the difference between the contractual cash flows receivable and cash flows expected to be received by the Company discounted at an approximate original effective interest rate. ECL are recognised in three stages. For credit exposures whose credit risk has not increased significantly since initial recognition, ECL are calculated for credit losses arising from default events that may occur within the next 12 months [12-month ECL]. Credit exposures for which there has been a significant increase in credit risk since initial recognition, impairment is provided for the amount of credit losses expected to occur within the remaining life of the credit exposure, irrespective of the timing of default [lifetime ECL].

The Group/Company uses the simplified approach to calculate ECL for trade receivables and assets arising from contracts with customers. Therefore, the Group/Company does not observe changes in credit risk, but recognises impairment at each reporting date on the basis of lifetime ECL. The Company uses a matrix of expected loss rates, which is based on the historical credit loss analysis and adjusted to reflect future factors specific to borrowers and economic environment. When there is objective evidence of impairment of an unquoted equity instrument that is not measured at fair value because fair value cannot be measured reliably, the amount of the loss is measured as the difference between the carrying amount and the present value of estimated cash flows discounted using a market return rate for similar financial assets.

Impairment of amounts receivable from the foreign post offices is assessed individually for each customer (a foreign post office). Impairment is assessed by multiplying two components: i) a projected probability of default and ii) expected losses in the event of default. When calculating the value of the projected probability of default, the Group/Company considers that the price of credit default swaps (CDS) of a specific party indicates probability that the insolvency event will occur. If there are no readily available prices of CDS, the price of CDS is attributed according to the credit rating assigned by the credit rating agency Moody's to the country in which a foreign post office operates. If Moody's has not assigned the credit rating to a specific country, the highest CDS price available in the market is attributed. When calculating the value of expected losses in the event of default, the Group/Company refers to the category to which the bonds of the state, in which the foreign post office operates, are attributed. The bonds are classified into investment-grade or speculative-grade bonds. The grades are attributed according to the lowest rating of one of three rating agencies (Standard & Poor's, Moody's, Fitch). The Group/Company assumes that the expected losses in the event of default represent 75% of the total final settlement amount when the government bonds are attributed to the investment grade and 100% - when the government bonds are attributed to the speculative grade.

## 2.14 Cash and cash equivalents

Cash comprises cash on hand and cash at bank. Cash equivalents represent short-term highly liquid investments easily convertible to a known amount of cash. The maturity of such investments does not exceed three months and the risk of changes in their value is quite low.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits in current bank accounts, and other highly liquid short-term investments.

## 2.15 Borrowings

Borrowings are initially recorded at the fair value of proceeds received, net of transaction costs. Subsequently, they are carried at amortised cost and the difference between the proceeds received and the amount to be repaid over the term of the debt is recorded in profit or loss of the reporting period (except for the capitalised part, see information below). Borrowings are recognised as non-current when the financing agreement signed prior to the date of approval of the statement of financial position provides for a long-term nature of liability at the date of the statement of financial position.

### *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets. Other borrowing costs are recognised as expenses as incurred. Borrowing costs include interest and other expenses related to the borrowing of funds. At the option of the Group/Company, after the completion of the construction/acquisition of the targeted assets targeted borrowings are not converted into general borrowings, therefore, related borrowing costs are not capitalised.

## 2.16 Lease

### *Where the Group/Company is a lessee*

Under the requirements of IFRS 16, the Group/Company recognises right-of-use assets and lease liabilities for all types of lease with the term longer than 12 months, except for the cases when the value of assets transferred under the lease contract is low. Based on the management's judgement, this value is equal to EUR 1,000.

The right-of-use assets are recognised at the amount equal to the lease liabilities, adjusted for any related lease prepayments. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

Lease payments are discounted using the Group's incremental borrowing rate, which is revised annually.

Lease liabilities are measured at amortised cost using the effective interest rate treated as equal to the discount rate applied in discounting lease payments. Interest expenses related to lease liabilities are calculated on the outstanding balance of the lease liability allocated over the lease term and recognised through profit or loss.

Subsequently, the lessee measures the right-of-use assets at cost less all accumulated depreciation and all accumulated impairment losses. If the ownership right of the leased assets is transferred to the lessee by the end of the lease term or the price of the right-of-use assets



indicates that the lessee will exercise the option to purchase, the lessee calculates the depreciation of the right-of-use assets from the commencement date until the end of the useful life of the leased assets. Otherwise, the lessee calculates the depreciation of the right-of-use assets from the commencement date until the earlier of these dates: the end of the useful life of the right-of-use assets or the end of the lease term.

*The depreciation period of the right-of-use assets is 1 to 12 years.*

Payments related to short-term lease or lease of assets, the lease price of which changes depending on the variable inputs set out in the contracts (mileage, number of hours), are recognised as expenses through profit or loss under the straight-line basis. Short-term lease is the lease that has a lease term of 12 months or less.

*Operating lease – where the Group/Company is a lessor*

Leases where the Group/Company retains all the risks and rewards of ownership of the leased item are classified as operating leases. Initial direct cost incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as lease income. Lease payments are recognised as income during the period in which it is earned.

## 2.17 Grants and subsidies

Grants and subsidies (hereinafter 'grants') received in the form of non-current assets or intended to purchase, construct or otherwise acquire non-current assets are defined as asset-related grants. Assets received free of charge are also allocated to this group of grants. The amount of the grants related to assets is recognised as income in the financial statements over the period of depreciation of the assets associated with this grant. In the statement of comprehensive income, depreciation expense account is decreased by the amount of grant amortisation.

Grants and subsidies (hereinafter 'grants') received in the form of non-current assets or intended to purchase, construct or otherwise acquire non-current assets are defined as asset-related grants. Assets received free of charge are also allocated to this group of grants. The amount of the grants related to assets is recognised as income in the financial statements over the period of depreciation of the assets associated with this grant. In the statement of comprehensive income, depreciation expense account is decreased by the amount of grant amortisation.

## 2.18 Financial liabilities

*Initial recognition and measurement*

All financial liabilities are recognized at initial recognition at fair value, and in the case of loans received and amounts payable – after deduction of the directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings including over-

drafts and finance lease liabilities. All liabilities of the Company/Group are classified as measured at amortised cost.

*Subsequent measurement*

The subsequent measurement of financial liabilities depends on their classification as follows:

*Liabilities measured at amortized cost*

This category is most relevant to the Company. After initial recognition, borrowings and other amounts payable are accounted for at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of comprehensive income when liabilities are derecognised, as well as through the amortisation process.

Amortised cost is calculated by reference to the discount or premium on acquisition, as well as taxes or costs that are an integral part of the EIR. EIR amortisation is included in financing costs in the statement of comprehensive income.

*Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position if there is an enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, i.e. to realize the assets and settle the liabilities simultaneously.

## 2.19 Investments in subsidiaries

In separate financial statements of the Company, investments in subsidiaries are stated at acquisition cost method. The cost of investments is reduced by the amount of impairment. Such impairment is assessed and accounted for each investment separately.

## 2.20 Provisions

Provisions are recognized when the Group/Company has a present legal or constructive obligation as a result of past events; which has a high probability to demand an outflow of economic resources to settle the obligation and the amount can be measured reliably. The costs associated with the accounting for provisions are recognized in the statement of comprehensive income. In cases where the effect of the time value of money is significant, provisions are discounted before tax at a rate that reflects the risks specific to the obligation. In case of use of discounting, the increase in the provision reflecting the past period is recorded as a borrowing costs.



### 3. REVENUE FROM CONTRACTS WITH CUSTOMERS. SALES REVENUE

#### INCOME FROM CONTRACTS WITH CUSTOMERS BY TYPE:

		31 DECEMBER			
		GROUP		COMPANY	
		2024	2023	2024	2023
Postal services with unregulated prices	(a)	33 913	34 959	33 913	34 959
Postal services with regulated prices	(b)	8 970	10 073	8 970	10 073
Courier services	(c)	26 134	23 404	26 697	23 404
Financial services	(d)	13 401	11 463	13 401	11 463
Services to foreign post offices	(e)	5 386	7 434	5 386	7 434
Retail and commission trade		5 665	5 248	5 665	5 248
Delivery of periodicals to subscribers		3 489	3 602	3 489	3 602
Intermediation services		354	393	354	393
Other services		2 059	2 409	2 284	2 409
<b>Total</b>		<b>99 370</b>	<b>98 986</b>	<b>100 158</b>	<b>98 986</b>

a) The Company's revenue from postal services with unregulated prices decreased by 3% compared to income of 2023, mainly due to a decrease in revenue from information sending services (letters up to 50 g) both in Lithuania and to other countries.

b) The Company's revenue from postal services with regulated prices decreased by 11% compared to 2023, due to a decrease in revenue from item sending services (items from 50 g).

c) The Company's revenue from courier postal services increased by 14% [Group's - 12%], compared to 2023, due to an increase in the volume of parcels sent through parcel machines.

d) The Company's revenue from financial services increased by 17% compared to 2023, due to an increase in income from the provision of services of delivery and payment of retirement pensions, benefits, and other benefits.

e) The Company's revenue from services to foreign post offices decreased by 28% due to the decrease in the volume of international postal services received.





**REVENUE FROM CONTRACTS WITH CUSTOMERS BY  
GEOGRAPHICAL REGION:**

GROUP	AT 31 DECEMBER 2024			AT 31 DECEMBER 2023		
	Lithuania	European Union	Other countries	Lithuania	European Union	Other countries
Postal services with unregulated prices	27 006	6 898	9	29 066	5 829	64
Postal services with regulated prices	8 970	-	-	10 073	-	-
Courier services	22 584	3 132	418	21 304	1 793	307
Financial services	13 401	-	-	11 454	9	-
Services to foreign post offices	-	3 470	1 916	-	5 990	1 443
Retail and commission trade	5 647	18	-	5 229	19	-
Delivery of periodicals to subscribers	3 487	2	-	3 602	-	-
Intermediation services	192	162	-	206	188	-
Other services	1 517	417	125	2 210	188	11
<b>Total</b>	<b>82 803</b>	<b>14 099</b>	<b>2 468</b>	<b>83 144</b>	<b>14 016</b>	<b>1 826</b>

**REVENUE FROM CONTRACTS WITH CUSTOMERS BY  
GEOGRAPHICAL REGION:**

COMPANY	AT 31 DECEMBER 2024			AT 31 DECEMBER 2023		
	Lithuania	European Union	Other countries	Lithuania	European Union	Other countries
Postal services with unregulated prices	27 006	6 898	9	29 066	5 829	64
Postal services with regulated prices	8 970	-	-	10 073	-	-
Courier services	22 584	3 695	418	21 304	1 793	307
Financial services	13 401	-	-	11 454	9	-
Services to foreign post offices	-	3470	1916	-	5 990	1 443
Retail and commission trade	5 647	18	-	5 229	19	-
Delivery of periodicals to subscribers	3 487	2	-	3 602	-	-
Intermediation services	192	162	-	206	188	-
Other services	1 517	642	125	2 210	188	11
<b>Total</b>	<b>82 803</b>	<b>14 887</b>	<b>2 468</b>	<b>83 144</b>	<b>14 016</b>	<b>1 826</b>



## 4. SUBSIDIES

		31 DECEMBER	
		GROUP/COMPANY	
		2024	2023
Subsidy for delivery of periodicals to subscribers	[a]	8 476	8 356
Subsidy for postal services with regulated prices	[b]	2 016	-
<b>Total</b>		<b>10 492</b>	<b>8 356</b>

a) As the Company has an obligation to deliver periodicals to subscribers in rural residential areas and cities qualifying as residential areas with low and medium population density and incurs loss from this service, it is entitled to receive loss compensation from the State. The reason for incurring loss is the maximum tariffs set by the Lithuanian Government for delivery of periodicals to subscribers in rural residential areas and cities qualifying as residential areas with low and medium population density, which are significantly lower than the cost of the service.

b) The Company's performance is significantly affected by its obligation to provide the universal postal service (UPS), and when the provision of this service becomes a financial burden, the loss incurred

in relation to this service is compensated from the State budget in accordance with the established procedure. In 2024, the subsidy item accounted for the compensation received for postal services with regulated prices [2,016 thousand euros] provided over 2022.

Regardless of the fact that the Company's management has calculated the UPS loss for 2023 and 2024, as long as no conclusion has been received from the CRA that the amount of loss constitutes an unreasonably high financial burden for the Company, the loss compensation for 2023 and 2024 has not been recognised in the financial statements.

## 5. OTHER INCOME

		31 DECEMBER			
		GROUP		COMPANY	
		2024	2023	2024	2023
Rental income		241	190	241	190
Gain on disposal of fixed assets - net	[a]	334	2 601	334	2 601
Other income		189	242	188	242
<b>Total</b>		<b>764</b>	<b>3 033</b>	<b>763</b>	<b>3 033</b>

a) Net result of disposal of fixed assets represents a difference between proceeds from disposal of fixed assets and the net book amount. Unused premises for postal activities was sold in Visaginas, Papilė, Užpaliai, Šiauliai, Vilkaviškis, Priekulė, Balbieriškis, and Kaišiadorys [334 thousand euros]. In 2023, the majority of the profit from the sale of non-current assets came from the sale of premises not used for postal activities in Šiauliai, Klaipėda, and Panevėžys [2,601 thousand euros].



## 6. OTHER EXPENSES

		31 DECEMBER			
		GROUP		COMPANY	
		2024	2023	2024	2023
Transport lease and related expenses	[a]	4 262	3 190	4 206	3 190
Material and raw material costs		2 507	2 548	2 488	2 548
Rent and utility costs		2 332	2 498	2 453	2 498
Property repair and maintenance		2 266	2 127	2 248	2 127
Taxes, except income tax	[b]	1 498	975	1 498	975
Advertising and representation	[c]	1 302	580	791	580
Cash collection and security escort fees		685	734	685	734
Costs related to postal operations	[d]	680	480	680	480
Consulting, audit and security expenses		471	249	456	249
Communication costs		464	347	410	347
Other expenses		1 792	3 057	1 675	3 057
<b>Total</b>		<b>18 259</b>	<b>16 784</b>	<b>17 589</b>	<b>16 784</b>

		31 DECEMBER			
		GROUP		COMPANY	
		2024	2023	2024	2023
Audit services		90	77	86	77
Compliance assurance services		32	31	32	31
Other services		3	3	3	3
<b>Total</b>		<b>125</b>	<b>111</b>	<b>122</b>	<b>111</b>

## 7. EMPLOYEE-RELATED EXPENSES

		31 DECEMBER			
		GROUP		COMPANY	
		2024	2023	2024	2023
Wages and salaries		47 552	47 034	47 186	47 027
Social security contributions		973	865	888	865
<b>Total</b>		<b>48 525</b>	<b>47 899</b>	<b>48 074</b>	<b>47 892</b>

In order to reflect the distribution of financial statement items more accurately, the Group/ Company reviewed the invoice grouping methodology in the separate and consolidated statement of comprehensive income in 2024. In 2023, the following costs were reclassified from the „Other costs” item to „Employee-related costs”: 248 thousand euros for employee insurance, 657 thousand euros for long-term employee benefits and severance pay related to the postmen’ activity efficiency project, 8,581 thousand euros of costs related to courier services and maintenance of parcel machines were reclassified from „Other costs” to the item „Costs of courier services and parcel machines” in the statement of comprehensive income. The items „Utility costs” (2,230 thousand euros), „Short-term transport lease and related costs” (3,012 thousand euros), „Costs of materials and raw materials” (2,548 thousand euros) and „Asset repair and maintenance” (2,297 thousand euros) in the statement of comprehensive income were reclassified to the item „Other costs”. The comparative figures for 2023 were adjusted accordingly. The impact of reclassification is detailed in Note 35.

a) The increase in the Group’s/Company’s transport lease and related costs was influenced by the provision of 711 thousand euros formed for repair costs following the defect identification for leased cars and the increased vehicle operating costs.

b) The Company’s tax costs, excluding income tax, increased by 521 thousand euros due to non-deductible VAT expenses attributable to VAT-exempt activities.

c) The Group’s advertising and representation expenses increased due to advertising expenses in Latvia and Estonia, as subsidiaries started operating in 2024.

d) The Company’s postal operations-related expenses increased due to increased maintenance costs of centralized distribution facilities.

In 2024 and 2023, the audit firm provided the Company with the following audit and non-audit services. Audit and compliance services are disclosed based on the terms of the services specified in the contract. Non-audit services - based on the invoice date. Other audit services provided to Unisend Latvia SIA by the audit firm in accordance with the terms specified in the service contract in 2024 amounted to 4 thousand euros.

In order to reflect the distribution of financial statement items more accurately, the Group/ Company reviewed the methodology for invoice grouping in the separate and consolidated statement of comprehensive income in 2023 and reclassified the following costs from the „Other costs” item to „Employee-related costs” employee insurance costs of 248 thousand euros, long-term employee benefits and severance pay related to the postmen’ efficiency project of 657 thousand euros. The comparative figures for 2023 were adjusted accordingly. The impact of reclassification is detailed in Note 35.

Salary and other related costs include all salary-related expenses, including fixed salary, bonuses, variable remuneration under employment contracts and additional expenses related to employees, such as training, business trips, health insurance, other social benefits, or employee incentive payments. The increase in 2024 is related to the increase in the minimum monthly salary, as well as the review of employee salaries.



## 8. OTHER GAIN [LOSS]

	31 DECEMBER	
	GROUP/COMPANY	
	2024	2023
Foreign exchange income	353	520
Foreign exchange expenses	(603)	(478)
<b>Total</b>	<b>(250)</b>	<b>42</b>

Foreign exchange negative effect on the financial performance was caused by fluctuations in EUR to USD exchange rate during 2024. As at 31 December 2024, the exchange rate was EUR 1 to USD 1.039 (31 December 2023: EUR 1 to USD 1.105).

## 9. FINANCE INCOME AND COSTS

		31 DECEMBER			
		GROUP		COMPANY	
		2024	2023	2024	2023
Interest income	(a)	1 031	400	1 052	400
Interest on late payment		1	3	1	3
Other finance income		1	157	1	157
<b>Total finance income</b>		<b>1 033</b>	<b>560</b>	<b>1 053</b>	<b>560</b>
Interest on bank overdrafts and loans		(560)	(562)	(560)	(562)
Interest on lease liabilities	(b)	(918)	(488)	(895)	(488)
Other finance costs		(8)	(3)	(8)	(5)
<b>Total finance costs</b>		<b>(1 486)</b>	<b>(1 053)</b>	<b>(1 463)</b>	<b>(1 055)</b>

a) The interest income item reflects the interest income received by the Company for cash held in the accounts of OP Corporate Bank plc Lithuanian branch and SEB bankas JSC. The increase in this income compared to 2023 is due to an increased interest rate and more efficient cash flow management.

b) Lease liability interest increased in 2024 compared to 2023 due to the application of a higher discount rate for contracts of 2024: The discount rate in 2023 was 3.25%, the discount rate in 2024 was 5.67% -6.52%.



## 10. INTANGIBLE ASSETS

GROUP	PATENTS AND LICENSES	PREPAYMENT	SOFTWARE	PROJECTS IN PROGRESS	TOTAL
<b>Year ended 31 December 2023</b>					
Net book amount at 1 January 2023	123	0	3 778	388	4 289
Additions	17	-	521	469	1 006
Reclassifications between groups	-	-	25	[ 25]	-
Write-offs	-	-	[ 0]	-	[0]
Impairment	-	-	-	-	-
Amortisation charge	[ 53]	-	[ 783]	-	[836]
<b>Net book amount at 31 December 2023</b>	<b>87</b>	<b>0</b>	<b>3 540</b>	<b>832</b>	<b>4 458</b>
<b>At 31 December 2023</b>					
Acquisition cost	654	0	10 459	1 767	12 880
Accumulated impairment	-	[ 0]	[ 640]	[ 936]	[1 576]
Accumulated amortisation	[ 567]	-	[6 278]	-	[6 845]
<b>Net book amount</b>	<b>87</b>	<b>0</b>	<b>3 541</b>	<b>832</b>	<b>4 459</b>
<b>Year ended 31 December 2024</b>					
Net book amount at 1 January 2024	87	0	3 541	832	4 459
Additions	-	-	903	635	1 539
Reclassifications between groups	-	-	42	[ 42]	-
Write-offs	-	-	-	-	-
Impairment	-	-	-	-	-
Amortisation charge	[ 30]	-	[1 037]	-	[1 067]
<b>Net book amount at 31 December 2024</b>	<b>57</b>	<b>0</b>	<b>3 449</b>	<b>1 425</b>	<b>4 931</b>
<b>At 31 December 2024</b>					
Acquisition cost	597	0	11 364	2 361	14 322
Accumulated impairment	-	[ 0]	[ 640]	[ 936]	[1 575]
Accumulated amortisation	[ 540]	-	[7 275]	-	[7 815]
<b>Net book amount</b>	<b>57</b>	<b>0</b>	<b>3 449</b>	<b>1 425</b>	<b>4 931</b>



COMPANY	PATENTS AND LICENSES	PREPAYMENT	SOFTWARE	PROJECTS IN PROGRESS	TOTAL
<b>Year ended 31 December 2023</b>					
Net book amount at 1 January 2023	123	0	3 778	388	4 289
Additions	17	-	521	469	1 006
Reclassifications between groups	-	-	25	[25]	-
Write-offs	-	-	[0]	-	[0]
Impairment	-	-	-	-	-
Amortisation charge	[53]	-	[783]	-	[836]
<b>Residual value as of 31 December 2023</b>	<b>87</b>	<b>0</b>	<b>3 541</b>	<b>832</b>	<b>4 459</b>
<b>At 31 December 2023</b>					
Acquisition cost	654	0	9 819	832	11 305
Accumulated impairment	-	[0]	-	-	[0]
Accumulated amortisation	[567]	-	[6 278]	-	[6 845]
<b>Residual value</b>	<b>87</b>	<b>0</b>	<b>3 541</b>	<b>832</b>	<b>4 459</b>
<b>Year ended 31 December 2024</b>					
Net book amount at 1 January 2023	87	1	3 541	832	4 459
Additions	-	-	903	635	1 539
Reclassifications between groups	-	-	42	[42]	-
Write-offs	-	-	-	-	-
Impairment	-	-	-	-	-
Amortisation charge	[30]	-	[1 037]	-	[1 067]
<b>Residual value as of 31 December 2024</b>	<b>57</b>	<b>1</b>	<b>3 449</b>	<b>1 425</b>	<b>4 931</b>
<b>At 31 December 2024</b>					
Acquisition cost	597	0	10 724	1 425	12 746
Accumulated impairment	-	[0]	-	-	[0]
Accumulated amortisation	[540]	-	[7 275]	-	[7 815]
<b>Residual value</b>	<b>57</b>	<b>0</b>	<b>3 449</b>	<b>1 425</b>	<b>4 931</b>

In the Group's/Company's statement of comprehensive income, amortisation of intangible assets is included in the item of non-current asset impairment and amortisation costs.

In 2023, the Company wrote off accumulated depreciation losses due to unused software and unfinished projects, the total value of which was 1,070 thousand euros. As of 31 December 2024, the Company's and the Group's accumulated depreciation losses consisted only of the accumulated depreciation losses of intangible assets of LP mokėjimų sprendimai UAB, the value of which was 1,576 thousand euros [31 December 2023 - 1,576 thousand euros].

In the Group's/Company's additions item, the Software was accounted for in the amount of 903 thousand euros, of which - 348 thousand euros for software programming of parcel self-service terminals; 363 thousand euros for the new version of LP Expres self-service. The unfinished projects section shows acquired but not yet used intangible assets of 635 thousand euros, of which - 618 thousand euros for the installation and programming of a new business management system.



## 11. PROPERTY, PLANT AND EQUIPMENT

GROUP	BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	VEHICLES	OTHER TANGIBLE ASSETS	CONSTRUCTION IN PROGRESS	TOTAL
<b>Year ended 31 December 2023</b>						
<b>Net book amount at 1 January 2023</b>	<b>16 935</b>	<b>17 711</b>	<b>218</b>	<b>3 380</b>	<b>193</b>	<b>38 437</b>
Additions	-	1 404	-	957	2 996	5 358
Disposals	[1 495]	[30]	[125]	[1]	-	[1 651]
Write-offs	[0]	[364]	[0]	[979]	-	[1 344]
Reclassified from investment property	237	-	-	-	-	237
Impairment	-	-	-	-	-	-
Reclassifications between groups	11	168	-	-	[ 179]	-
Reclassified to assets held for sale	[42]	-	-	-	-	[42]
Depreciation charge	[363]	[1 573]	[80]	[802]	-	[2 818]
<b>Net book amount at 31 December 2023</b>	<b>15 284</b>	<b>17 315</b>	<b>13</b>	<b>2 555</b>	<b>3 010</b>	<b>38 178</b>
<b>At 31 December 2023</b>						
Acquisition cost	23 786	24 233	273	8 023	3 010	59 325
Accumulated depreciation	[6 203]	[6 908]	[260]	[5 464]	-	[18 835]
Accumulated impairment	[2 300]	[10]	-	[4]	-	[2 314]
<b>Net book amount</b>	<b>15 284</b>	<b>17 315</b>	<b>13</b>	<b>2 555</b>	<b>3 010</b>	<b>38 178</b>
<b>Year ended 31 December 2024</b>						
<b>Net book amount at 1 January 2024</b>	<b>15 284</b>	<b>17 315</b>	<b>13</b>	<b>2 555</b>	<b>3 010</b>	<b>38 177</b>
Additions	[2]	1 149	113	605	9	1 873
Disposals	[104]	[35]	[10]	[0]	-	[148]
Write-offs	-	[8]	-	[0]	-	[8]
Reclassified from investment property	[185]	-	-	-	-	[185]
Impairment	-	[914]	-	-	-	[914]
Reclassifications between groups	15	2 999	-	-	[3 014]	-
Reclassified to assets held for sale	[193]	-	-	-	-	[193]
Depreciation charge	[211]	[1 812]	[5]	[776]	-	[2 805]
<b>Net book amount at 31 December 2024</b>	<b>14 604</b>	<b>18 694</b>	<b>111</b>	<b>2 383</b>	<b>5</b>	<b>35 796</b>
<b>At 31 December 2024</b>						
Acquisition cost	23 265	27 978	203	7 273	5	58 725
Accumulated depreciation	[6 267]	[8 368]	[92]	[4 890]	-	[19 618]
Accumulated impairment	[2 395]	[915]	-	-	-	[3 310]
<b>Net book amount</b>	<b>14 604</b>	<b>18 694</b>	<b>111</b>	<b>2 383</b>	<b>5</b>	<b>35 796</b>



COMPANY	BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	VEHICLES	OTHER TANGIBLE ASSETS	CONSTRUCTION IN PROGRESS	TOTAL
<b>Year ended 31 December 2023</b>						
<b>Net book amount at 1 January 2023</b>	<b>16 935</b>	<b>17 711</b>	<b>218</b>	<b>3 380</b>	<b>193</b>	<b>38 437</b>
Additions	-	1 404	-	957	2 996	5 358
Disposals	[1 495]	[30]	[125]	[1]	-	[1 651]
Write-offs	[0]	[364]	[0]	[979]	-	[1 344]
Reclassified from investment property	237	-	-	-	-	237
Depreciation	-	-	-	-	-	-
Reclassifications between groups	11	168	-	-	[179]	-
Reclassified to assets held for sale	[42]	-	-	-	-	[42]
Impairment	[363]	[1 573]	[80]	[802]	-	[2 818]
<b>Net book amount at 31 December 2023</b>	<b>15 284</b>	<b>17 315</b>	<b>13</b>	<b>2 555</b>	<b>3 010</b>	<b>38 177</b>
<b>At 31 December 2023</b>						
Acquisition cost	23 786	24 233	273	8 023	3 010	59 325
Accumulated depreciation	[6 203]	[6 908]	[260]	[5 464]	-	[18 835]
Accumulated impairment	[2 300]	[10]	-	[4]	-	[2 314]
<b>Net book amount</b>	<b>15 284</b>	<b>17 315</b>	<b>13</b>	<b>2 555</b>	<b>3 010</b>	<b>38 177</b>
<b>Year ended 31 December 2024</b>						
<b>Net book amount at 1 January 2024</b>	<b>15 284</b>	<b>17 315</b>	<b>13</b>	<b>2 555</b>	<b>3 010</b>	<b>38 177</b>
Additions	[2]	1 149	113	597	9	1 865
Disposals	[104]	[35]	[10]	[0]	-	[148]
Write-offs	-	[8]	-	[0]	-	[8]
Reclassified to investment property	[185]	-	-	-	-	[185]
Depreciation	-	[914]	-	-	-	[914]
Reclassifications between groups	15	2 999	-	-	[3 014]	-
Reclassified to assets held for sale	[193]	-	-	-	-	[193]
Impairment	[211]	[1 812]	[5]	[776]	-	[2 804]
<b>Net book amount at 31 December 2024</b>	<b>14 604</b>	<b>18 694</b>	<b>111</b>	<b>2 376</b>	<b>5</b>	<b>35 790</b>
<b>At 31 December 2024</b>						
Acquisition cost	23 265	27 978	203	7 265	5	58 717
Accumulated depreciation	[6 267]	[8 368]	[92]	[4 889]	-	[19 617]
Accumulated impairment	[2 395]	[915]	-	-	-	[3 310]
<b>Net book amount</b>	<b>14 604</b>	<b>18 694</b>	<b>111</b>	<b>2 376</b>	<b>5</b>	<b>35 790</b>

The Group's depreciation of property, plant and equipment in 2024 amounts to 2,805 thousand euros [2,818 euros thousand - in 2023]. The Company's depreciation of property, plant and equipment in 2024 amounts to 2,804 thousand euros [2,818 euros thousand - in 2023]. In the Group's/Company's statement of comprehensive income, depreciation of property, plant and equipment is included in the item of depreciation and amortisation of property, plant and equipment.

In 2024, the Company created and capitalized tangible assets [self-service parcel terminals] for 2,999 thousand euros [in 2023 - 168 thousand euros]. This amount has been reclassified from the Construction in progress group. In 2024, the postal premises at Žemaičių g. 39, Venta, Akmenė district were renovated, the amount of 15 thousand euros was reclassified from the Construction in progress group to the Buildings and structures group.

As at 31 December 2024, the Company's buildings with a residual value of 9,644 thousand euros were pledged as collateral under a targeted long-term loan agreement with Nordic Investment Bank [residual value as of 31 December 2023 - 9,914 thousand euros].

As at 31 December 2024, the Company calculated an depreciation of 914 thousand euros for unused dismantled equipment, the majority of which, 847 thousand euros, is the depreciation of the automatic letter sorting line.

The following buildings are recorded in the statement of financial position under the item „Property, plant and equipment held for sale”: 152 thousand euros at Eišiškių pl. 26, Vilnius and 41 thousand euros at Klaipėdos pl. 62A, Palanga. The sales agreements were signed in December 2024, and the sale took place in 2025.



## 12. RIGHT-OF-USE ASSETS

GROUP	LAND	BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	VEHICLES	OTHER PROPERTY, PLANT AND EQUIPMENT	TOTAL
<b>Year ended 31 December 2023</b>						
<b>Net book amount at 1 January 2023</b>	<b>1 457</b>	<b>7 473</b>	<b>7</b>	<b>4 548</b>	<b>109</b>	<b>13 593</b>
New contracts signed, repriced	1 918	4 916	-	630	10	7 474
Contracts terminated	[29]	[83]	[2]	[4]	[0]	[118]
Depreciation charge	[866]	[2 333]	[5]	[1 496]	[40]	[4 740]
<b>Net book amount at 31 December 2023</b>	<b>2 480</b>	<b>9 972</b>	<b>0</b>	<b>3 678</b>	<b>79</b>	<b>16 209</b>
<b>Year ended 31 December 2024</b>						
<b>Net book amount at 1 January 2024</b>	<b>2 480</b>	<b>9 972</b>	<b>0</b>	<b>3 678</b>	<b>79</b>	<b>16 209</b>
New contracts signed, repriced	2 703	6 363	1 241	362	-	10 669
Contracts terminated	[16]	[143]	-	-	-	[159]
Depreciation charge	[1 339]	[2 738]	[149]	[1 507]	[39]	[5 772]
<b>Net book amount at 31 December 2024</b>	<b>3 828</b>	<b>13 454</b>	<b>1 093</b>	<b>2 533</b>	<b>40</b>	<b>20 948</b>

COMPANY	LAND	BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	VEHICLES	OTHER PROPERTY, PLANT AND EQUIPMENT	TOTAL
<b>Year ended 31 December 2023</b>						
<b>Net book amount at 1 January 2023</b>	<b>1 457</b>	<b>7 473</b>	<b>7</b>	<b>4 548</b>	<b>109</b>	<b>13 593</b>
New contracts signed, repriced	1 918	4 916	-	630	10	7 474
Contracts terminated	[29]	[83]	[2]	[4]	[0]	[118]
Depreciation charge	[866]	[2 333]	[5]	[1 496]	[40]	[4 740]
<b>Net book amount at 31 December 2023</b>	<b>2 480</b>	<b>9 972</b>	<b>0</b>	<b>3 678</b>	<b>79</b>	<b>16 209</b>
<b>Year ended 31 December 2024</b>						
<b>Net book amount at 1 January 2024</b>	<b>2 480</b>	<b>9 972</b>	<b>0</b>	<b>3 678</b>	<b>79</b>	<b>16 209</b>
New contracts signed, repriced	2 703	5 587	1 241	343	-	9 873
Contracts terminated	[16]	[143]	-	-	-	[159]
Depreciation charge	[1339]	[2578]	[149]	[1505]	[39]	[5 609]
<b>Net book amount at 31 December 2024</b>	<b>3 828</b>	<b>12 838</b>	<b>1 093</b>	<b>2 516</b>	<b>40</b>	<b>20 315</b>

The Company signed new contracts for 7,863 thousand euros over 2024, extensions of old contracts, repricing due to the expansion of parcel terminals, and consumer price indexation amounted to 2,010 thousand euros. Over 2023, 6,108 thousand euros and 1,366 thousand euros, respectively.

Right-of-use assets classified in the Land group - the right to the location where self-service postal parcel terminals are installed. The Buildings and Structures group includes rights to lease premises intended for the Group's/Company's main activities, and the Machinery and Equipment group includes rights to self-service postal parcel terminals.



## 13. INVESTMENT PROPERTY

GROUP/COMPANY	BUILDINGS
<b>Year ended 31 December 2023</b>	
<b>Net book amount at 1 January 2023</b>	<b>547</b>
Reclassified to property, plant and equipment	[237]
Reclassified from property, plant and equipment	859
Disposals	[31]
Depreciation charge	[6]
<b>Net book amount at 31 December 2023</b>	<b>1 131</b>
<b>At 31 December 2023</b>	
Acquisition cost	1 473
Impairment	[153]
Accumulated depreciation	[190]
<b>Net book amount at 31 December 2023</b>	<b>1 131</b>

Investment property comprises office buildings rented out to legal entities and individuals. It also includes property that is not used in the operating activities, however, capital appreciation is expected from this property upon its disposal. Investment property-related expenses for 2023 comprising depreciation

GROUP/COMPANY	BUILDINGS
<b>Year ended 31 December 2024</b>	
<b>Net book amount at 1 January 2024</b>	<b>1 131</b>
Reclassified from property, plant and equipment	185
Disposals	-
Depreciation charge	[151]
<b>Net book amount at 31 December 2024</b>	<b>1 165</b>
<b>At 31 December 2024</b>	
Acquisition cost	1 603
Impairment	[163]
Accumulated depreciation	[276]
<b>Residual value as of 31 December 2024</b>	<b>1 165</b>

charges were included in depreciation and amortisation of non-current assets in the statement of comprehensive income and amounted to 151 thousand euros [6 thousand euros - in 2023]. The fair value of investment property as at 2024 and 31 December 2023 is approximately equal to their carrying amount.

## 14. NON-CURRENT FINANCIAL ASSETS

		31 DECEMBER			
		GROUP		COMPANY	
		2024	2023	2024	2023
Investments in subsidiaries	[a]	-	-	3 179	2 729
Loans to subsidiaries		-	-	-	-
Investments in other entities, undertakings	[b]	-	48	-	48
Amounts receivable after one year		216	226	216	226
		<b>216</b>	<b>274</b>	<b>3 395</b>	<b>3 003</b>
Impairment of investments in subsidiaries	[a]	-	-	[2 179]	[2 179]
Impairment of loans granted to subsidiaries		-	-	-	-
Impairment of investments in other entities	[b]	-	[48]	-	[48]
Impairment of amounts receivable after one year		[216]	[148]	[216]	[148]
<b>Total non-current financial assets</b>		<b>-</b>	<b>79</b>	<b>1 000</b>	<b>629</b>

a) On 23 November 2023, the subsidiary Unisend Latvija SIA was established, investment 50 thousand euros. On 29 November 2023, the subsidiary Unisend Ees-ti OU was established, investment 500 thousand euros. On 23 January 2024, the Company increased the share capital of Unisend Latvija SIA by 1 euro, issuing 1 share, the acquisition cost of which was 450 thousand euros. After the increase, the share capital of Unisend Latvia SIA is 50,001 euros, the share capital consists of 50,001 shares, the nominal value of a share is 1 euro, the Company's investment is 500 thousand euros.

On 25 April 2023, the subsidiary LP mokėjimų sprendimai UAB increased its capital by 2,176 thousand euros. The payment for the increase in the authorized capital of LP mokėjimų sprendimai UAB was made by offsetting, capitalizing the previously granted loan of the Company to the company in the amount of 1,951 thousand euros and accrued interest in the amount of 225 thousand euros. Since the capitalized loan with accrued interest was already recognized in previous periods in the amount of 1,951 thousand euros with impairment, respectively, it was restored and in parallel, an depreciation of the investment in the subsidiary was immediately recognized in the amount of 2,179 thousand euros.

b) On 4 April 2024, the Public Institution „Transport Innovation Center“, of which the Company was a shareholder, was deregistered from the register of legal entities. The Public Institution did not return all contributions to the Company, therefore the remaining unpaid part of the investment in the company and the depreciation of this investment were written off [48 thousand euros].



## 15. INVENTORIES

	31 DECEMBER	
	GROUP/COMPANY	
	2024	2023
Inventories and consumables	222	181
Philately production	35	35
Goods for resale	3 214	3 501
	<b>3 471</b>	<b>3 716</b>
Write-down allowance	[14]	[23]
<b>Total inventories</b>	<b>3 456</b>	<b>3 693</b>

The write-down allowance of the Group's/Company's inventories as of 31 December 2024 amounted to 14 thousand euros [23 thousand euros - on 31 December 2023]. Change in the write-down allowance for inventories in 2024 and 2023 in the Group's/Company's statement of comprehensive income is included in the item "Other Costs".

The cost of inventories written off and the cost of goods sold are recorded in the Group's/Company's statement of comprehensive income: In 2024, the cost of goods sold of 3,241 thousand euros is recorded in the item „Cost of goods and services held for resale“, the value of fuel consumed of 1,769 thousand euros and the cost of other inventories of 321 thousand euros - in the item „Other expenses“. Accordingly, in 2023, the cost of goods sold was 3,157 thousand euros, the value of fuel consumed of 1,954 thousand euros, and the cost of other inventories of 322 thousand euros.

As of 31 December 2024, the Company had inventories held under consignment agreements for 195 thousand euros [in 2023 - 208 thousand euros], these inventories were not recorded in the statement of financial position.

## 16. TRADE RECEIVABLES

		31 DECEMBER			
		GROUP		COMPANY	
		2024	2023	2024	2023
Trade receivables - gross	[a]	10 296	9 036	10 243	9 036
Receivables from Group's companies - gross		-	-	45	-
Receivables from foreign post offices - gross	[b]	2 051	4 920	2 051	4 920
<b>Trade receivables, gross</b>		<b>12 346</b>	<b>13 957</b>	<b>12 338</b>	<b>13 957</b>
Impairment of trade receivables	[a]	[1 226]	[420]	[1 226]	[420]
Impairment of receivables from foreign post offices	[b]	[1 019]	[1 308]	[1 019]	[1 308]
<b>Total impairment</b>		<b>[2 245]</b>	<b>[1 729]</b>	<b>[2 245]</b>	<b>[1 729]</b>
<b>Trade receivables, total</b>		<b>10 101</b>	<b>12 228</b>	<b>10 093</b>	<b>12 228</b>

a) The increase in trade receivables at the end of 2024 was due to the fact that service providers (consolidators) remained in debt for services provided to them at the end of the year (debts amount to 1,197 thousand euros).

b) In 2024, receivables from foreign post offices decreased after settlements with post offices of the Netherlands and Great Britain and, after reconciling the settlements of 2019-2022 with China Post Office, offsetting of financial assets and financial liabilities was carried out.



Trade receivables for services rendered in the domestic market are non-interest bearing and are normally settled within the term of 30 days. The invoice settlement term agreed with the buyers of cross-border services is 6 weeks.

The Group/Company calculated impairment for trade receivables based on the historical loss analysis for the previous 24 months. The Group/Company believes that historical loss information is a sufficient basis for determining expected credit losses on amounts receivable, as the Group's/Company's client risk profile and the Group's/Company's crediting practices have not changed significantly over the years.

The Group/Company calculated impairment for receivables from foreign post offices by grouping foreign post offices according to the credit ratings of the countries in which the foreign post offices operate. The Group/Company believes the grouping of the post offices by credit rating grade is a sufficient basis for evaluating credit quality and determining expected credit losses on amounts receivable. Receivables from foreign post offices by credit rating grade (after impairment) are presented in the table below

#### RECEIVABLES FROM FOREIGN POST OFFICES BY CREDIT RATING GRADE:

	31 DECEMBER	
	GROUP/COMPANY	
	2024	2023
Investment	769	3 331
Speculative	263	281
<b>Total</b>	<b>1 032</b>	<b>3 612</b>

#### CHANGE IN IMPAIRMENT OF TRADE RECEIVABLES:

	GROUP/COMPANY
<b>Balance at 31 December 2022</b>	<b>646</b>
Reversal of impairment, calculated over the year	(124)
Bad debts recovered (written off) during the year	(62)
Reclassification	1 268
<b>Balance at 31 December 2023</b>	<b>1 729</b>
Depreciation calculated during the year	619
Bad debts recovered (written off) during the year	(103)
<b>Balance as of 31 December 2024</b>	<b>2 245</b>

When assessing the depreciation of trade receivables, individual customer debts are grouped by the overdue period. Following is the analysis of the limitation period for trade receivables for 2024 and 31 December 2023, after using expected credit loss (ECL) rates for the calculation.





# THE AGEING ANALYSIS OF TRADE RECEIVABLES:

GROUP	CURRENT	TRADE RECEIVABLES PAST DUE					TOTAL
		UP TO 30 DAYS	30-60 DAYS	60-90 DAYS	90-180 DAYS	>180 DAYS	
At 31 December 2023							
Trade receivables - gross	6 757	1 368	440	49	34	387	9 036
Expected loss rate [%]	0,00%	0,10%	2,21%	16,67%	42,63%	99,73%	
Impairment of trade receivables	[0]	[1]	[10]	[8]	[15]	[386]	[420]
	6 756	1 367	431	41	20	2	8 616
At 31 December 2024							
Trade receivables - gross	7 222	1 713	368	490	120	384	10 296
Expected loss rate [%]	3,65%	10,30%	71,05%	22,66%	27,20%	99,42%	
Impairment of trade receivables	[263]	[176]	[262]	[111]	[33]	[381]	[1 226]
	6 958	1 537	107	379	87	2	9 070

COMPANY	CURRENT	TRADE RECEIVABLES PAST DUE					TOTAL
		UP TO 30 DAYS	30-60 DAYS	60-90 DAYS	90-180 DAYS	>180 DAYS	
At 31 December 2023							
Trade receivables - gross	6 757	1 368	440	49	34	387	9 036
Expected loss rate [%]	0,00%	0,10%	2,21%	16,67%	42,63%	99,73%	
Impairment of trade receivables	[0]	[1]	[10]	[8]	[15]	[386]	[420]
	6 756	1 367	431	41	20	2	8 616
At 31 December 2024							
Trade receivables - gross	7 227	1 710	367	488	112	383	10 287
Expected loss rate [%]	3,64%	10,31%	71,25%	22,76%	28,94%	99,48%	
Impairment of trade receivables	[263]	[176]	[262]	[111]	[33]	[381]	[1 226]
	6 963	1 534	106	376	80	2	9 062

Trade receivables from the buyers who are involved in legal disputes with the Group/Company or have the legal status of an entity in bankruptcy or liquidation, are subject to a 100% impairment. Trade receivables, the settlement terms of which depend on the date on which it was agreed with the counterparties about the quantity of services to be rendered, are assessed for impairment individually.

The Company considers that the borrower is in default in relation to financial assets if the contractual payments are past due more than 30 days, or when there are indications that the borrower or a group of

borrowers is experiencing serious financial difficulties, fails to settle the liabilities, likely to initiate bankruptcy or reorganisation procedures, and in cases where the observed data suggests a decline in future cash flows, such as changes in past due patterns or changes in economic conditions that correlate with the incidents of default. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. A new cooperation agreement with the debt recovery company was signed in 2024.



## 17. CONTRACT ASSETS

	31 DECEMBER	
	GROUP/COMPANY	
	2024	2023
Accrued revenue from foreign post offices	5 638	4 944
Impairment of accrued revenue from foreign post offices	[68]	[243]
<b>Total contract assets</b>	<b>5 570</b>	<b>4 701</b>

The Group/Company operates on the basis of international agreements defining the rules for settlements and for issuing the accounting documents for postal services rendered. Based on these agreements, the Group/Company actually reconciles the actual shipment data, including the volume of postal services rendered and receivable amounts, only in the next year after the date of the statement of financial position. The Group/Company accrues revenue that is shown as contract assets in the statement of financial position. The contract assets is a right to consideration in return for goods or services transferred to a customer. If the Group/Company transfers goods or services to a customer before a customer pays for them or before the due settlement date, the contract asset is accounted for at the amount equal to the consideration earned, which is conditional, and is reduced by the amount of the advance amount received from a customer. When calculating accrued revenue for services rendered, the Group/Company assesses the actual volume of services rendered/received, the last known effective prices and the statistical data on service volume.

Under the line item contract assets, the Company presented accrued revenue from foreign post offices by deducting from it the advance amounts received from the same international partners for the same services rendered. For these reasons, as of 31 December 2024 accrued income from foreign postal services increased when compared to 31 December 2023.

The Group/Company calculated impairment for accrued revenue from foreign post offices by grouping the foreign post offices according to the credit ratings of the countries in which the foreign post offices operate. The Group/Company believes that the grouping of the post offices by credit rating grades is a sufficient basis for evaluating credit quality and determining expected credit losses on accrued revenue.

Accrued revenue from foreign post offices by credit rating grade (after impairment) is presented in the table below. When calculating impairment for accrued revenue from foreign post offices, the Group/Company also assesses the risk arising from prescription. It is considered that accrued revenue from foreign post offices recognised two years ago have a 8% likelihood of non-recovery, those recognised three years ago have a 50% likelihood of non-recovery, those recognised four years ago have a 75% likelihood of non-recovery, and those recognised five or more years ago have a 100% likelihood of non-recovery.

ACCRUED REVENUE FROM FOREIGN POST OFFICES BY CREDIT RATING GRADE:	31 DECEMBER	
	GROUP/COMPANY	
	2024	2023
Investment	5 387	4 360
Speculative	183	341
<b>Total</b>	<b>5 570</b>	<b>4 701</b>

CHANGE IN THE IMPAIRMENT OF ACCRUED REVENUE FROM FOREIGN POST OFFICES:	GROUP/COMPANY
<b>Balance at 31 December 2022</b>	<b>1 554</b>
Reversal of impairment, calculated over the year	[43]
Reclassification	[1 268]
<b>Balance at 31 December 2023</b>	<b>243</b>
Reversal of impairment, calculated over the year	[175]
<b>Balance at 31 December 2024</b>	<b>68</b>

## 18. PREPAYMENTS, DEFERRED EXPENSES

	31 DECEMBER			
	GROUP		COMPANY	
	2024	2023	2024	2023
Deferred expenses	336	225	336	225
Prepayments for services	488	1 052	480	1 052
<b>Total</b>	<b>823</b>	<b>1 277</b>	<b>816</b>	<b>1 277</b>

Prepayments as at 31 December 2024 excludes prepayments made to foreign post offices (designated operators) in relation to cross-border postal services, when those prepayments were made to the same foreign post offices for the same services, similarly as in accrued expenses in the part of liabilities. Those prepayments are netted against accrued expenses as homogeneous assets and liabilities. Prepayments decreased during 2024 due to the reconciliation of settlements with the US, Swedish and German postal offices.



## 19. OTHER AMOUNTS RECEIVABLE

		31 DECEMBER			
		GROUP		COMPANY	
		2024	2023	2024	2023
Compensation receivable for loss incurred from delivery of periodicals to subscribers	(a)	10 409	5120	10 409	5 120
Compensation receivable for loss incurred from postal services with regulated prices	(b)	-	5120	-	5 120
Interest-bearing loans receivable from group companies	(c)	-	-	1 871	-
Other amounts receivable		605	465	391	465
<b>Other receivables, gross value</b>		<b>11 014</b>	<b>10 705</b>	<b>12 671</b>	<b>10 705</b>
Depreciation of other amounts receivable		(14)	-	(14)	-
Total depreciation		(14)	-	(14)	-
<b>Total other receivables</b>		<b>11 000</b>	<b>10 705</b>	<b>12 657</b>	<b>10 705</b>

MOVEMENT IN COMPENSATIONS RECEIVABLE FOR LOSS INCURRED FROM DELIVERY OF PERIODICALS TO SUBSCRIBERS:	COMPENSATION FOR LOSS INCURRED FROM DELIVERY OF PERIODICALS TO SUBSCRIBERS
<b>Amount receivable at 31 December 2022</b>	<b>4 712</b>
Calculated amount receivable in 2023	8 356
Compensation received in 2023	(7 948)
<b>Amount receivable at 31 December 2023</b>	<b>5 120</b>
Calculated amount receivable in 2023	8 476
Compensation received in 2023	(3 187)
<b>Amount receivable at 31 December 2024</b>	<b>10 409</b>

## 20. CASH AND CASH EQUIVALENTS

		31 DECEMBER			
		GROUP		COMPANY	
		2024	2023	2024	2023
Cash at bank		24 731	34 957	24 646	34 340
Cash on hand		917	1 163	917	1 163
Cash in transit		665	1 274	665	1 274
<b>Total</b>		<b>26 313</b>	<b>37 394</b>	<b>26 228</b>	<b>36 778</b>

a) Over 2024, the Company incurred losses of 8,476 thousand euros in providing the service of delivering periodicals to subscribers in rural residential areas and cities that fall into sparsely and moderately densely populated residential areas. In accordance with the procedure for covering losses of the service for the delivery of periodicals to subscribers in rural residential areas and cities that fall into sparsely and moderately densely populated residential areas, established by the Government, the Company was compensated for losses of 3,187 thousand euros in 2024, and 7,948 thousand euros in 2023.

b) In 2024, the Company recorded in Other receivables and received 2,016 thousand euros in compensation for postal services with regulated prices for 2022 and received payment for 2021 - 5,120 thousand euros.

c) In order to manage, distribute, and use working capital more effectively, on 05 July 2024, the Group signed a Funds Concentration Contract with SEB bankas JSC. According to this agreement, the cash funds of the Group companies are transferred to a single account located in Lithuania. On 11 July 2024, the Company signed loan agreements with subsidiaries, according to which the balance of loans granted by the Company to subsidiaries as of 31 December 2024 amounted to 1,865 thousand euros and 6 thousand euros of interest. Information on loans is provided in Note 34 Related parties.

The Group/Company holds cash only at credit institutions with the highest credit ratings. Management did not establish any impairment indications for cash and did not reflect it in the Company's statement of comprehensive income.



## 21. SHARE CAPITAL

As at 2024 and 31 December 2023, the Republic of Lithuania owned 113.074 thousand ordinary shares of the Company with the nominal value of EUR 0.29 each (31 December 2023: EUR 0.29). Ordinary shares represent the major portion of the Company's shares. All ordinary shares have the same nominal values. All ordinary shares grant a voting right. Only the holders of ordinary shares have the right to receive new shares issued under the procedure prescribed by the Lithuanian Law on Companies, when the authorised share capital is increased from the Company's retained earnings or from the reserves formed from profit available for appropriation. As at 31 December 2024 and 31 December 2023, all the

shares had been fully paid. Pursuant to the Lithuanian Law on Companies, the shareholders' equity must not be lower than 1/2 of an entity's share capital registered in the Articles of Association. As at 31 December 2024, the Company complied with this requirement.

The Company's ordinary shares cannot be converted into preference shares. The amount of dividends payable to holders of ordinary shares cannot not be established by the Company in the Articles of Association or the share subscription agreement.

CALCULATION OF THE WEIGHTED AVERAGE AT 31 DECEMBER 2023	NUMBER OF SHARES	NOMINAL VALUE PER SHARE	IN CIRCULATION / 365 (DAYS)	WEIGHTED AVERAGE
Number of shares at 31 December 2022	113 074	0	365/365	113 074
Number of shares at 31 December 2023	113 074	0	365/365	113 074

CALCULATION OF THE WEIGHTED AVERAGE FOR 31 DECEMBER 2024	NUMBER OF SHARES	NOMINAL VALUE PER SHARE	IN CIRCULATION / 365 (DAYS)	WEIGHTED AVERAGE
Number of shares at 31 December 2023	113 074	0	365/365	113 074
Number of shares at 31 December 2024	113 074	0	365/365	113 074

	2024	2023
Dividends allocated to shareholders	undistributed	3 068
Average weighted number of issued shares (units)	113 074	113 074
The Company's earnings/(deficit) per share (EUR)	0,03	0,05



## 22. RESERVES

### LEGAL RESERVE

The legal reserve is compulsory under the Lithuanian Law on Companies. Annual transfers of 5% of net profit for the reporting period calculated in accordance with the Lithuanian regulatory legislation on accounting are required until the reserve reaches 10% of the authorised share capital.

By the Order of the Minister of Transport and Communications of the Republic of Lithuania of 19 April 2024, equivalent to the decision of the general meeting of shareholders of the joint-stock company Lietuvos paštas, the Company was obliged to create a legal reserve of 1,315 thousand euros from retained earnings.

## 23. DIVIDENDS

By the Order of the Minister of Transport and Communications of the Republic of Lithuania of 19 April 2024, equivalent to the decision of the general meeting of shareholders of the joint-stock company Lietuvos paštas, the Company was obliged to pay 3,068 thousand euros in dividends for 2023 to the budget revenue collection account of the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania. Payment made on 17 May 2024.

## 24. BORROWINGS

	31 DECEMBER	
	GROUP/COMPANY	
	2024	2023
<b>Non-current borrowings</b>		
Bank borrowings	7 000	9 333
Overdraft	-	-
	<b>7 000</b>	<b>9 333</b>
<b>Current borrowings</b>		
Bank borrowings – current portion of non-current borrowings	2 333	2 333
Interest on bank loans	19	-
Overdraft	-	-
<b>Total borrowings</b>	<b>2 352</b>	<b>2 333</b>
	<b>9 352</b>	<b>11 667</b>

### NON-CURRENT BORROWINGS BY MATURITY:

	31 DECEMBER	
	GROUP/COMPANY	
	2024	2023
Within 1 year	2 352	2 333
Between 1 and 5 years	7 000	9 333
After 5 years	-	-
<b>Total</b>	<b>9 352</b>	<b>11 667</b>



On 31 December 2024, the interest rate on outstanding loans is 3.61%. On 31 December 2023, the interest rate on outstanding loans is 4.89%.

As at 31 December 2018, the Group/Company had the agreement on a long-term targeted loan of EUR 17,500 thousand with the Nordic Investment Bank for the term of 10 years. The purpose of the agreement is to finance the construction of a new automated distribution logistics centre in Vilnius, renewal of the logistics and postal vehicle fleet, and development of self-service parcel terminals. This agreement is valid until 31 December 2028. Interest - 6 months EURIBOR + 0.95%. In calculating interest, the EURIBOR value lower than 0.95% cannot be applied. As of 31 December 2024, 17,500 thousand euros of this loan was used. In total, 8,167 thousand euros of the loan was repaid, of which 2,333 thousand euros in 2024.

As collateral under the targeted long-term loan agreement with Nordic Investment Bank, the Vilnius Logistics Center building [Metalų g. 5, Vilnius] is pledged, the residual value of which as of 31 December 2024 was 9,644 thousand euros (as of 31 December 2023 - 9,914 thousand euros).

In 2024, 527 thousand euros was accrued as costs of interest to the Nordic Investment Bank (553 thousand euros in 2023), 541 thousand euros was paid (546 thousand euros in 2023).

As at 31 December 2024, the Group/Company had an overdraft limit agreement of 5,000 thousand euros with SEB bankas JSC, signed on 03 April 2024 and valid until 02 April 2025. According to the contract, the bank account overdraft is used to finance working capital. Interest on the used overdraft is 3 month EURIBOR + bank margin. As at 31 December 2024, the amount of unused bank account overdraft amounted to 5,000 thousand euros (31 December 2023 - 15,000 thousand euros).

As at 31 December 2024 there were two bank overdraft agreements in force with OP Corporate Bank plc Lithuanian branch (the overdraft amounts amounted to 8,000 thousand euros and 7,000 thousand euros, respectively). One agreement was terminated on 15 June 2024, and the other agreement expired on 29 October 2024.

The loan contracts contain financial and non-financial terms and conditions that the Company is obliged to comply with. The Company fulfilled the obligations provided for in the contracts of 31 December 2024 and 31 December 2023.

All borrowings are denominated in the euros, and accordingly, there is no exposure to foreign exchange risk.

#### MOVEMENTS IN FINANCIAL LIABILITIES:

	GROUP/COMPANY				
	AT 31 DECEMBER 2022	ACCRUED INTEREST	REPAYMENT OF BORROWINGS	INTEREST PAID	AT 31 DECEMBER 2023
Interest to banks	26	553	-	(546)	33
Bank borrowings	14 000	-	(2 333)	-	11 667
<b>Total</b>	<b>14 026</b>	<b>553</b>	<b>(2 333)</b>	<b>(546)</b>	<b>11 700</b>

	GROUP/COMPANY				
	AT 31 DECEMBER 2023	ACCRUED INTEREST	REPAYMENT OF BORROWINGS	INTEREST PAID	AT 31 DECEMBER 2024
Interest to banks	33	527	-	(541)	19
Bank borrowings	11 667	-	(2 333)	-	9 333
<b>Total</b>	<b>11 700</b>	<b>527</b>	<b>(2 333)</b>	<b>(541)</b>	<b>9 352</b>



## 25. LEASE LIABILITIES

	31 DECEMBER			
	GROUP		COMPANY	
	2024	2023	2024	2023
<b>Balance at 1 January</b>	<b>16 080</b>	<b>13 438</b>	<b>16 080</b>	<b>13 438</b>
Liabilities for new contracts and recalculations	10 669	7 474	9 873	7 474
Expired liabilities (terminated leases)	(159)	(118)	(159)	(118)
Interest charged	918	488	895	488
Payments to lessors	(6 447)	(5 202)	(6 261)	(5 202)
<b>Balance at 31 December</b>	<b>21 062</b>	<b>16 080</b>	<b>20 428</b>	<b>16 080</b>

From 2019, when IFRS 16 „Leases” came into effect, future lease payments of the Group/Company under non-cancellable contracts are accounted for at the present value of future (that were not paid yet) lease payments. The discount rate applied to contracts of 2022 is -2.64%; contracts of 2023 -3.25%; contracts of 2024 5.67-6.52%. Lease liabilities increase monthly by recognizing interest costs and decrease when lease payments are made.

### MINIMUM LEASE PAYMENTS BY MATURITY:

	31 DECEMBER			
	GROUP		COMPANY	
	2024	2023	2024	2023
<b>Minimum lease payments</b>				
Within 1 year	6 224	4 801	5 894	4 801
Between 1 and 5 years	13 575	10 290	13 231	10 290
After 5 years	4 081	2 353	4 081	2 353
<b>Total</b>	<b>23 880</b>	<b>17 444</b>	<b>23 206</b>	<b>17 444</b>
Future finance charges	(2 818)	(1 364)	(2 779)	(1 364)
<b>Total carrying amount</b>	<b>21 062</b>	<b>16 080</b>	<b>20 428</b>	<b>16 080</b>

In 2023, the Company incurred motor vehicle lease expenses under the short-term lease contracts outside the scope of IFRS 16, and the related maintenance expenses in total amount of 3,339 thousand euros (in 2023 - 3,012 thousand euros). These expenses mostly include short-term lease expenses for cars with the lease price depending on the mileage and other criteria, also maintenance expenses for leased cars, and shortterm lease expenses for low-value assets.

## 26. OPERATING LEASE AND LOAN FOR USE

### MINIMUM RENTAL INCOME UNDER NON-CANCELLABLE LEASE CONTRACTS IS AS FOLLOWS:

	31 DECEMBER	
	GROUP/COMPANY	
	2024	2023
Within 1 year	175	143
Between 1 and 5 years	369	347
After 5 years	204	224
<b>Total</b>	<b>748</b>	<b>714</b>

As of 31 December 2024, the Company has concluded 110 lease agreements, under which it leases 4,544.14 square meters of premises and structures. There is 1 open-ended contract, and 5 contracts expire in 2024, but these contracts are planned to be extended. The average monthly lease income is 17 thousand euros. In 2024, the Company received 209 thousand euros in lease income, and in 2023 - 190 thousand euros.

The Company has 2 loan for use agreements with the beneficiaries. Based on these agreements, the Company leases out premises covering an area of 201.10 sq.m. As at 31 December 2024, the net book amount of assets leased under loan for use agreements was 137 thousand euros. One loan for use agreement has indefinite term and one loan for use agreement expires on 27 August 2030.



## 27. INCOME TAX

### COMPONENTS OF INCOME TAX (EXPENSES)/BENEFIT:

	31 DECEMBER	
	GROUP/COMPANY	
	2024	2023
Current year income tax (expenses)/benefit	-	-
Adjustment for previous year income tax	-	-
Deferred income tax (expenses)/benefit	[239]	[287]
<b>Income tax (expense)/benefit recognised in the statement of comprehensive income</b>	<b>[239]</b>	<b>[287]</b>

The amount of income of income tax attributable to the operating result for the year presented in the statement of comprehensive income is reconciled with costs of corporate income tax calculated using the 15% income tax rate provided for by law. From 2025, Lithuanian companies will be subject to a 16% income tax rate. In Latvia and Estonia, the income tax rate is 20% of distributable profit. From 2025, the income tax rate in Estonia will be increased to 22%.

The company covered the taxable profit for 2024 with investment project benefits (amounting to 3,004 thousand euros). No income tax benefit (expenses) were calculated for the reporting year.

### ADJUSTMENT TO INCOME TAX BENEFIT/(EXPENSES)

	31 DECEMBER			
	GROUP		COMPANY	
	2024	2023	2024	2023
Income tax at a rate of 15%	[72]	[816]	[500]	[816]
Non-taxable income	242	104	109	104
Permanent non-allowable deductions	[938]	[230]	[377]	[230]
Adjustment to income tax for investment relief	451	548	451	548
Other adjustments for previous year income tax	78	107	78	107
Utilisation of accumulated tax losses for which no deferred income tax assets were recognised	-	-	-	-
Deferred income tax not recognised due to tax losses and other temporary differences	-	-	-	-
Recognition of previously unrecognised deferred income tax on accumulated tax losses	-	-	-	-
<b>Income tax (expenses)/benefit</b>	<b>[239]</b>	<b>[287]</b>	<b>[239]</b>	<b>[287]</b>



**DEFERRED INCOME TAX CALCULATION:**

	<b>31 DECEMBER</b>	
	<b>GROUP/COMPANY</b>	
	<b>2024</b>	<b>2023</b>
<b>Components of deferred income tax assets:</b>		
Tax losses carry forward	-	-
Financial lease assets	3 392	2 524
Accrued vacation pay reserve, social insurance payments, and other accrued costs	517	528
Depreciation of receivables and inventories	379	351
<b>Deferred income tax assets before write-down to net realisable value</b>	<b>4 288</b>	<b>3 403</b>
Less: write-down to net realisable value	-	-
Less: deferred income tax assets offset against deferred income tax liabilities	-	-
<b>Deferred income tax assets, net</b>	<b>4 288</b>	<b>3 403</b>
<b>Components of deferred income tax liability:</b>		
Financial lease liabilities	(3 250)	(2 431)
Property, plant and equipment and investment assets	(1 598)	(1 293)
<b>Deferred income tax liability</b>	<b>(4 849)</b>	<b>(3 724)</b>
Less: deferred income tax liabilities offset against deferred income tax assets	-	-
<b>Deferred income tax liability, net</b>	<b>(560)</b>	<b>(322)</b>

In the statements of financial position, deferred income tax is presented as deferred income tax liability amounting to 560 thousand euros.

Deferred income tax assets and liabilities were calculated on 31 December 2023 using a 15% rate, and on 31 December 2024 - 16% rate.

Deferred income tax assets were offset against deferred income tax liabilities in the Company's statement of financial position as they both relate to the same tax administration authority.

Investment relief balance as at 31 December 2024 amounted to 3,577 thousand euros, on which no deferred income tax is calculated.





## 28. CONTRACT LIABILITIES

		31 DECEMBER			
		GROUP		COMPANY	
		2024	2023	2024	2023
Advance amounts received from subscribers of periodicals		3 254	3 493	3 254	3 493
Advance amounts received from foreign post offices	[a]	2 261	13 346	2 261	13 346
Deferred revenue		524	727	524	727
Other advance amounts received		306	301	305	301
<b>Total contract liabilities</b>		<b>6 346</b>	<b>17 867</b>	<b>6 344</b>	<b>17 867</b>

Contract liabilities include advance amounts received from subscribers of periodicals and other services. A contract liability is an obligation to deliver goods or services to a customer, for which the payment has already been received [or it is receivable]. If a customer makes payment before the Company transfers goods or services, the contract liability is recognised when the payment is received. Contract liabilities are recognised as revenue when the Company fulfills the contractual obligations.

a) In the statements of financial position as at 31 December 2024, the item other prepayments received from the section of contract liabilities, do not include prepayments paid by foreign postal offices related to international postal services, if the prepayments were received from the same foreign postal offices and for the same services during the same period as the accrued income recorded in the assets section. The aforementioned prepayments received are offset against accrued income of the same period, as homogeneous assets and liabilities.

As at 31 December 2024, the advance amounts received from foreign post offices decreased significantly, as the volumes of postal services provided and received in 2019-2022 were reconciled with China Post during 2024 and financial liabilities were settled by using financial assets. After settlement, the remaining amount of prepayments received by the Company was reclassified to amounts payable to China Post.

## 29. ACCRUED EXPENSES

		31 DECEMBER			
		GROUP		COMPANY	
		2024	2023	2024	2023
Accrued expenses for services rendered by foreign post offices	[a]	11 311	12 042	11 311	12 042
Accrued vacation reserve		4 208	4 023	4 190	4 023
Accrual of variable part of remuneration, annual bonuses	[b]	1 520	2 197	1 500	2 197
Other		245	242	239	242
<b>Total accrued expenses</b>		<b>17 283</b>	<b>18 503</b>	<b>17 239</b>	<b>18 503</b>

a) Accrued expenses include services received from foreign post offices [designated operators] which will be finally reconciled and invoiced in the next year after the date of the statement of financial position. In the statement of financial position, accrued expenses of final settlements are reduced by prepayments for the same services to the same foreign operators as an offsetting of homogeneous assets and liabilities. As of 31 December 2024, the amount of the accrued expenses item decreased when compared to 31 December 2023.

b) A lower variable remuneration component was accrued due to the Group's/Company's performance results in 2024 when compared to 31 December 2023.



## 30. OTHER AMOUNTS PAYABLE

		31 DECEMBER			
		GROUP		COMPANY	
		2024	2023	2024	2023
Employment-related liabilities		3 267	3 046	3 219	3 046
Restructuring provision	(a)	170	560	170	560
Taxes (other than income tax)	(b)	599	115	599	115
Other	(c)	911	207	911	207
<b>Total other amounts payable</b>		<b>4 947</b>	<b>3 928</b>	<b>4 899</b>	<b>3 927</b>

a) The Group/Company assessed the scope of ongoing investment projects and developed a model for calculation of provisions for employee termination benefits. The provision was calculated as an average three-month work pay of employees (planned to be made redundant) multiplied by two. In 2024, the Company formed a provision of 170 thousand euros to cover severance pay related to the costs of the postmen efficiency project.

b) Taxes payable by the Company at 31 December 2024 increased when compared to those of 31 December 2023 due to the payable value added tax.

c) Other amounts of the Company payable at 31 December 2024 increased when compared to those of 31 December 2023 due to the provision of 711 thousand euros for car repairs, after the defect identification of leased cars was performed.

## 31. FINANCIAL RISK MANAGEMENT

The Group's/Company's financial assets comprise trade receivables, amounts receivable from foreign post offices and other amounts receivable, contract assets, loans granted and cash and cash equivalents, whereas financial liabilities comprise trade payables, lease liabilities, borrowings and other current amounts payable.

### CREDIT RISK

		31 DECEMBER			
		GRUOP		COMPANY	
		2024	2023	2024	2023
Trade receivables and receivables from foreign post offices		12 562	14 183	12 554	14 183
Contract assets		5 638	4 944	5 638	4 944
Other amounts receivable		11 014	10 705	10 800	10 705
Loans granted		-	-	1 871	-
Cash at bank and in transit		25 396	36 231	25 311	35 614
Impairment of trade receivables, contract assets and loans granted		(2 543)	(2 119)	(2 543)	(2 119)
<b>Total</b>		<b>52 067</b>	<b>63 943</b>	<b>53 631</b>	<b>63 326</b>

The Group's/Company's management believes that the maximum credit risk approximates the amount of trade receivables, contract assets, other receivables, monetary assets (other than cash) and short-term investments, less recognised impairment losses at the date of the preparation of the statement of financial position. There is no significant credit risk concentration at the Group/Company. Credit risk

is managed through regular monitoring procedures (supervision of individual borrowers, especially monitoring and analysis of the largest customers in order to anticipate potential future solvency problems, etc.) and the use of credit terms and conditions. A monthly assessment of the debts of individual users and groups is performed in accordance with the procedure set by the Group/Company in order to make a decision regarding the accounting for the impairment of trade receivables.



**INTEREST RATE RISK**

The Group/Company's income and cash flows from operating activities are substantially independent of changes in market interest rates. In 2024, the Group/Company received 926 thousand euros in income from bank balances.

The majority of the Group's/Company's borrowings bear a variable interest rate linked to EURIBOR which exposes the Group/Company to the interest rate risk. Borrowings from the Nordic Investment Bank bear interest rate linked to EURIBOR not lower than -0.95%, whereas borrowings from OP Corporate Bank plc Lithuania branch bear interest rate linked to EURIBOR not lower than 0%. As at 31 December 2023 and during 2024, the Group/Company had no interest rate hedging transactions and no financial instruments designated to manage its exposure to fluctuations in interest rates.

The table below demonstrates the sensitivity of the Group's/Company's profit before tax to possible changes in interest rates with all other variables held constant (changes in interest rate). There is no effect on the Group's/Company's equity, except for effect on current year profit.

**SENSITIVITY OF PROFIT BEFORE TAX TO POTENTIAL CHANGES IN INTEREST RATES:**

	GROUP/COMPANY	
	INCREASE/DECREASE IN PERCENTAGE POINTS	EFFECT ON PROFIT BEFORE TAX
<b>At 31 December 2023</b>		
Euros	+0,5	[56]
Euros	-0,02	3
<b>At 31 December 2024</b>		
Euros	+0,5	[56]
Euros	-0,02	2

**FOREIGN EXCHANGE RISK**

The exchange rate risk mostly arises for the Group/Company from cross-border postal services provided by the Company/Group. A monetary unit, which is established by the Universal Postal Convention and mostly used for the estimation of rendered and received cross-border postal services, is a Special Drawing Right (SDR). However, the Group/Company mainly conducts settlements with foreign post offices in the euros. The Group's/Company's policy is aimed at matching cash flows from highly probable future sales and purchases in each foreign currency. The Group/Company does not use any financial instruments to manage the foreign exchange risk.

**MONETARY ASSETS AND MONETARY LIABILITIES WERE DENOMINATED IN THE FOLLOWING CURRENCIES:**

GROUP	31 DECEMBER			
	2024		2023	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Euro [EUR]	49 258	49 019	58 570	50 668
US dollar [USD]	3	5	38	28
Special drawing rights [SDR]	3 723	18 620	6 499	13 160
Other currency	-	-	-	-
<b>Total</b>	<b>52 984</b>	<b>67 644</b>	<b>65 106</b>	<b>63 856</b>

COMPANY	31 DECEMBER			
	2024		2023	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Euro [EUR]	50 823	48 052	57 953	50 668
US dollar [USD]	3	5	38	28
Special drawing rights [SDR]	3 723	18 620	6 499	13 160
Other currency	-	-	-	-
<b>Total</b>	<b>54 548</b>	<b>66 678</b>	<b>64 490</b>	<b>63 856</b>



The table below presents the sensitivity of the Group's/Company's profit before tax to possible changes in exchange rates, with all other variables held constant (based on change in the fair values of monetary assets and liabilities).

#### SENSITIVITY OF PROFIT BEFORE TAX TO POTENTIAL CHANGES IN CURRENCY EXCHANGE RATES:

	GROUP/COMPANY	
	INCREASE/DECREASE IN EXCHANGE RATE	EFFECT ON PROFIT BEFORE TAX
<b>At 31 December 2023</b>		
SDR	- 10%	666
USD	- 10%	[1]
Other currencies	- 10%	-
SDR	+ 10%	[666]
USD	+ 10%	1
Other currencies	+ 10%	-
<b>At 31 December 2024</b>		
SDR	- 10%	1 490
USD	- 10%	0
Other currencies	- 10%	-
SDR	+ 10%	[1 490]
USD	+ 10%	[0]
Other currencies	+ 10%	-

#### LIQUIDITY RISK

GGroup's/Company's policy is to maintain a sufficient amount of cash and cash equivalents or to secure funding through an appropriate number of lines of credit to meet the obligations set out in its strategic plans. As at 31 December 2024 the Group's liquidity (total current assets / total amounts payable and liabilities within one year) and quick (total current assets - reserves / total amounts payable and liabilities within one year) ratios were 0.92 and 0.87 respectively (0.98 and 0.93 - as at 31 December 2023). As at 31 December 2024 the Company's liquidity (total current assets / total amounts payable and liabilities within one year) and quick (total current assets - reserves / total amounts payable and liabilities within one year) ratios were 0.96 and 0.90 respectively (0.98 and 0.92 - on 31 December 2023).

As at 31 December 2024, the Group's/Company's current liabilities exceed current assets - 4,837 thousand euros/ 2,732 thousand euros respectively. We plan to finance this difference with the unused overdraft limit. As at 31 December 2024 the total of unused overdrafts amounted to 5,000 thousand euros. In 2025, the planned EBIT (earnings before interest and taxes) of the Group should be 0.8 million euros. In 2025, CAPEX (capital expenditure) is planned to be about 7.7 million euros, which will be financed from working capital. Considering all ongoing and planned actions and the fact that the Group/Company is the only one in the country to provide universal postal services under a state mandate, Group's/Company's management does not see any risk to Group's/Company's operations going concern in the future.



The table below summarises the maturity profile of the Group's/Company's financial liabilities as at 31 December 2023 and in 2024 based on undiscounted payments.

#### FINANCIAL LIABILITIES BY MATURITY:

GROUP	ON DEMAND	1 TO 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	AFTER 5 YEARS	TOTAL
Interest-bearing borrowings and liabilities	-	-	2 884	10 373	-	<b>13 257</b>
Trade payables	47	23 652	-	-	-	<b>23 699</b>
Lease liabilities	-	1 326	3 475	10 290	2 353	<b>17 444</b>
Accrued expenses for services rendered to foreign post offices	-	170	11 872	-	-	<b>12 042</b>
Other accrued expenses	-	171	71	-	-	<b>242</b>
<b>Balance at 31 December 2023</b>	<b>47</b>	<b>25 318</b>	<b>18 301</b>	<b>20 663</b>	<b>2 353</b>	<b>66 683</b>
Interest-bearing borrowings and liabilities	-	-	2 654	7 448	-	<b>10 102</b>
Trade payables	165	25 428	-	-	-	<b>25 593</b>
Lease liabilities	-	1 662	4 563	13 575	4 081	<b>23 880</b>
Accrued expenses for services rendered to foreign post offices	-	1 696	9 614	-	-	<b>11 311</b>
Other accrued expenses	-	168	77	-	-	<b>245</b>
<b>Balance at 31 December 2024</b>	<b>165</b>	<b>28 954</b>	<b>16 908</b>	<b>21 023</b>	<b>4 081</b>	<b>71 131</b>

COMPANY	ON DEMAND	1 TO 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	AFTER 5 YEARS	TOTAL
Interest-bearing borrowings and liabilities	-	-	2 884	10 373	-	<b>13 257</b>
Trade payables	47	23 652	-	-	-	<b>23 699</b>
Lease liabilities	-	1 326	3 475	10 290	2 353	<b>17 444</b>
Accrued expenses for services rendered to foreign post offices	-	170	11 872	-	-	<b>12 042</b>
Other accrued expenses	-	171	71	-	-	<b>242</b>
<b>Balance at 31 December 2023</b>	<b>47</b>	<b>25 318</b>	<b>18 301</b>	<b>20 663</b>	<b>2 353</b>	<b>66 683</b>
Interest-bearing borrowings and liabilities	-	-	2 654	7 448	-	<b>10 102</b>
Trade payables	165	25 285	-	-	-	<b>25 450</b>
Lease liabilities	-	1 584	4 309	13 231	4 081	<b>23 206</b>
Accrued expenses for services rendered to foreign post offices	-	1 696	9 614	-	-	<b>11 311</b>
Other accrued expenses	-	166	73	-	-	<b>239</b>
<b>Balance at 31 December 2024</b>	<b>165</b>	<b>28 731</b>	<b>16 651</b>	<b>20 679</b>	<b>4 081</b>	<b>70 307</b>



## FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's/Company's major items of financial assets and liabilities not carried at fair value are trade receivables and other amounts receivable, trade payables and other amounts payable, and non-current and current borrowings.

As at 31 December 2024 and 31 December 2023, the carrying amount of the Group's/Company's financial assets and financial liabilities approximated their fair value.

The fair value of borrowings, other financial liabilities and other financial assets was estimated using the market interest rate.

The following methods and assumptions were used to determine the fair value for each category of financial assets and liabilities:

(a) The carrying amount of current trade and other amounts receivable, current trade and other amounts payable and current borrowings approximates their fair value due to a relatively short maturity;

(b) The fair value of non-current borrowings is determined with reference to the quoted market price for the same or similar loan or current rates available for debt with the same maturity profile. The fair value of non-current borrowings with variable interest rates approximates their carrying amount;

(c) The fair value of lease liabilities is determined with reference to the interest rate effective at the time of accounting for the discounted lease liability.

## 32. CAPITAL MANAGEMENT

The main objective of the Group's/Company's capital management is to ensure that the Group meets the external capital requirements and that the Group maintains proper capital ratios in order to strengthen its operations and maximize the value for shareholders ("capital" under IAS 1 represents equity reported in the financial statements).

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. To maintain or adjust the capital structure, the Group may return capital to the shareholders or issue new shares. There were no significant changes in the capital management objectives, policies or processes during the financial years ended 31 December 2024 and 31 December 2023. Holders of shares owned by the State must ensure that the share of profit to be appropriated for payment of dividends in public limited liability groups of companies/companies, where the State owns the shares representing more than a half of all votes, will depend on the company's ROE rate for the reporting year.

The Group assesses capital based on liabilities-to-equity ratio. The capital consists of ordinary shares, reserves, retained earnings [deficit].

LIABILITIES-TO-EQUITY RATIO:	31 DECEMBER			
	GROUP		COMPANY	
	2024	2023	2024	2023
Non-current liabilities (including deferred taxes and grants)	23 589	21 726	23 264	21 726
Current liabilities	62 294	71 126	61 747	71 127
<b>Total liabilities</b>	<b>85 883</b>	<b>92 852</b>	<b>85 012</b>	<b>92 853</b>
<b>Equity</b>	<b>34 414</b>	<b>37 240</b>	<b>37 202</b>	<b>37 175</b>
<b>Liabilities-to-equity ratio</b>	<b>2,50</b>	<b>2,49</b>	<b>2,29</b>	<b>2,50</b>

The Company has an electronic money institution licence, and therefore, has to comply with the equity requirements set for the electronic money institution. The rules for the equity amount, calculation and application of the Company, as an electronic money institution, are established by the supervisory authority (Bank of Lithuania). Based on the methodology approved by the Bank of Lithuania, the equity requirement was 948 thousand euros, and the actual amount of equity was 37 202 thousand euros as at 31 December 2024. (as at 31 December 2023 - 950 thousand euros and 37 175 thousand euros, respectively).

## 33. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES

As of the date of approval of these financial statements by the management, Joint stock company Lietuvos Paštas had not yet prepared a profit distribution draft.

The Company has provided bank guarantees or letters of guarantee from insurance companies to its customers as security for the performance of obligations under contracts for postal, courier, payment

collection, pension, and other benefit delivery services, the amount of which as of 31 December 2024 amounted to 2,671 thousand euros (as of 31 December 2023 - 2,445 thousand euros). As of 31 December 2024, the Group/Company had no outstanding fixed assets purchase contracts.



## 34. RELATED PARTY TRANSACTIONS

### COMPENSATION TO KEY MANAGEMENT PERSONNEL

As of 31 December 2024, the Company's management consisted of 5 managers (the Director of the Finance and Administration Division performed the functions of the CEO since 16 November 2024). The manager structure is established in the structure approved by the Board on 21 August 2024: it consists of the CEO and directors of 5 divisions. The Company's management has not been granted any significant loans, guarantees, property transfers, or other payments. The managers of subsidiaries in Latvia and Estonia are the chairmen of the boards of these companies.

	31 DECEMBER			
	GROUP		COMPANY	
	2024	2023	2024	2023
Fixed salary	663	633	661	625
Variable salary	130	76	130	76
Severance payments	54	-	54	-
Social insurance contributions	17	14	17	14
Other remuneration under service contracts [a]	7	13	-	13
<b>Management benefits, total</b>	<b>871</b>	<b>736</b>	<b>862</b>	<b>728</b>

a) The item „Other remuneration under service contracts” reflects payments related to service contracts, as well as payments under non-compete agreements.

### TRANSACTIONS WITH OTHER RELATED PARTIES

The parties are defined as related when one party has a power to exercise control over the other party or can make significant influence on its financial and operating decisions. The Group's/Company's related parties are the state enterprises, the ownership rights and obligations of which are implemented by the Ministry of Transport and Communications of the Republic of Lithuania.

The Group does not treat entities controlled by the Lithuanian Ministry of Transport and Communications as a single customer, as there is no major economic integration among them.

Transactions with the related parties comprise regular sales and purchases of goods and services related to the Company's activities.

In order to manage, distribute, and use working capital more effectively, on 05 July 2024, the Group signed a Funds Concentration Contract with SEB bankas JSC. According to this agreement, the cash funds of the Group companies are transferred to a single account located in Lithuania. On 11 July 2024 the Company signed loan agreements with subsidiaries, according to which the balance of loans granted by the Company to subsidiaries as of 31 December 2024 amounted to 1,865 thousand euros and 6 thousand euros in interest, as of 31 December 2024 the borrowing limit was set at 1,100 thousand euros for each company, of which Unisend Latvia SIA had used 877 thousand euros, Unisend Eesti OU - 988 thousand euros. Interest rate 3-month Euribor plus 1.47% margin. Commitment fee for unused limit 0.30%.





Transactions of the parent company with related parties during 2024 and 2023 and the corresponding balances of receivables/payables on 31 December 2023 and in 2024:

	AT 31 DECEMBER 2024			AT 31 DECEMBER 2023		
	LP MOKĖJIMŲ SPRENDIMAI UAB	UNISEND LATVIJA SIA	UNISEND EESTI OÜ	LP MOKĖJIMŲ SPRENDIMAI UAB	UNISEND LATVIJA SIA	UNISEND EESTI OÜ
<b>Purchases of goods and services</b>		-	-	-	-	-
Purchases from related companies	-	345	373	-	-	-
	-	<b>345</b>	<b>373</b>	-	-	-
<b>Sales of goods and services</b>						
Sales to related companies	-	502	442	-	-	-
	-	<b>502</b>	<b>442</b>	-	-	-
<b>Amounts payable to related parties</b>						
Amounts payable	-	70	80	-	-	-
	-	<b>70</b>	<b>80</b>	-	-	-
<b>Amounts receivable from related parties</b>						
Amounts receivable	-	36	9	-	-	-
	-	<b>36</b>	<b>9</b>	-	-	-
<b>Loans to related parties under a funds concentration contract</b>						
Loans granted	-	877	988	-	-	-
Interest income	-	10	11	-	-	-
Interest received	-	[7]	[8]	-	-	-
Interest receivable	-	3	3	-	-	-
	-	<b>883</b>	<b>995</b>	-	-	-

In 2024, the Company increased the share capital of its subsidiary Unisend Latvija SIA by issuing 1 share, par value 1 euro. Information is provided in Note 14.



## 35. CORRECTION OF COMPARATIVE FIGURES - 31 DECEMBER 2023

During the preparation of the statement of comprehensive income of 2024, the Group/Company reclassified some insignificant cost items to the item „Other expenses”. From the item „Other expenses”, significant costs of courier services were reclassified to a separate expense item „Costs of courier and parcel locker services”, and costs related to employee benefits and employee insurance costs - to the item „Employee-related expenses”.

Due to the above-mentioned changes in presentation, the statements of financial position for 2023 were restated retrospectively. The restatement effects are disclosed in the table below.

### CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME

ITEMS OF THE COMPREHENSIVE INCOME STATEMENT	GROUP AT 31 DECEMBER 2023				AMOUNTS OF ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME AFTER RECLASSIFICATION
	AMOUNTS OF ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME BEFORE RECLASSIFICATION	EMPLOYEE-RELATED COSTS	COSTS OF COURIER SERVICES AND PARCEL MACHINES	OTHER EXPENSES	
Employee-related costs	(46 994)	(904)	-	-	<b>(47 899)</b>
Costs of courier and parcel locker services	-	-	(8 581)	-	<b>(8 581)</b>
Expenses of utility services	(2 230)	-	-	2 230	-
Short-term lease of motor vehicles and related expenses	(3 012)	-	-	3 012	-
Expenses of consumables and raw materials	(2 548)	-	-	2 548	-
Property repair and maintenance expenses	(2 297)	-	-	2 297	-
Taxes (other than income tax)	(975)	-	-	975	-
Communications expenses	(347)	-	-	347	-
Other expenses	(14 861)	904	8 581	(11 408)	<b>(16 784)</b>
	<b>(73 265)</b>	-	-	-	<b>(73 265)</b>



ITEMS OF THE COMPREHENSIVE INCOME STATEMENT	COMPANY AT 31 DECEMBER 2023				AMOUNTS OF ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME AFTER RECLASSIFICATION
	AMOUNTS OF ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME BEFORE RECLASSIFICATION	EMPLOYEE-RELATED COSTS	COSTS OF COURIER SERVICES AND PARCEL MACHINES	OTHER EXPENSES	
Employee-related costs	(46 988)	(904)	-	-	<b>(47 892)</b>
Costs of courier and parcel locker services	-	-	(8 581)	-	<b>(8 581)</b>
Expenses of utility services	(2 230)	-	-	2 230	-
Short-term lease of motor vehicles and related expenses	(3 012)	-	-	3 012	-
Expenses of consumables and raw materials	(2 548)	-	-	2 548	-
Property repair and maintenance expenses	(2 297)	-	-	2 297	-
Taxes (other than income tax)	(975)	-	-	975	-
Communications expenses	(347)	-	-	347	-
Other expenses	(14 861)	904	8 581	(11 408)	<b>(16 784)</b>
	<b>(73 258)</b>	-	-	-	<b>(73 258)</b>

## 36. POST-BALANCE EVENTS

There were no significant post-balance events in the Group or the Company.