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QUALIFICATION WORK

(EXPLANATORY NOTES)
OF GRADUATE OF ACADEMIC DEGREE
«BACHELOR»

THEME: «Organization of postal operator activities based on modern information technologies»

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*I certify that in this master thesis
there are no borrowings from the works of other authors
without appropriate references*

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Kyiv 2024

МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ
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ТЕМА: «Організація діяльності поштового оператора на основі новітніх інформаційних технологій»

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Київ 2024

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Faculty of Transport, Management and Logistics
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«13» May 2024

TASK

FOR COMPLETION THE QUALIFICATION WORK OF GRADUATE

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1. Theme of the qualification work: «Organization of postal operator activities based on modern information technologies» was approved by the Rector Directive №624/CT. of April 24, 2024.

2. Term performance of the work: from May 13, 2024 to June 16, 2024.

3. Date of submission work to graduation department: June 03, 2024.

4. Initial data required for writing the work: general and statistical information of the Ukrposhta company, production and financial performance indicators of the JSC «Ukrposhta», literary sources on organization of postal operator activities and modern information technologies, Internet sources.

5. Content of the explanatory notes: theoretical foundations of organizing a postal operator's activities using air transport; general characteristics of JSC «Ukrposhta»; analysis of the production and financial performance of JSC «Ukrposhta»; analysis of the business processes organization; identification of possible directions for improving the organization of the postal operator's activities; development of recommendations for improving organization of postal operator activities based on modern information technologies; calculation of the effect of project proposals.

6. List of obligatory graphic matters: tables, charts, graphs, diagrams illustrating the current state of problems and methods of their solution.

7. Calendar schedule:

№	Assignment	Deadline for completion	Mark on completion
1	2	3	4
1.	Study and analysis of scientific articles, literary sources, normative legal documents, preparation of the first version of the introduction and the theoretical chapter	13.05.24-16.05.24	Done
2.	Collection of statistical data, timing, detection of weaknesses, preparation of the first version of the analytical chapter	17.05.24-20.05.24	Done
3.	Development of project proposals and their organizational and economic substantiation, preparation of the first version of the project chapter and conclusions	21.05.24-26.05.24	Done
4.	Editing the first versions and preparing the final version of the qualification work, checking by standards inspector	27.05.24-29.05.24	Done
5.	Approval for a work with supervisor, getting of the report of the supervisor, getting internal and external reviews, transcript of academic record	30.05.24-02.06.24	Done
6.	Submission work to Logistics Department	03.06.24	Done

Graduate _____
(signature)

Supervisor of the qualification work _____
(signature)

8. Consultants of difference chapters of work:

Chapter	Consultant (position, surname and name)	Date, signature	
		The task was given	The task was accepted
Chapter 1	Associate Professor, Karpun O.V.	13.05.24	13.05.24
Chapter 2	Associate Professor, Karpun O.V.	17.05.24	17.05.24
Chapter 3	Associate Professor, Karpun O.V.	21.05.24	21.05.24

9. Given date of the task May 13, 2024.

Supervisor of the qualification work: _____ Olga KARPUN _____
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Task accepted for completion: _____ Danylo PAIDENKO _____
(signature of graduate) (surname and name)

ABSTRACT

The explanatory notes to the qualification paper «Organization of postal operator activities based on modern information technologies» comprises of 88 pages, 29 figures, 8 tables, 53 references and 3 appendixes.

KEY WORDS: POSTAL OPERATOR, AIR TRANSPORT, POST OFFICE MANAGEMENT SYSTEM, RADIO FREQUENCY IDENTIFICATION, FREIGHT MANAGEMENT SYSTEM

The purpose of the qualification work is to study and generalize theoretical approaches, as well as to develop practical recommendations for improving organization of postal operator activities. The object of the qualification work is activities of JSC «Ukrposhta» and mail delivery process with the participation of air transport. The subject of the qualification work is modern information technologies for improving efficiency of postal operator activities.

In the first chapter theoretical foundations of organizing a postal operator's activities using air transport were investigated. The essence of the organization of the postal operator activity and specifics of use the air transport in the activities of postal operators have been studied.

In the second chapter the activities of the JSC «Ukrposhta», its production and financial indicators, and existing business processes organization are analyzed.

As a result of the study, possible directions for improving the organization of Ukrposhta activities based on modern information technologies were developed.

It is recommended to use the materials of this qualification work during scientific research, in the training process and in the practical activities of specialists of logistics departments.

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NOTATION

DFD	– Data Flow Diagram;
EAD	– Electronic Advance Data;
EAN	– European Article Number;
EDI	– Electronic Data Interchange;
EMS	– Express Mail Service;
FMS	– Freight Management System or Freight Management Software;
GPS	– Global Positioning System;
IATA	– International Air Transport Association;
ICAO	– International Civil Aviation Organization;
IFRS	– International Financial Reporting Standards;
IPC	– International Postal Corporation;
OE	– office of exchange;
NPV	– Net present value;
PDA	– Personal Digital Assistants;
RFID	– Radio Frequency Identification;
UPU	– Universal Postal Union.

INTRODUCTION

The latest achievements in the field of the latest technologies will make it possible to significantly change the activities of many companies, including postal operators, in the near future.

Information technology enables the monitoring and control of the supply chain and can ultimately play an important role in a number of key decision-making processes.

Thus, the latest information technology is very useful, particularly mobile telecommunication technology. This technology is the result of the gradual convergence of telecommunications with information technology and the course of new media and has contributed to a massive change of orientation not only in industry, but also in everyday life.

Mobile information technology has played an important role in accelerating and advancing into areas of communication and time-critical processes. They enrich and simplify existing processes in all spheres of human activity. It is natural to assume that achieving the desired result can be achieved only by integrating several information technologies, and this will also eliminate the unreality of using technologies in inappropriate areas. Combining the advantages of technology could not only enter new markets, but also improve processes in existing industries, particularly the postal industry.

One of the areas where mobile communication has found effective use is the postal sector. This technology allows you to bring communication closer to the end customer. This can be especially important in the delivery of postal correspondence, as recipients of letters are usually unaware of the arrival of letters at their address. It is in this area that there is an opportunity to optimize this process with the help of mobile communication. Thus, it will allow communication with the end user. No less important is also the connection with the sender of postal correspondence, who could be notified about the delivery of the mail by means of mobile communication.

Also, the latest information technologies can have a significant impact on improving the organization of the postal operator's activities.

All this determined the relevance of the selected topic of the qualification work.

The purpose of the qualification work is to study and generalize theoretical approaches, as well as to develop practical recommendations for improving organization of postal operator activities.

The object of the qualification work is activities of JSC «Ukrposhta» and mail delivery process with the participation of air transport.

The subject of the qualification work is modern information technologies for improving efficiency of postal operator activities.

The main tasks of the work are as follows:

- to study the essence of the organization of the postal operator activity;
- to study the specifics of use the air transport in the activities of postal operators;
- to consider the general characteristics of JSC «Ukrposhta»;
- to analyze the economic and financial activity of of JSC «Ukrposhta»;
- to analyze of the business processes organization;
- to identify possible directions for improving the organization of the postal operator's activities s;
- to give recommendations for improving the organization of ukrposhta activities based on modern information technologies;
- to calculate economic efficiency of project proposals.

Methods of research are analysis, synthesis, induction, deduction, modeling, generalization.

Materials of thesis are recommended to be used during scientific research, in the educational process and in the practice of specialists of logistics departments.

CHAPTER 1

THEORETICAL FOUNDATIONS OF ORGANIZING A POSTAL OPERATOR'S ACTIVITIES USING AIR TRANSPORT

1.1 The essence of the organization of the postal operator activity

According to the definition given in the Law of Ukraine «On Postal Communications», a postal operator is a business entity that operates on the territory of Ukraine and provides postal services in accordance with the procedure established by law [38].

The following definition can also be found: a postal operator is a business entity that provides postal services in accordance with the procedure established by law [32].

Also, in the mentioned Law, the «designated operator of postal communication» is singled out. This is a postal operator who, in accordance with the legislation, is appointed to fulfill the obligations arising from the acts of the Universal Postal Union and to provide universal postal services throughout the territory of Ukraine in accordance with the established procedure, and which is granted exclusive rights to carry out certain types of activities in the field of providing postal services [38].

Postal operators provide postal services. Postal services are the activity of a postal operator for the reception, processing, transportation and delivery (handover) of postal items, the execution of user instructions regarding postal transfers, aimed at meeting the needs of users [32, 38].

Universal postal services include forwarding services (Fig. 1.1).

Universal postal services are provided by the designated operator of postal services, which is determined by the central executive body, which ensures the formation and implementation of state policy in the field of postal services.

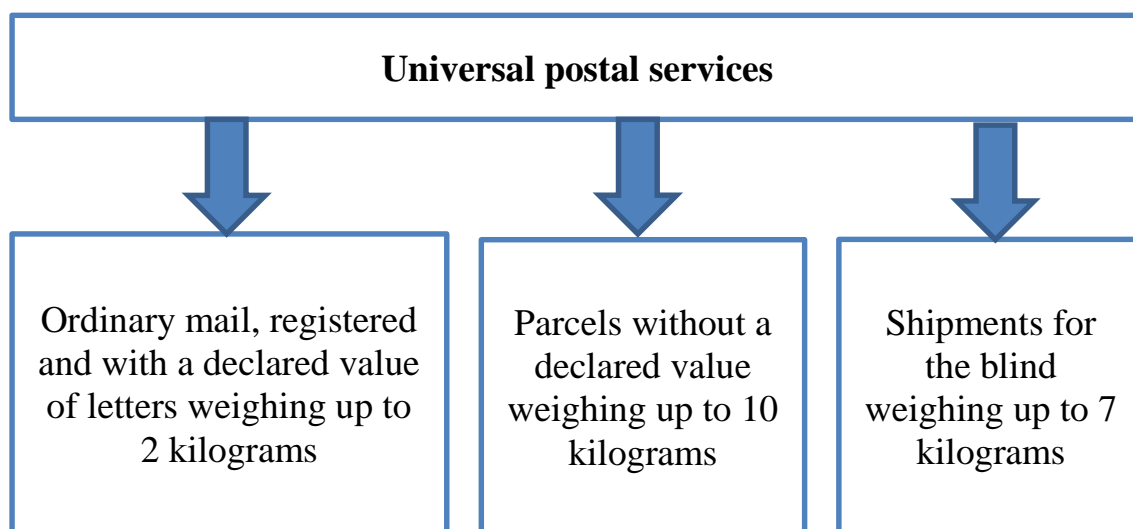


Figure 1.1 – List of universal postal services

The reporting criteria of the designated postal operator on the provision of universal postal services and its frequency are established by the national regulator.

The main principles of activity in the field of providing postal services are:

- ensuring the provision of postal services of the established quality level;
- promoting the development of the market for postal services;
- stimulating the development of competition in the provision of postal services;
- protection of the interests of postal users and operators in the field of providing postal services;
- provision of access to universal postal services;
- ensuring continuity of provision of universal postal services;
- ensuring the rights of users to confidentiality of information in the field of providing postal services;
- ensuring the rights of postal operators;
- ensuring the unity of rules and norms in the field of providing postal services;
- ensuring equal access to postal facilities and postal services for all users.

Business entities wishing to carry out economic activity in the field of providing postal services must submit to the national regulator a notice of the start of

activity in the field of providing postal services, in the form and content established by the national regulator.

Business entities that wish to stop conducting business activities in the field of providing postal services shall submit to the national regulator a notice of termination of activities in the field of providing postal services in the form and content established by the national regulator.

Responsibility for the reliability and completeness of the information specified in the notification to the national regulator rests with the business entity that submitted such a notification.

The national regulator, within ten working days from the date of submission of the notification in accordance with the form and content established by it, is obliged to enter information into the register of postal operators, which is published on the official website of the national regulator.

A postal operator, whose information is entered in the register of postal operators, is obliged to annually submit to the national regulator no later than January 31 a notification confirming information about such a postal operator in the form and content established by the national regulator. In the event that the national regulator does not receive from the postal operator a notification confirming information about such an operator within the prescribed period, information on the termination of economic activity in the field of providing postal services by such postal operator shall be entered in the register of postal operators.

Procedure for providing postal services.

Postal operators provide users with postal services in accordance with the law and may conduct other economic activities in accordance with the procedure established by law.

A postal operator may engage a network of branches and/or postal offices of another postal operator on a contractual basis to provide postal services. Postal operators must announce the access conditions of their own network of branches and/or postal offices publicly, observing the principles of transparency, objectivity and non-discrimination.

Postal services are provided on a contractual basis in accordance with the rules for providing postal services approved by the Cabinet of Ministers of Ukraine.

In order to meet state needs, the postal operator appointed on a contractual basis has the right to carry out activities related to the delivery of pensions, state aid, compensations, subsidies and other types of social benefits in cash, to provide other services in accordance with legislation.

The main principles of providing postal services are presented in Fig. 1.2.

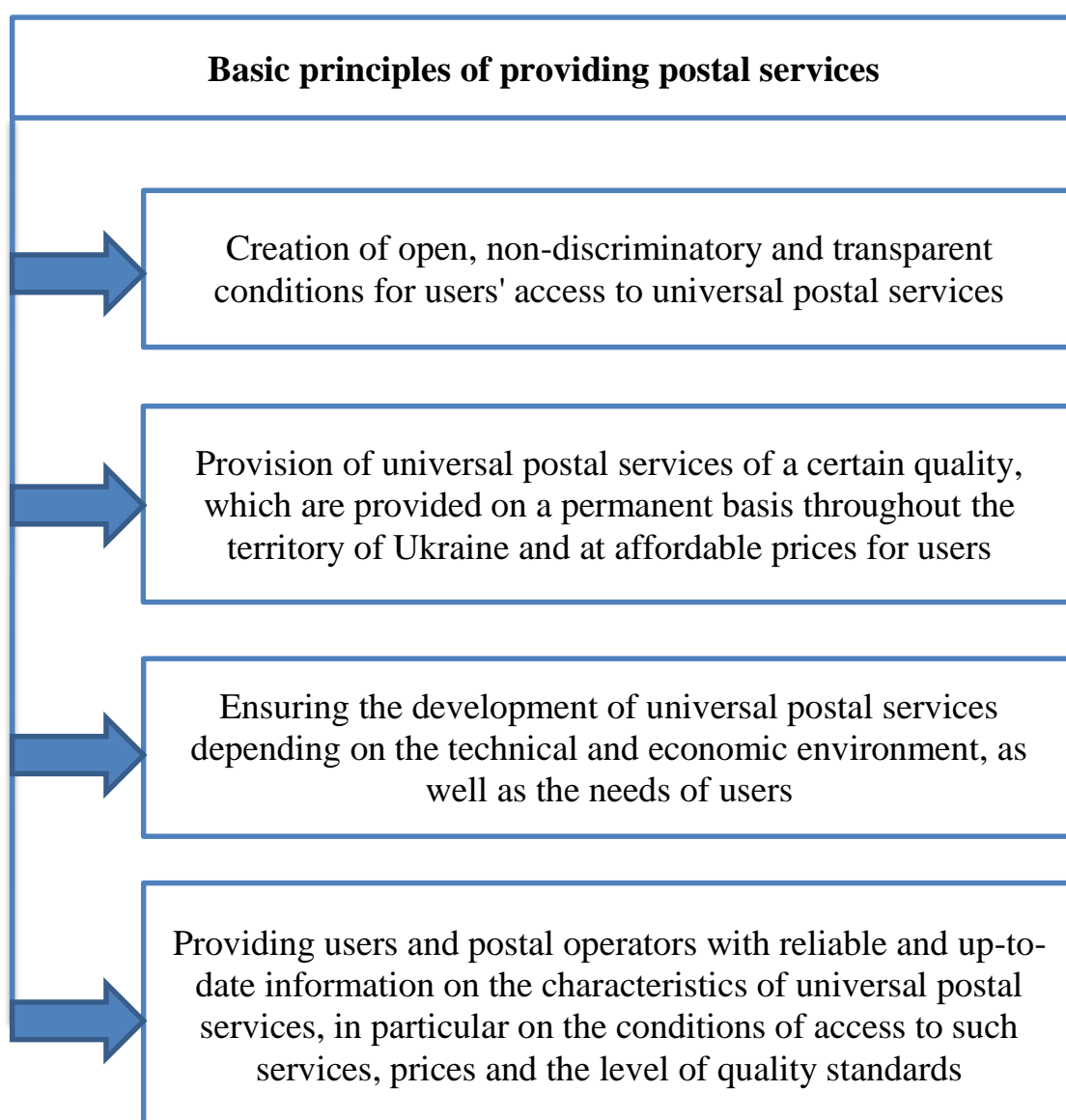


Figure 1.2 – Basic principles of providing postal services

Transport modes for the postal service

Postal operators can use their own means of transport for the transportation of mail, as well as the transport of other individuals and legal entities on contractual basis. Transportation of postal items by road, water, rail and air transport is carried out on a contractual basis in accordance with the legislation.

Specially equipped vehicles with identification marks and color graphics applied to them, which are used by postal operators to provide postal services, are special purpose vehicles.

Transportation of postal items by special purpose vehicles, transshipment of postal items by the postal operator is carried out on a priority basis.

The passage of special-purpose vehicles of the postal operator to postal facilities, including those located at railway stations, stations and ports, as well as at checkpoints across the state border of Ukraine, for the purpose of exchanging postal items, is carried out without hindrance, out of turn and free of charge

Reception of trains with specially equipped carriages for the transportation of mail must be carried out on platforms and tracks where the necessary conditions for the exchange of mail are provided.

Economic bases of activity of postal operators.

Postal operators, in accordance with the legislation, independently plan their activities and determine the prospects of their development based on the demand for postal services and government orders for these services.

In order to ensure stable working conditions and the development of its own postal network, the postal operator has the right to carry out internal economic centralization, redistribution and use of its own resources.

Incomes of independent structural subdivisions of the postal operator from economic activity in the field of providing postal services are determined within the limits of revenues redistributed between separate subdivisions.

Pricing in the field of providing postal services is free. At the same time, postal services for forwarding ordinary and registered letters without declared value (recommended) up to 50 grams and postal cards are subject to state regulation.

The establishment of prices (tariffs) for universal postal services by the designated postal operator is based on the following principles:

- availability of price levels (tariffs) to all users throughout Ukraine;
- transparency and non-discrimination;
- formation of prices for universal postal services based on taking into account the costs of the designated postal operator and stimulating the effective provision of universal postal services.

The national regulator forms limit prices (tariffs) for universal services on the basis of price calculations (tariffs) carried out by designated postal operators, based on the planned cost, determined in accordance with the planned volumes of service provision and economically justified planned costs for their provision, taking into account the planned profit and the mandatory inclusion of the investment component in such prices (tariffs).

1.2 The specifics of use the air transport in the activities of postal operators

Postal operators play an important role in today's economy, ensuring the delivery of letters, parcels and other goods around the world. Air transportation is one of the most important ways of delivering mail, especially over long distances. Therefore, in this subsection, we will conduct a study of the use of air transport in the activities of postal operators, considering the advantages and disadvantages of this type of transport, as well as the factors that affect its use.

The decision of a postal operator to use air transport for the delivery of postal items depends on a number of factors. The main ones are considered in Table. 1.1.

Air transport has a number of advantages for postal operators that make it an attractive mode of transport for the delivery of postal items:

1. Speed. Air freight is the fastest mode of transport, which makes it ideal for the delivery of urgent mail.

2. Reliability. Airlines have strict safety and training regulations, making air travel one of the most reliable modes of transportation.

3. Global availability. Airlines serve airports around the world, making air shipping a convenient way to get mail anywhere in the world.

4. Efficiency. Airlines are constantly working to improve the fuel efficiency of their planes, which makes air travel a more environmentally friendly form of transportation.

Table 1.1 – Factors affecting the decision to use air transport for the delivery of postal items

№	Factors	Characteristics
1	2	3
1	Type of mail	Urgent mail, such as letters and parcels, is more often delivered by airmail than regular mail.
2	Distance	Air freight is more often used to deliver mail over long distances than it is for short distance mail.
3	Cost	Postal operators compare the cost of air freight with the cost of other modes of transport, such as ground transport, before making a delivery decision.
4	Infrastructure	The availability of airports and airlines also affects the decision of postal operators to use air transport.
5	Competitive environment	Postal operators can use air transport to compete with other postal operators that offer express delivery services.

Despite its advantages, air transport also has a number of disadvantages that postal operators should consider:

1. High cost. Air transportation is one of the most expensive modes of transportation, which can make it unprofitable to deliver some types of mail.

2. Weight and size restrictions. There are restrictions on the weight and size of mail that can be carried by airlines.

3. Sensitivity to weather conditions. Air travel can be sensitive to weather conditions, such as high winds and snowfall, which may result in flight delays or cancellations.

4. Impact on the environment. Air travel contributes to greenhouse gas emissions, making it a less environmentally friendly form of transport compared to some other forms of transport.

In Fig. 1.3 summarizes the main advantages and disadvantages of using air transport in the activities of postal operators.

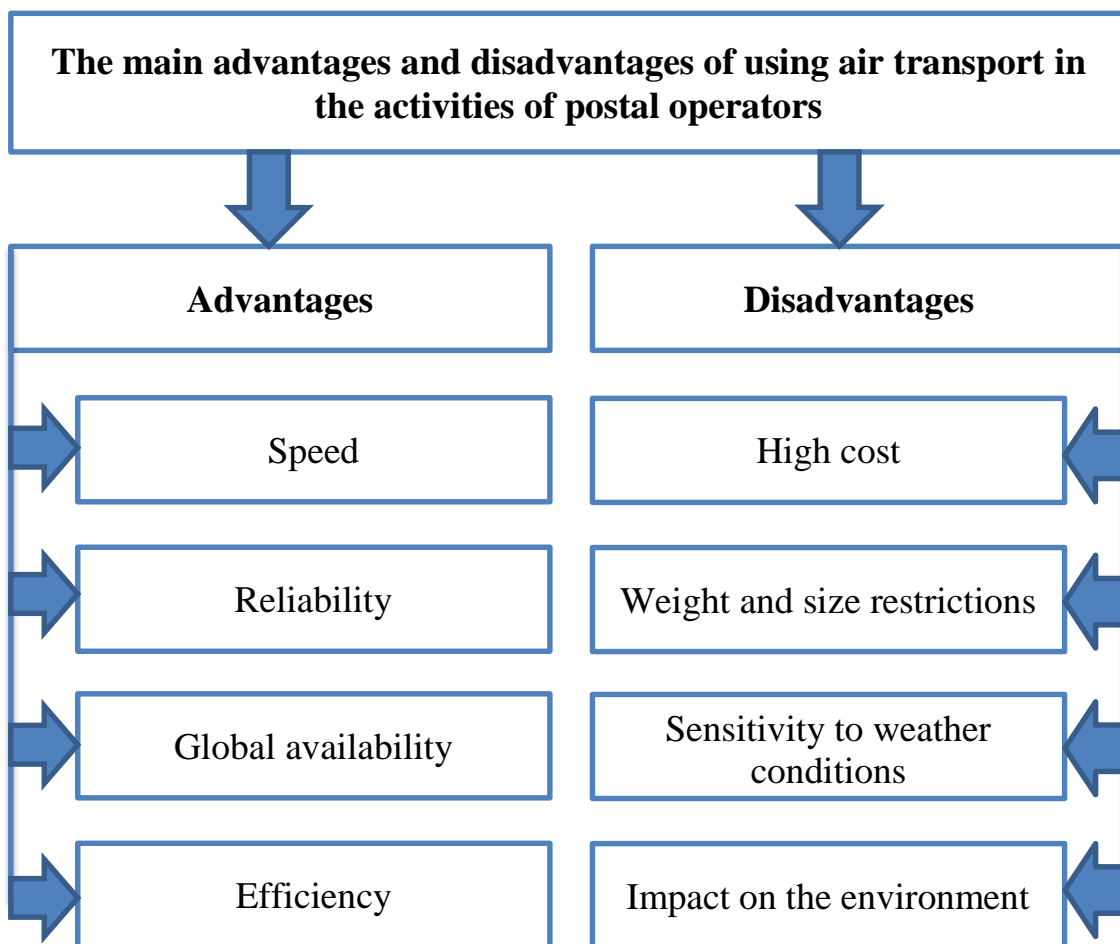


Figure 1.3 – The main advantages and disadvantages of using air transport

Therefore, air freight is an important mode of transport for postal operators, offering a number of advantages such as speed, reliability and global availability.

The success of cooperation between the aviation and postal industries to improve the global delivery of mail directly depends on the cooperation and coordination between the International Air Transport Association and the Universal Postal Union. This joint effort should help both sectors solve logistics problems and improve customer service worldwide.

The International Air Transport Association (IATA) is a trade association representing approximately 320 airlines, which account for 83% of global air travel. IATA's mission is to manage and serve the aviation industry, which transports more than 65.6 million tons of cargo and mail annually. This represents a significant share (35%) of world trade by value, but less than 1% of world trade by volume [15, 26].

The Universal Postal Union (UPU) is a specialized agency of the United Nations that unites 192 member countries and functions as the main forum for cooperation between participants in the postal sector. The Air Force ensures the free circulation of mail in a single and interconnected postal territory, optimizing postal operations for efficient and reliable delivery of mail to any corner of the world in volume [18, 26].

Figure 1.4 shows the products and services of UPU.

As shown in the figure, postal products are classified as letter post (correspondence), parcel or Express Mail Service (EMS).

Letter post (correspondence), in turn, covers items such as letters and postcards that are not normally subject to systematic customs control. Letter correspondence can also include small packages and M bags (direct bags of printed papers for one address), both of which are subject to customs control.

Postal parcels, including an ECOMPRO parcels, are subject to customs control. ECOMPRO is the UPU's program of activities designed to coordinate and accelerate e-commerce development in the postal sector in order to facilitate cross-border trade [18].

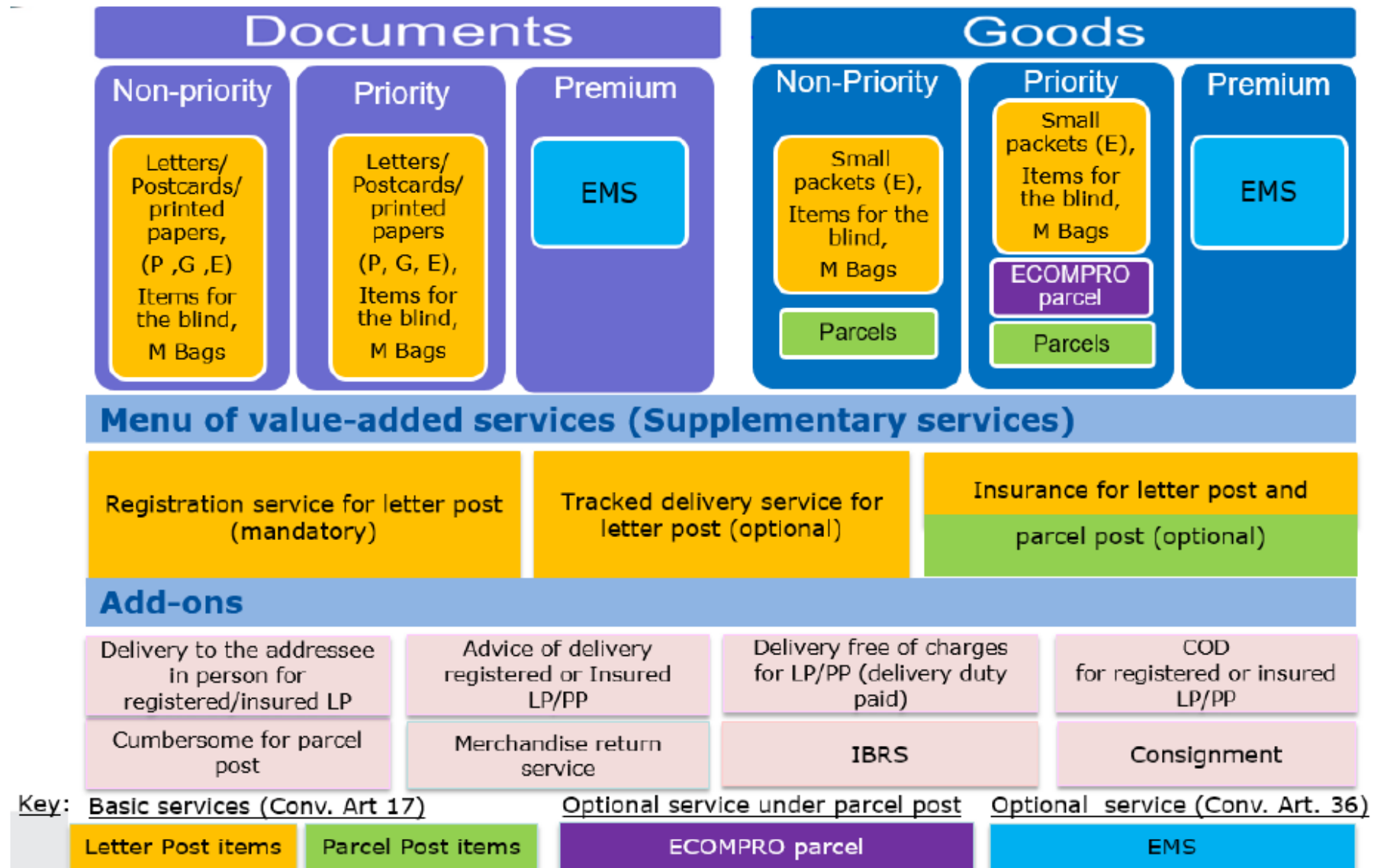


Figure 1.4 – Main products and services of the UPU [28]

Express Mail Service (EMS) items can contain both documents and goods. EMS shipments containing goods are subject to mandatory customs control. Those shipments that contain documents may or may not be subject to customs control depending on the country of destination.

Some products and services provided by UPU are called additional services. Some additional services are mandatory. Other additional services are optional at the discretion of the origin, while others are optional and require agreement between origin and destination. Some items are shipping-related because their presence must be indicated on shipping labels or invoices – such as registered shipments, declared value shipments, and tracked shipments.

Scheme of the mail pipeline process is presented in Fig. 1.5. The diagram shows a typical physical flow and the supporting electronic messages associated with its transport.

In the mail pipeline process can be used such acronyms [4]:

EMA: posting Collection – the sender just sent the item.

EMB: arrival at outward office of exchange (OE) – relayed from local post office to the international package office.

EMC: departure from outward OE – on to the cargo board and there it goes.

EMD: arrival at inward OE – touch down in the country of destination.

EME: airport Handling – it's in the office that handles international packages, or held by Customs.

EMF: departure from inward OE – being sent to regional post office.

EMG: arrival at delivery – item is in Transit Office / regional post office.

EMH: attempted to deliver to the end address, or could mean item returned.

EMI: it is delivered, or the customer receives it at his place, or accepts the product by mail.

The receptacle– and dispatch-level messages are quite closely related to international transportation. Online Shipment Movement Notifications only apply to shipments that can be tracked (such as registered or declared letters, parcels, EMS, etc.) and may be indirectly related to transportation, especially EMC and EMD events.

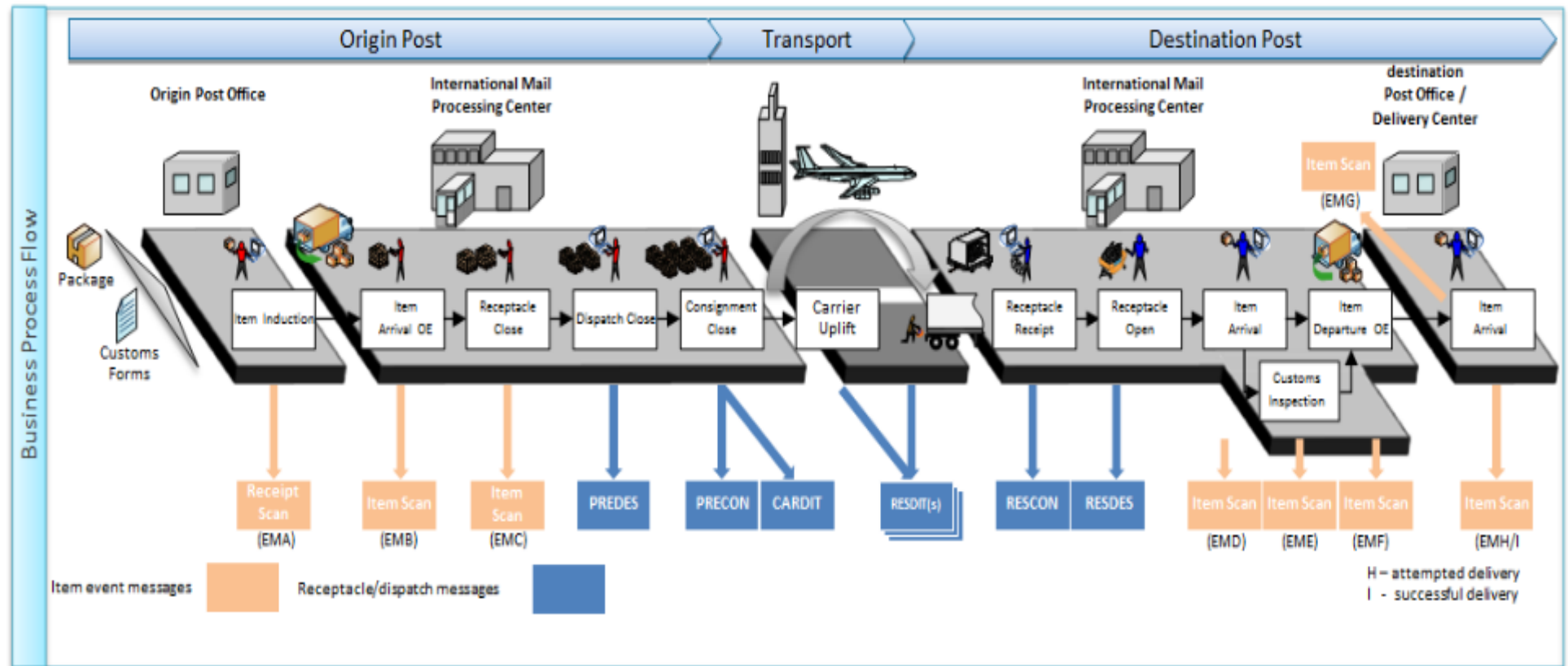


Figure 1.5 – Scheme of the mail pipeline process [28]

Typically, outgoing messages generate an EMC event and include element-level data in PREDES with a single scan.

PREDES is the name of an EDI (electronic data interchange) message containing information about a postal dispatch. RESDIT, RESCON, and RESDES messages are typically based on a capacity ID scan. For RESDES, this can be reported either upon arrival at the destination or when the container is opened, as shown in the illustration [28].

The typical physical flow and the supporting electronic messages related to transportation are depicted in the diagram above.

In recent years, air mail transportation has faced increasing complexities, ranging from regulatory compliance challenges to optimizing international mail logistics. Recognizing these challenges, it is imperative to elevate the collaborative efforts between IATA and the UPU to a new level. This, in turn, is expected to transform the international postal and aviation landscape. To address these challenges, a joint committee has been established, serving as a fundamental platform for critical collaboration between the aforementioned sectors, supporting and significantly enhancing global air mail transportation. This committee brings together two industries that, despite their differences, share a common goal: efficient and cost-effective air mail delivery, driven by the commitment to meet customer expectations.

A key aspect of the Joint Committee's work is the introduction of Electronic Advance Data (EAD) across all sectors to develop the Global Postal Model, a framework that facilitates the exchange of EAD between post offices of origin and destination, customs authorities and carriers [26].

This ongoing initiative is of paramount importance as it promotes compliance with stringent regulatory requirements while simultaneously streamlining processes for both airlines and postal operators to manage and mitigate potential errors. Operating under a unified model is essential for the aviation and postal industries, enabling operational optimization and avoiding unnecessary delays and costs for all supply chain participants.

Another critical area of focus for the joint committee is the management of the safe transportation of dangerous goods, particularly lithium batteries. The committee adheres to the requirements and guidelines established by the International Civil Aviation Organization (ICAO) in this domain, ensuring continuous dialogue and confidence-building measures for effective risk management. These stringent handling procedures are paramount for maintaining absolute safety during air transportation.

To uphold the highest safety standards, both airlines and postal operators are mandated to adhere to specific security certification processes established by national civil aviation authorities. Additionally, postal operators should be encouraged to pursue further certification in accordance with UPU standards (S58 and S59), thereby strengthening the security infrastructure throughout the postal transport chain and demonstrating a serious commitment to safety to other stakeholders. Concurrently, interactions should focus on establishing compatible EAD processes, enabling the use of enhanced risk assessments to improve safety and expedite mail processing and transportation.

The memorandum of understanding between the International Air Transport Association and the International Postal Corporation (IPC) comes at a time when e-commerce has seen a dramatic increase in the number of parcels sent around the world [2].

The agreement should help postal services and airlines cope with expansion and ensure faster and more reliable delivery of mail that is safe, secure and accessible.

According to IATA, international e-commerce is growing by about 20 percent every year. This, in turn, leads to a rapid change in market conditions, both for airlines and for postal operators.

The main priority for both postal operators and airlines should be to ensure that customers receive their parcels on time, while ensuring the safety and security of postal air transport.

Cooperation between postal operators and airlines throughout the supply chain is essential, and this Memorandum of Understanding is an important step towards strengthening activities in this area.

IATA and the IPC are planning to work together on several areas, including improving the security, handover, carriage, delivery and settlement of airmail between postal operators and air carriers (Fig. 1.6).

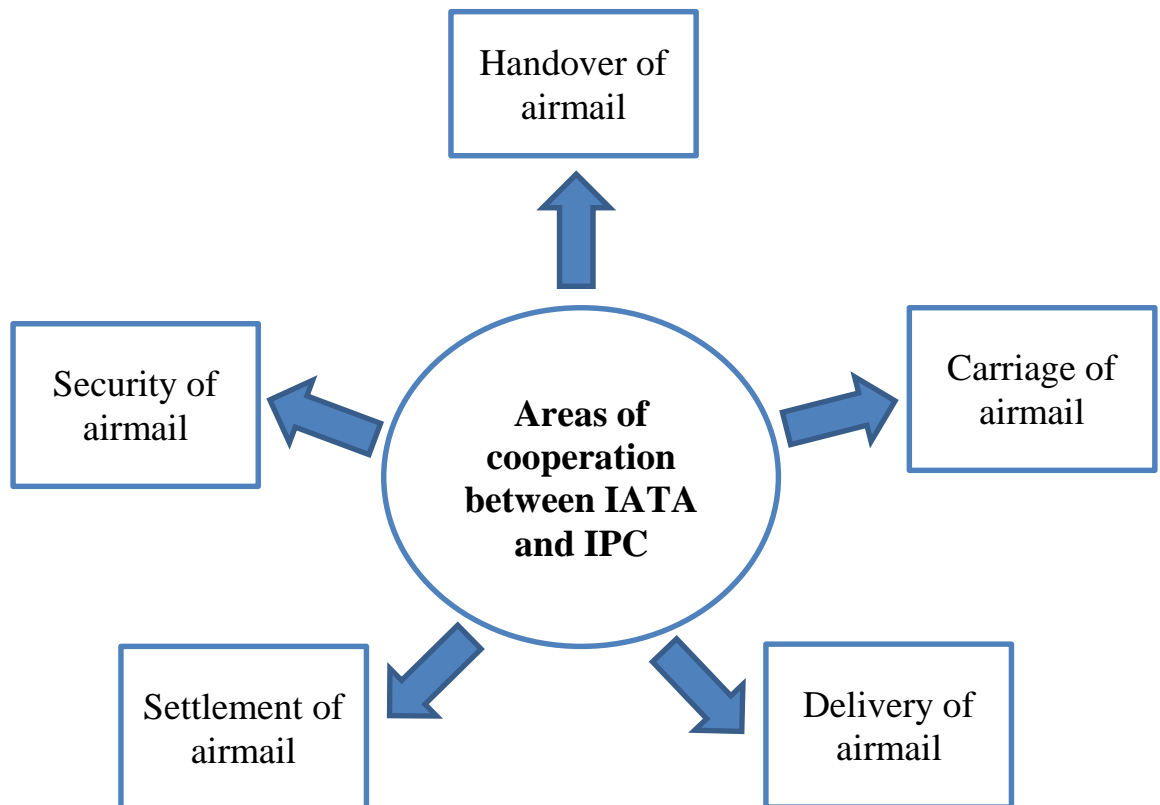


Figure 1.6 – Areas of cooperation between IATA and IPC

IATA and IPC also aim to develop and maintain industry standards, harmonize existing services, and find technological standards and solutions for efficient tracking of airmail packages and letters.

We can note that both sectors can only benefit from increased cooperation in terms of competitiveness and quality of services.

Ultimately, the agreement is expected to benefit customers in both industries through more reliable and faster delivery of international air mail and packages.

Chapter 1 summary

In this chapter theoretical foundations of organizing a postal operator's activities using air transport were investigated.

According to the definition given in the Law of Ukraine «On Postal Communications», a postal operator is a business entity that operates on the territory of Ukraine and provides postal services in accordance with the procedure established by law. Postal operators provide postal services. Postal services are the activity of a postal operator for the reception, processing, transportation and delivery (handover) of postal items, the execution of user instructions regarding postal transfers, aimed at meeting the needs of users

Postal operators can use their own means of transport for the transportation of mail, as well as the transport of other individuals and legal entities on contractual basis. Transportation of postal items by road, water, rail and air transport is carried out on a contractual basis in accordance with the legislation.

It was noted, that the success of cooperation between the aviation and postal industries to improve the global delivery of mail directly depends on the cooperation and coordination between the International Air Transport Association and the Universal Postal Union. This joint effort should help both sectors solve logistics problems and improve customer service worldwide.

CHAPTER 2

ANALYSIS OF THE ORGANIZATIONAL AND ECONOMIC CHARACTERISTICS OF THE POSTAL OPERATOR'S ACTIVITIES

2.1 General characteristics of JSC «Ukrposhta»

JSC «Ukrposhta» is the only national postal operator in Ukraine. The network of post offices of «Ukrposhta» covers 100% of the territory of Ukraine (this is more than 27,000 settlements, in addition to temporarily occupied territories) [16]. «Ukrposhta» provides postal, logistic, financial, as well as trade services for individuals and business clients.

In 1994, the first reorganization was carried out and the Ukrainian State Postal Enterprise «Ukrposhta» was created. And in February 2016, the Government of Ukraine decided on another reorganization. Thus, «Ukrposhta» turned from a state-owned enterprise into a joint-stock company. In March 2017, «Ukrposhta» was registered as a public joint-stock company in accordance with the legislation of Ukraine. In December 2018, the type of public joint-stock company was changed. And currently the company is called the private joint-stock company «Ukrposhta».

The founder and shareholder of JSC «Ukrposhta» is the Ukrainian state represented by the Ministry of Communities, Territories and Infrastructure Development of Ukraine. The Ministry of Communities, Territories and Infrastructure Development of Ukraine manages state corporate rights in relation to «Ukrposhta». The Supervisory Board of the Company is a collegial body that ensures the protection of shareholders' rights, controls and regulates its activities. Members of the Supervisory Board consisting of 6 people, including 5 independent members, are elected by the General Assembly for a term of up to 3 years.

At the same time, the activity of JSC «Ukrposhta» is regulated by the Law of Ukraine «On Postal Communications», other laws of Ukraine, as well as the

provisions of the Universal Postal Union (of which Ukraine became a member in 1947).

The main activity of JSC «Ukrposhta» is the provision of postal and related services to the population, state institutions, as well as enterprises. These include [10]:

- postal services (delivery of letters, parcels and postcards within the country and abroad);
- payment of pensions and individual social benefits to individuals;
- financial services (reception of utility bills; domestic and international money transfers);
- distribution of periodicals (organization of subscription and delivery of periodicals);
- sale of goods (including if the Company acts as an agent for the sale of goods belonging to other parties) and other services.

Today, JSC «Ukrposhta» includes 24 regional branches, the Directorate of Postal Transportation and «Avtotransposhta».

JSC «Ukrposhta» is one of the largest companies in Ukraine: almost 50,000 employees receive, sort, transport, deliver, organize, analyze and serve customers every day.

The main characteristics of «Ukrposhta» are shown in Fig. 2.1.



Figure 2.1 – The main characteristics of Ukrposhta [16]

Mission and Vision of Ukrposhta are presented in Fig. 2.2.

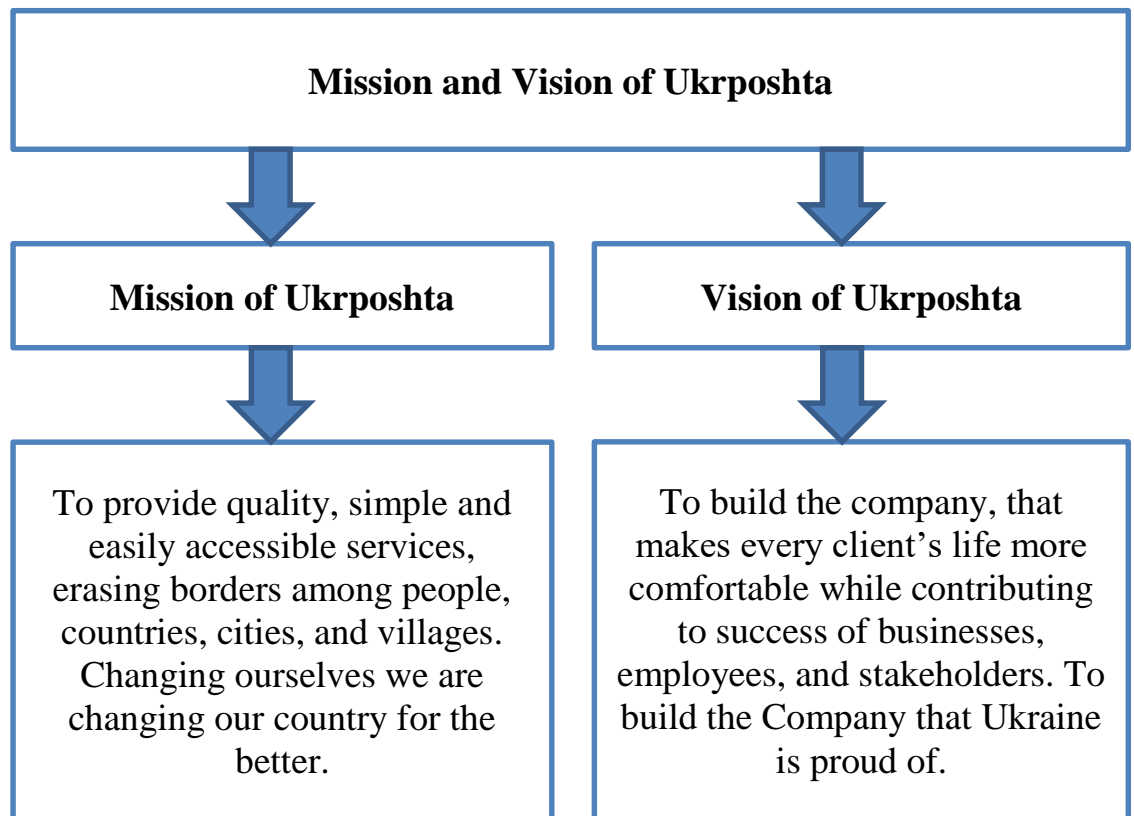


Figure 2.2 – Mission and Vision of Ukrposhta

Values of Ukrposhta are presented in Table 2.1.

The main events of the company's life [16]:

2016:

- Ihor Smilianskyi has been appointed by the Cabinet of Ministers as General Director of Ukrposhta;
- the effective employee incentive system has been developed; inefficient products and services have been eliminated;
- the first wave of computerization: 3,500 computers were purchased for regional offices.

2017:

- Ukrposhta becomes a Public Joint Stock Company;

Table 2.1 – The main Values of Ukrposhta

№	Values	Characteristics
1	2	3
1	Success is cool	Each of us is responsible for success: personal teams, companies and countries. This inspires us to achieve new wins and goals.
2	Change is a necessity	We understand the importance of changes in today's dynamic world and ready to continuously develop and adapt ourselves to meet new reality and our customers' expectations.
3	Honesty is easy	We have zero tolerance to corruption, theft, or fraud on any level of our organization. We value the trust of our colleagues, clients and partners and do everything to maintain it now and in the future.
4	Simplicity is our core	We want to be simple, accessible, and easily understood in our communications, products, and services. We strive to avoid complications, leaving just services, required, and appreciated by our clients.
5	We are a Team	There are thousands of us in the team. We are all different, but in our actions, we are guided by the common goal. We respect and support each other and ready to lead others by example.

– Ukrposhta presents a new identity: the main visual symbol of Ukrposhta is a postal horn which is transformed into a geolocation icon, pin;

– Ukrposhta updated its services: Ukrposhta Express, Ukrposhta Standard, Ukrposhta SmartBox;

– new modern services started to use: API, Personal account, SMS notification, messages on Viber, Facebook, Telegram and Viber chatbots, the option to pay for items by the recipient;

– new financial products started to use: card-to-card transfer, online payment for services, card-to-home transfer;

– 279 new cars were purchased (it is more than in the last 5 years);

– Ukrposhta becomes a member of the international payment systems Visa and Mastercard and NPS Prostir.

2018:

– it was launched of the updated courier delivery service;

- the first office of the new format was opened in Kyiv;
 - the first stage of the computerization project for 240 rural offices;
 - Ukrposhta is granted a NBU license to transfer funds in national currency without opening accounts. Starting customer service via payment cards;
 - pilot launch of mobile offices in Chernihiv region;
 - launch of Ukrposhta mobile app for Android and IOS;
 - the first financial reporting audit was conducted at Ukrposhta with the involvement of an international auditor, according to the results of which the financial reporting was recognized as meeting the requirements of the International Financial Reporting Standards.;
 - it was started cooperation with ROZETKA, the largest online store in Ukraine;
 - launch of bank card payments: 5 thousand POS terminals were installed.
- 2019:
- starts of delivering goods from the Violyty online auction to 230 countries around the world;
 - Ukrposhta won 2 categories of the prestigious World Post & Parcel Awards 2019, for the first time in 20 years;
 - launches accelerated delivery to the United States;
 - Ukrposhta, together with its partners, the private postal operator SMART Forwarding and the Polish company InPost, established a new channel for delivering parcels in 3-6 days from Poland to Ukraine.
- 2020:
- starts of delivering medicines;
 - joining the global EMS accelerated delivery network;
 - Ukrposhta, together with Cainiao Network, launched cargo flights to Ukraine;
 - Ukrposhta paid record dividends for the entire history of the Company, namely: UAH 202.7 million for 2019;

- launch of the program for charter flights to the United States for fast and uninterrupted delivery of items.

2021:

- Ukrposhta made the largest purchase in the market: 1,800 vehicles for the Mobile Offices project;

- starts accepting e-passports in the Diia mobile app;

- starting development of a new automated logistics network. Contracts were signed for the construction of innovative sorting centres in Kyiv, Kharkiv, Dnipro and Lviv;

- it was opened Postage Stamp Alley;

- Ukrposhta signed a contract for the supply of software for fixed and mobile post offices with Escher Group Ltd, a world leader in the transformation of postal operators;

- Ukrposhta ranked 2nd in the world in terms of international express delivery quality according to PwC rating.

2022:

- start of the "Parcel from Home" campaign;

- the "Railway Post" project was launched together with Ukrzaliznytsia;

- 500,000 postage stamps "Russian warship, go...!" were sold out in record time;

- Ukrposhta resumed work in the liberated settlements of Kyiv region and Chernihiv region;

- in the payment of monetary aid to Ukrainians evacuated from dangerous zones has been organized in partnership with Ukrzaliznytsia and the Ministry of Reintegration of the Temporarily Occupied Territories of Ukraine;

- Ukrposhta became the first postal company in the world with an online store on eBay;

- it was received a Rising Star award during the eBay Exporter of the Year 2022 award ceremony;

- Ukrposhta launched an official online store on Amazon;
- Ukrposhta and Poczta Polska signed a memorandum of understanding;
- Ukrposhta became a logistics partner of the Made with Bravery project, created to popularize Ukrainian goods in the world;
- the first "Dog Patron" charity postage stamps were issued;
- Ukrposhta resumed work in the liberated settlements of Kharkiv Oblast;
- Ukrposhta and the Red Cross began paying out one-off financial assistance in the de-occupied territories;
- Ukrposhta resumed work in the liberated settlements of Donetsk region and Kherson region;
- Ukrposhta, together with the International Organization for Migration, started paying out one-off financial assistance in the de-occupied territories;
- it was received a silver award at the PostEurop contest of sketches for the postage stamp "Peace is the highest value of humanity!";
- Ukrposhta was recognized as the "Service Provider of the Year" by the Parcel and Postal Technology International Awards 2022;
- 2,000 parcels were sent to Kherson, parcels that could not be delivered before due to Russia's full-scale invasion of Ukraine and the occupation of the city.

2023:

- it was joined the nationwide program to replace incandescent light bulbs with energy-saving LEDs;
- Ukrposhta issued a postage stamp "FCK PTN!", the sketch for which was the graffiti by the world-famous underground artist Banksy on the wall of a damaged building in the village of Borodyanka;
- launched the first automated sorting line for small parcels;
- the 10-millionth parcel was delivered by Railway Post;
- it was presented a unique "Solidarity with Ukraine" exhibition of postage stamps issued by national postal operators of 15 countries in 2022 as a sign of support for our country;

- Ukrposhta added 44 new trucks to its fleet;
- to support Ukrainian veterans and entrepreneurs affected by the full-scale war, Ukrposhta launched an E-Export Intensive program with the assistance of the Ministry of Economy of Ukraine, the Ministry of Digital Transformation, the Office for the Development of Entrepreneurship and Export, the national project "Diia. Business" and the USAID Program "Competitive Economy of Ukraine". About 1,800 Ukrainians joined the project;
- the new PRIME Small Packet service was launched to make sending shipments from Ukraine abroad cheaper and faster;
- it was received three World Post & Parcel Awards 2023: "Philatelic Campaign", "Postal Operator" and "Industry Leadership";
- the postage stamp "Russian warship, go...!" won the "philatelic Oscar", the grand prix of the international philatelic art award "Asiago" (Italy);
- more than 39,000 Ukrainians joined writing an online letter to Ukraine on the occasion of the Independence Day;
- Ukrposhta introduced an electronic stamp – a new service for registered letters, thanks to which customers can order, download and print an electronic stamp in a few minutes using a regular printer at home or in the post office. It is the first time in Ukraine;
- 1,000,000 orders placed in the Ukrposhta online store were delivered;
- it was handed over a donation of UAH 1,000,000 for the restoration of the National Literary and Memorial Museum of Hryhorii Skovoroda in Kharkiv Region;
- over the course of the year, Ukrposhta, together with the KSE Foundation, equipped five shelters for secondary education institutions with funds raised by selling the "FCK PTN!" postage stamp;
- Ukrposhta donated UAH 1,500,000 raised by selling the "Dog Patron" postage stamp to support animal shelters.

2.2 Analysis of the economic and financial state of the enterprise`s activity

Currently, the company «Ukrposhta» operates in Ukraine, which is in a full-scale war with Russia and is subject to martial law.

According to the analysis, it was found that during 2023, the country's economy recovered due to the high adaptability of businesses and households to the war and a softer fiscal policy. Large-scale international funding also had an impact. According to the National Bank of Ukraine, GDP grew by 5.7% in 2023 (compared to a 30.3% drop in 2022). Despite the war, the country's economic growth is expected to continue in 2024. Real GDP is expected to grow by 3.6%, primarily due to the maintenance of high budget expenditures against the background of international aid, which is expected in the near future.

Of course, the effects of war change from day to day, and their effects are difficult to determine in the long term. The future impact on the Ukrainian economy primarily depends on the outcome of the war, the successful implementation of new reforms by the Ukrainian government, as well as the country's recovery and transformation strategy for EU membership. Cooperation with international funds is also important.

The management of Ukrposhta continues to make efforts to identify and mitigate impacts on the company's activities. However, there are certain factors that cannot be controlled. In particular, the duration and seriousness of hostilities, the level of international support for Ukraine, and subsequent governmental and diplomatic actions.

The financial statements of JSC «Ukrpposhta» are prepared in accordance with International Financial Reporting Standards (IFRS) according to the principle of historical cost, with the exception of other financial investments that are valued at fair value. Financial statements for 2021-2023 years are presented in App. A, B and C.

Based on them we made report on financial results of Ukrposhta (Table 2.2).

The dynamics of the main financial results of activity is shown in Fig. 2.3.

Table 2.2 – The financial results of Ukrposhta, UAH thousand [based on 8, 9, 10]

№	Indicators	2020	2021	2022	2023
1	2	3	4	5	6
1	Net revenue from sales of goods, works and services	9182437	11161868	10323419	11581111
2	Cost of sales of goods, works and services	7774565	9536425	9926858	10656528
3	Gross profit	1407872	1645443	396561	924583
4	Other operating income	259383	309471	179762	305082
5	Administrative expenses	1136999	1324050	1148387	1429681
6	Selling expenses	211367	259349	207900	281252
7	Other operating expenses	147237	170034	411903	379726
8	Financial result from operating activities: profit / loss	171652	201481	-1191867	-860994
9	Other financial income	94517	104904	140419	127299
10	Financial expenses	86026	114569	115054	177920
11	Financial result before tax: profit / loss	203623	237946	-1533162	-964280
12	Expenses (income) from income tax	42383	54364	275073	167919
13	Net financial result: profit / loss	161240	183582	-1258089	-796361

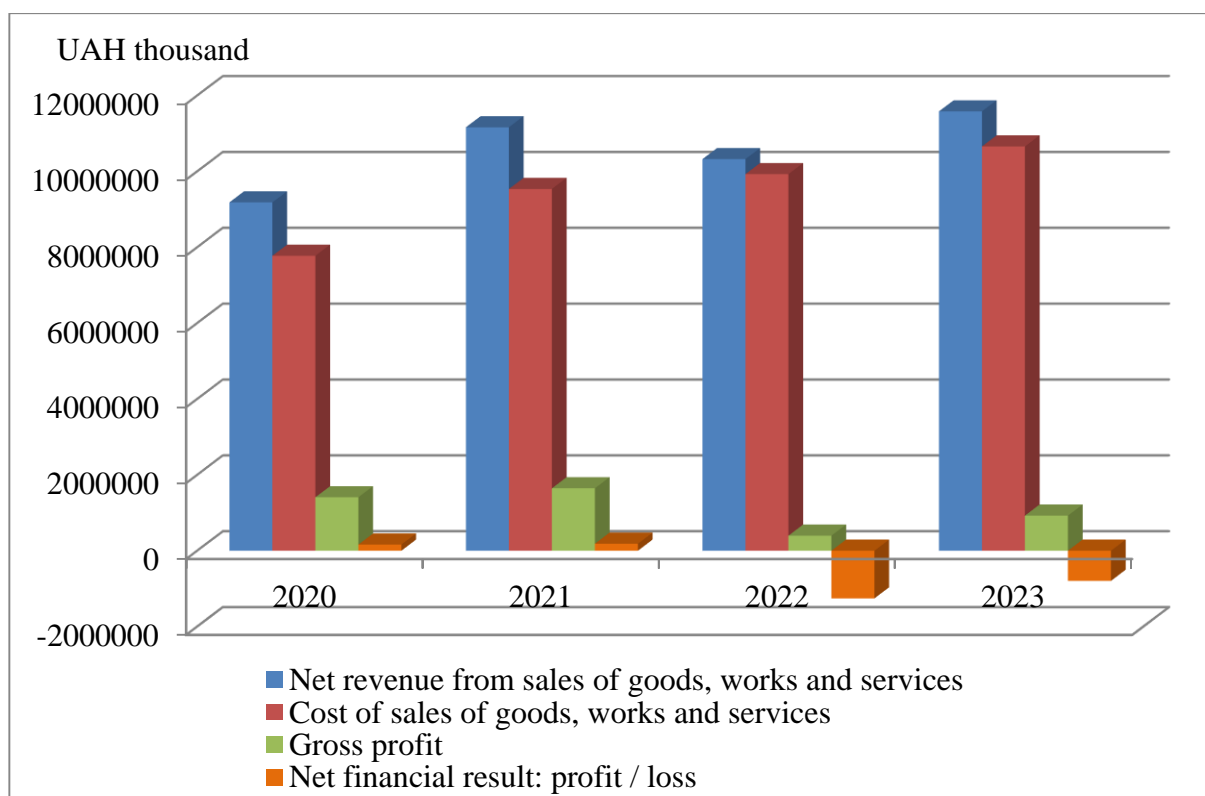


Figure 2.3 – The dynamics of the main financial results

The horizontal analysis of the main financial results is presented in the Table 2.3.

Table 2.3 – The horizontal analysis of the main financial results

No	Indicators	2020	2021	Absolute change, +/-	Relative change, %	2022	Absolute change, +/-	Relative change, %	2023	Absolute change, +/-	Relative change, %
1	2	3	4	5	6	7	8	9	10	11	12
1	Net revenue from sales of goods	9182437	11161868	1979431	21,56	10323419	-838449	-7,51	11581111	1257692	12,18
2	Cost of sales of goods	7774565	9536425	1761860	22,66	9926858	390433	4,09	10656528	729670	7,35
3	Gross profit	1407872	1645443	237571	16,87	396561	-1248882	-75,90	924583	528022	133,15
4	Other operating income	259383	309471	50088	19,31	179762	-129709	-41,91	305082	125320	69,71
5	Administrative expenses	1136999	1324050	187051	16,45	1148387	-175663	-13,27	1429681	281294	24,49
6	Selling expenses	211367	259349	47982	22,70	207900	-51449	-19,84	281252	73352	35,28
7	Other operating expenses	147237	170034	22797	15,48	411903	241869	142,25	379726	-32177	-7,81
8	Financial result from operating activities	171652	201481	29829	17,38	-1191867	-1393348	-691,55	-860994	330873	-27,76
9	Other financial income	94517	104904	10387	10,99	140419	35515	33,85	127299	-13120	-9,34
10	Financial expenses	86026	114569	28543	33,18	115054	485	0,42	177920	62866	54,64
11	Financial result before tax	203623	237946	34323	16,86	-1533162	-1771108	-744,33	-964280	568882	-37,11
12	Expenses (income) from income tax	42383	54364	11981	28,27	275073	220709	405,98	167919	-107154	-38,95
13	Net financial result	161240	183582	22342	13,86	-1258089	-1441671	-785,30	-796361	461728	-36,70

As of 31 December 2023, the Company's current liabilities exceeded its current assets by 3,014,643 UAH thousand (31 December 2022: by 1,976,315 UAH thousand).

Elements of operating expenses are presented in the Table 2.4.

Table 2.4 – Elements of operating expenses of Ukrposhta, UAH thousand
[based on 8, 9, 10]

№	Indicators	2020	2021	2022	2023
1	2	3	4	5	6
1	Material expenses	520443	645645	942235	1122506
2	Payroll	5280313	6194389	5469472	5974643
3	Social security tax	1237219	1461785	1275354	1300245
4	Depreciation/Amortization	354882	454092	582986	718363
5	Other operating expenses	1784579	2437060	3074363	3298839
6	Cost of goods sold	92732	96887	350638	332591
7	Total	9270168	11289858	11695048	12747187

The dynamics of elements of operating expenses is shown in Fig. 2.4.

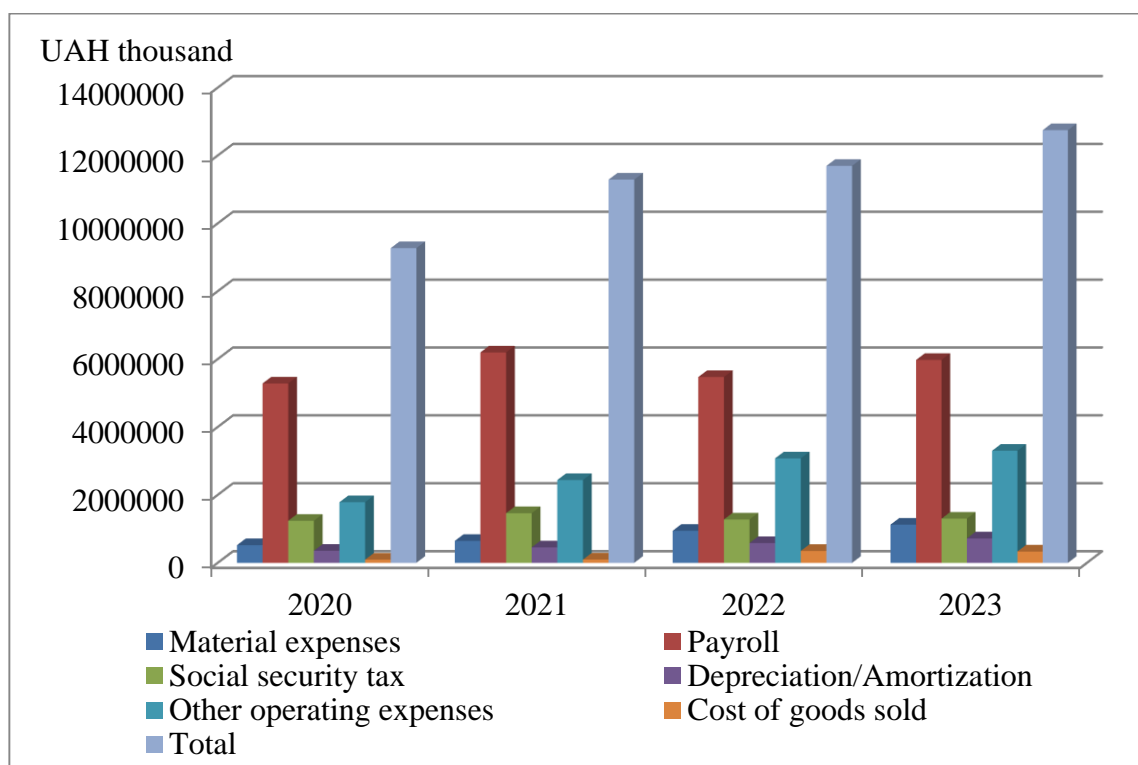


Figure 2.4 – The dynamics of elements of operating expenses

The main specific risk factors include:

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

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

2.3 Analysis of the business processes organization

Ukrposhta customers can order delivery to the most remote corners of Ukraine, send and receive parcels from all over the world, and vice versa (Fig. 2.5).

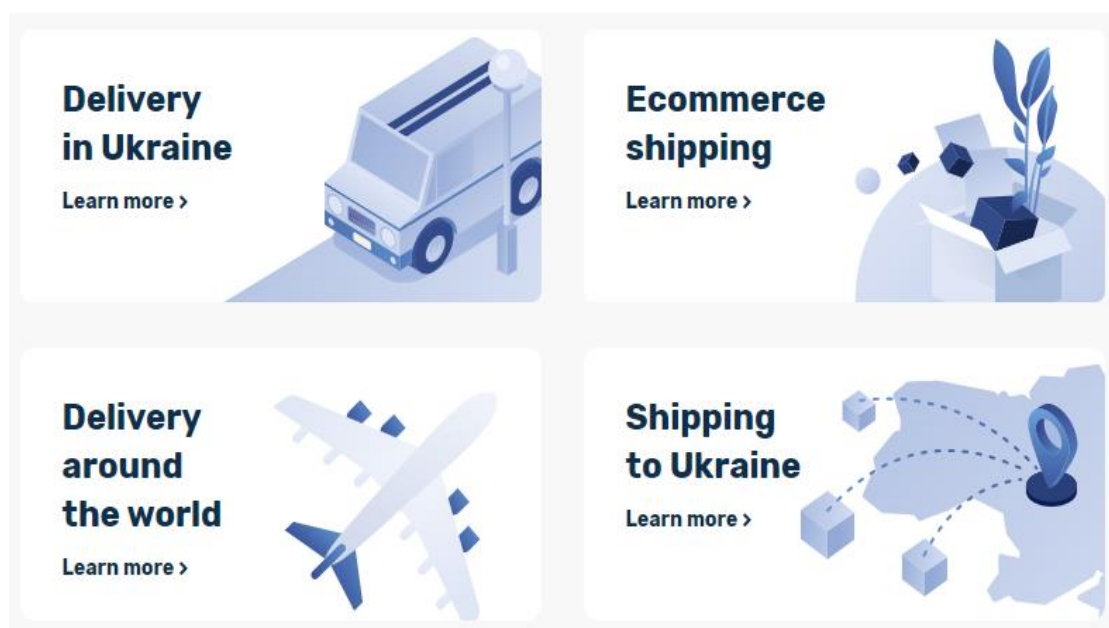


Figure 2.5 – Main services for Ukrposhta customers [16]

I. Delivery in Ukraine.

Ukrposhta customers may choose one of main types of delivery (Fig. 2.6).

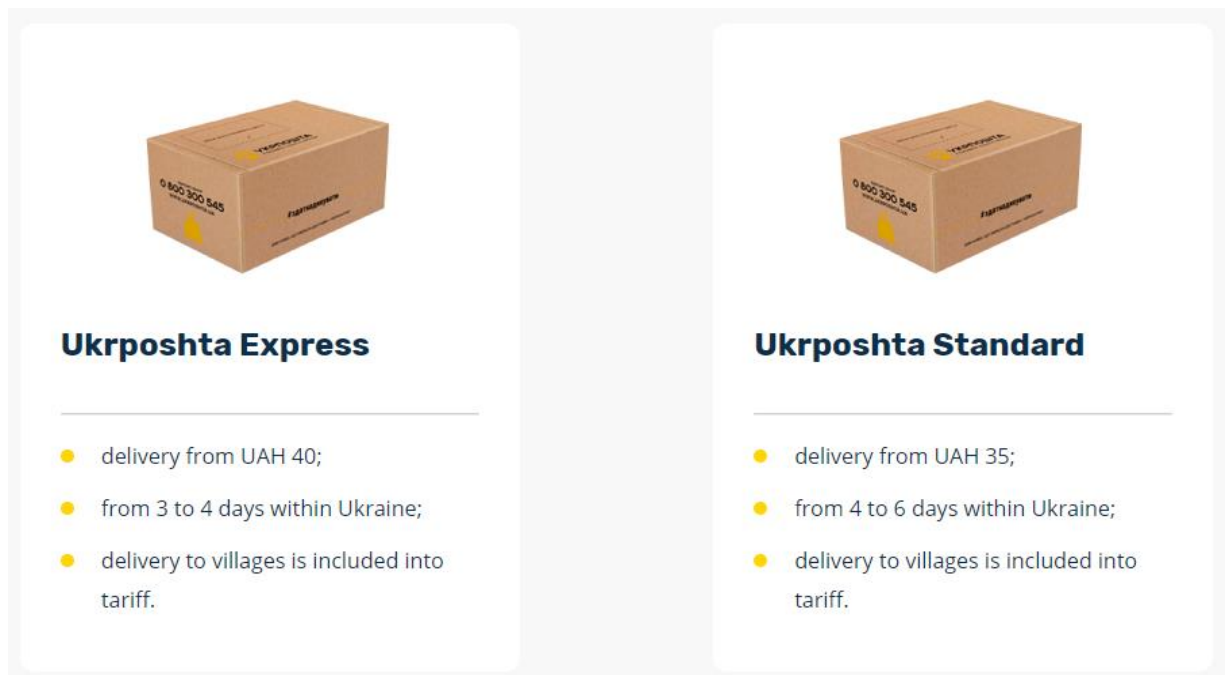


Figure 2.6 – Main types of delivery [16]

Also Ukrposhta can provide additional services (Fig. 2.7).

Post-pay delivery	Checking before handing over	Convenient services
<ul style="list-style-type: none"> ● pay for the goods upon receipt of the parcel; ● commission — 2% + 10 UAH when paying in cash and to a bank account 	<ul style="list-style-type: none"> ● check the content of parcel before paying for the goods; ● pay for delivery upon receipt of the parcel. 	<ul style="list-style-type: none"> ● SMS or Viber messages about delivery; ● possibility to pay via card at the branch.

Figure 2.7 – Additional services [16]

Ukrposhta customers can use different tools for tracking their delivery:

1. Mobile application.

In order to check the delivery status, check the shipment or send an order by mail on the go, you need to install the Ukrposhta mobile application. This application is designed to provide maximum convenience for users of Ukrposhta services.

The following functions are available in the application:

- registration and payment by card of items;
- calculation of the cost of items;
- tracking items;
- search for branches;
- search for zip codes;
- transfer between cards;
- transfer “From the card to office”;
- transactions “From the card home”.

2. Chat bot Ukrposhta.

Ukrposhta has launched chat bots in Viber, Telegram and Facebook Messenger for those customers who like to communicate in messengers.

Ukrposhta chatbot capabilities:

- track shipments, give them names;
- use a convenient list of departures, if there are several;
- receive notifications of changes in the status of items;
- calculate the cost of shipments;
- find the nearest post offices;
- find the zip code;
- find out the tariffs for postal services.

Ukrposhta chatbots can be used in any messenger:

- Telegram: @UKRPOSHTA.CHATBOT;
- Viber: UKRPOSHTA;
- Facebook Messenger: UKRPOSHTA.CHATBOT.

3. Personal account.

For those customers who send parcels several times a month, there is an opportunity to save time by creating their own account. It helps:

- execute and track shipments within Ukraine (Ukrposhta Standard, Ukrposhta Express) and abroad;

- pay with a bank card for forwarding services “Ukrposhta Standard”, “Ukrposhta Express”, “International parcels”, “Small packages”, “Small packages PRIME” and “EMS” when making shipments;
- generate supporting documents (preparation and printing) with a unique barcode identifier (ShKI);
- create registers of grouped items (lists of form 103A).

Benefits of using personal account for customers:

- convenient registration of shipments;
- quick service at the post office.

4. API for e-commerce.

For customers who often send more than 10 items, Ukrposhta has developed a solution for business partners. For the convenience of customers of the e-commerce segment, they implemented full integration through API for processing shipments in Ukraine and abroad.

The API functionality allows you to quickly integrate logistics processes into any business, automate the processes of registration and control of shipments, calculate the cost of the shipment, autofill, and create all the necessary accompanying documentation.

The types of APIs Ukrposhta offers are:

- for shipments in Ukraine;
- for international shipments;
- for letters in Ukraine;
- address classifier.

5. Tracking.

Ukrposhta customers can track international and domestic mail shipments. To do this, you just need to enter the tracking number, which contains 13 characters, into the search field and click the "Track" button.

In addition, customers can track up to 30 mail items simultaneously. In this case, you must enter multiple tracking numbers separated by a space or other tab

characters. To view detailed information about a specific item from the list, click on the track number of this item in the table.

II. International delivery.

Ukrposhta is a member of the Universal Postal Union and cooperates with 192 national postal operators. For the company's clients, it is an opportunity to send shipments to 660,000 post offices in more than 230 countries and territories of the world.

The special offer valid from 2023 is a discount of up to 75% on the delivery of shipments to Poland, Latvia, Lithuania, Estonia and Germany. There is also a reduction in postage rates to Canada of up to 20%.

Benefits for Ukrposhta customers are presented in Fig. 2.8.

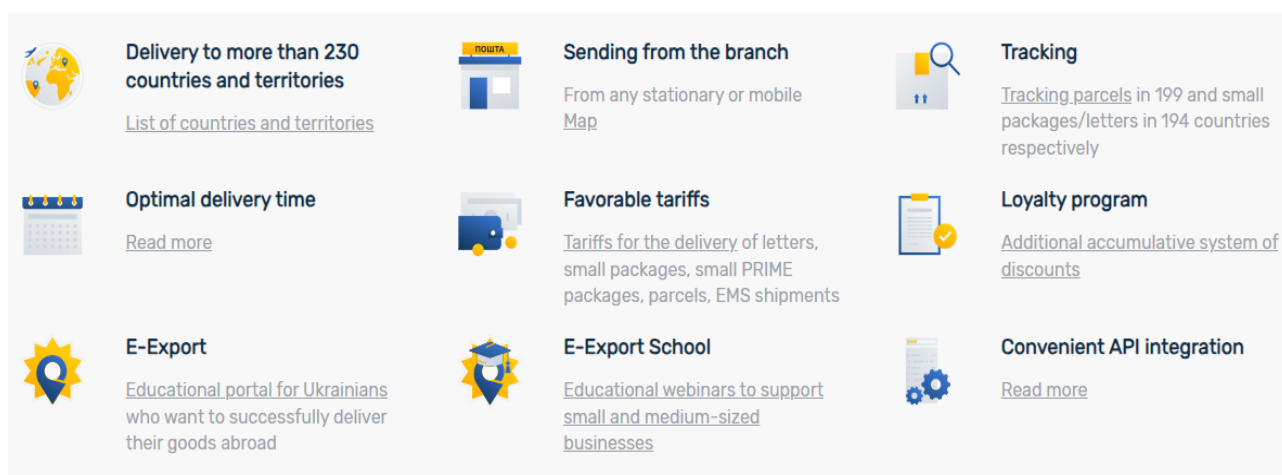


Figure 2.8 – Benefits for Ukrposhta customers [16]

Corporate clients can save money by filling out customs declarations online: through a personal account, a mobile application or a special API system. This will entitle you to a 3% welcome discount on EMS shipping.

In the case of registration by post, the fee for entering customs declaration data into the electronic system is 1 USD per shipment.

III. Delivery across Ukraine.

Customers can receive shipments from abroad at the nearest Ukrposhta branch.

A special offer from the company is a discount of up to 75% on EMS shipments weighing up to 20 kg from Poland to Ukraine.

Advantages of delivery from abroad by “Ukrposhta” are presented in Fig. 2.9.

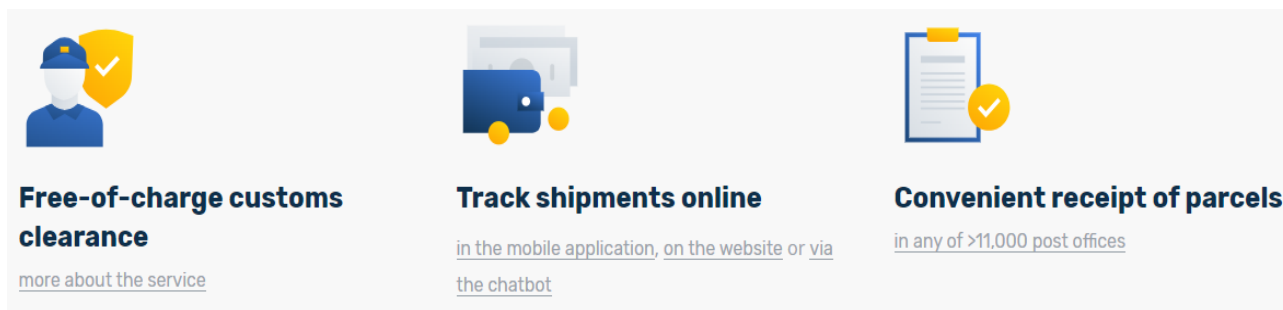


Figure 2.9 – Advantages of delivery from abroad by “Ukrposhta” [16]

How to track and receive shipments from abroad is shown in Table 2.5.

Table 2.5 – How to track and receive shipments from abroad [16]

Shipping method	Tracking number example	Special features	Arrival notice
Tracked, up to 5 kg	RA123456789US	Tracking number starts with R	SMS
Tracked, up to 30 kg	EB996127291FR CA123456789US	Tracking number starts with E Tracking number starts with C	
Tracked, insured	VA123456789US	Tracking number starts with V	
Partially tracked (arrival to the post office tracking status)	SA123456789US	Tracking number starts with S	The sender selected shipping service without tracking and without arrival notification. Contact to the post office, servicing your shipping address. To receive item, please indicate to the postal operator shipping address of the receiver
Untracked	UU123456789US	Tracking number starts with U	

To receive international mail, you must present an identity card (passport, driver's license, other document).

Ukrposhta can deliver international shipments to any Ukrposhta post office near customers. When placing an order through the online store or when forwarding the customer's delivery address to the sender, it is necessary to specify full information about the recipient: first and last name, country, region, city or village, address, house and postal code. Customers can pick up the parcel at any convenient time at the post office at the specified address or get it delivered by the postman.

Chapter 2 summary

During the second chapter we conducted organizational and economic analysis of the Ukrposhta activity.

JSC “Ukrposhta” is the only national postal operator in Ukraine. It was founded in 1947. Ukrposhta's network covers 100% of the territory of Ukraine (more than 27,000 settlements, except for the temporarily occupied ones). It provides postal, logistics, financial and trade services for individuals and business clients.

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

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

Also it was conducted analysis of the economic and financial state of the enterprise's activity. Throughout 2023, the economy recovered thanks to the high

adaptability of businesses and households to the war and loose fiscal policy, which was supported by large-scale international financing. According to the National Bank of Ukraine, GDP grew by 5.7% in 2023 (after falling by 30.3% in 2022). Despite the war, economic growth is expected to continue. In 2024, real GDP is expected to grow by 3.6%, primarily due to continued high budget spending amid expected sufficient international assistance.

Also it was conducted analysis of the business processes organization. Ukrposhta customers can order delivery to the most remote corners of Ukraine, send and receive parcels from all over the world, and vice versa.

CHAPTER 3

PROJECT PROPOSALS FOR IMPROVING THE ORGANIZATION OF UKRPOSHTA ACTIVITIES BASED ON MODERN INFORMATION TECHNOLOGIES

3.1 Identification of possible directions for improving the organization of the postal operator's activities

To begin with, we will analyze the impact of the current situation in Ukraine on the activities of Ukrposhta, as well as its ability to continue further activities. To do this, we will analyze the forecast for the period until April 30, 2025, prepared by the management [10]:

1. Real GDP is forecast to grow by 4.6%, inflation is forecast at 9.7%, the dollar rate at the end of 2024 is UAH 41.0/dollar, and the average annual dollar rate is UAH 40.7/dollar.

2. Measures to optimize the processes and structure of the Ukrposhta company, which were taken in 2023, made it possible to reduce the staff by 24.4%. At the same time, the average salary was increased. In 2024, Ukrposhta plans to continue optimizing the number of employees, as well as increase their productivity through the implementation of some automation investment projects.

3. The volume of letters processed by Ukrposhta in 2023 increased by 14% compared to the previous year. At the same time, a 15% increase in the volume of processed sheets is planned for 2024.

4. The volume of forwarding domestic parcels according to the results of 2023 increased by 34% compared to the same period of 2022. At the same time, in 2024, the volume of domestic parcels is expected to increase by 35% due to the revision of tariffs.

5. The volume of international transportation (exports) for 2024 is planned at the level of 2023, taking into account the indexation of income to the forecast growth of the exchange rate.

6. Pension payments in 2023, compared to 2022, decreased by 6%. The company's plans for 2024 include reducing the number of pensioners and recipients of social assistance through the Ukrposhta network by 5%, as well as indexation by an average of 10%.

7. In 2023, the company observed a decrease in utility payments by 4% on an annual basis. This happened mainly due to migration, the destruction of communal infrastructure and the introduction of paid holidays. In 2024, the volume of payments is forecast to increase by 5%, compared to 2023, and the average payment check is also forecast to increase by 10%.

8. In 2023, JSC "Ukrposhta" fulfilled all its financial obligations on time. In 2024, it does not plan to carry out debt restructuring. Repayment of the principal amount of the debt is usually carried out according to the schedule.

9. In addition, in 2024, as in 2023, the Ukrposhta company plans to take measures to further obtain more loyal settlement terms with foreign postal operators.

10. Ukrposhta considers the following strategic investment projects: automation of the logistics network, completion of the automation of the postal network, strengthening of the company's resilience to power and communication failures, renewal of the company's fleet and replacement of critical IT systems. The planned financing of these projects will be financed mainly through loans from international financial institutions and accumulated liquidity reserves.

So, the forecasts made show that the Ukrposhta company has enough financial resources and is able to fulfill its obligations in the near future, as well as actively develop.

The management of the Ukrposhta company constantly monitors the dynamics of actual activity indicators, taking into account current changes in circumstances. As we can see, the company's results for 2023 do not differ significantly from its forecasted indicators.

Also, we can say that in order to increase the competitiveness of Ukrposhta in the rapidly changing business environment, as well as to obtain loyal customers, the use of special software for managing postal transportation is necessary. Custom mail management software can help reduce freight costs by:

- improved performance analysis;
- increasing the efficiency of stocks and warehouse;
- better visibility throughout the entire supply chain and postal management operations.

Based on the conducted research, it was found that the market of cargo transportation management systems is constantly growing. According to MarketsAndMarkets.com, it will reach \$17.45 billion in 2023 (Fig. 3.1).



Figure 3.1 – Global freight management system market [5]

The main factors that influenced market growth are presented in Fig. 3.2.

Considering such a stable development of the cargo transportation management market, it is necessary to investigate how the software for managing cargo transportation, including postal ones, works, its main processes and how to choose

the most acceptable option for the Ukrposhta company. After all, effective supply chain management becomes possible only when a company understands that it must satisfy rapidly changing customer requirements. This understanding is the only way to conquer new markets, scale your business for more profit, increase your return on investment, and strengthen your competitive advantage.

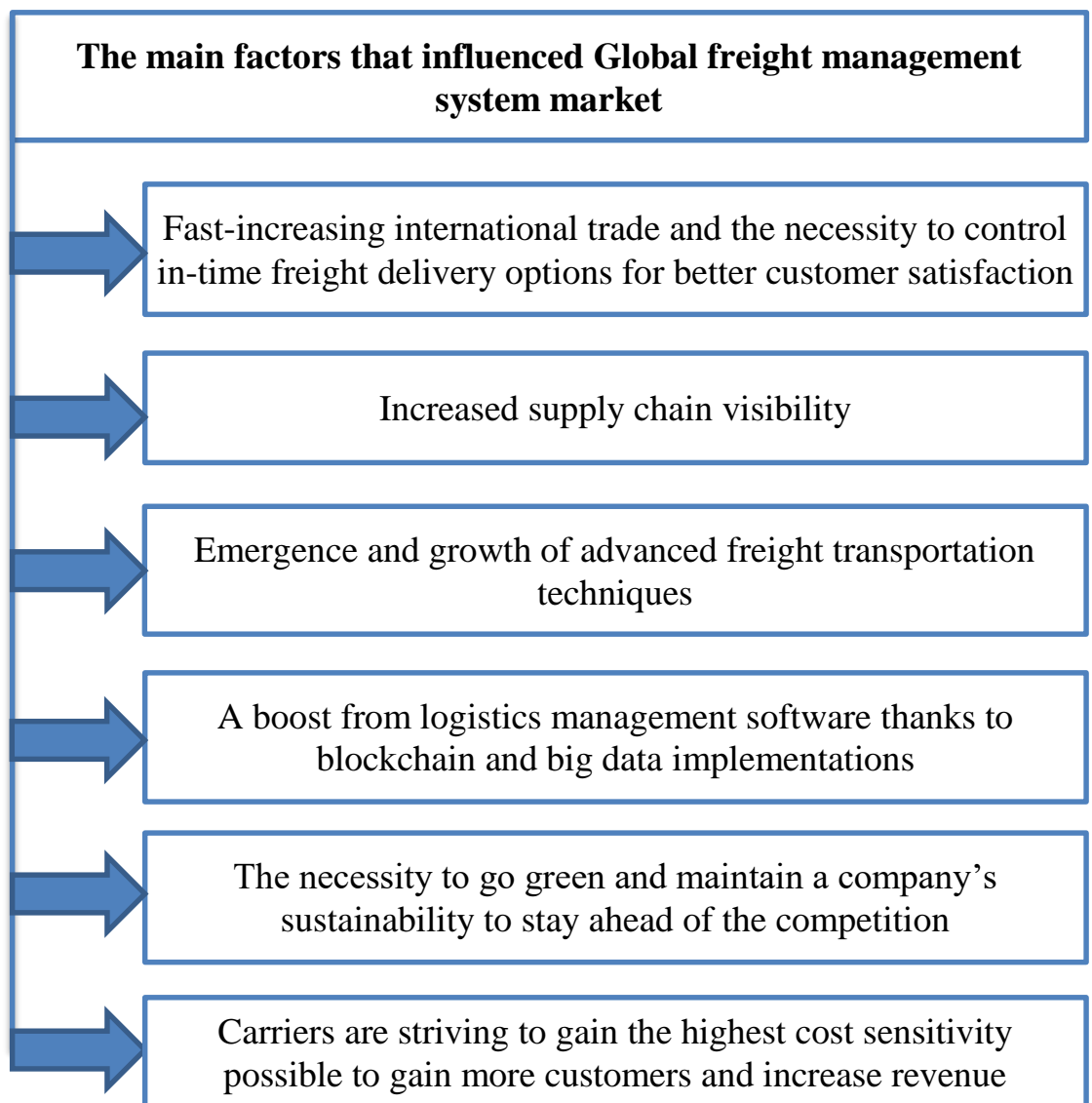


Figure 3.2 – The main factors that influenced Global freight management system market [based on 5]

The latest technologies and information systems are the main factor in saving time, labor and costs. The postal industry can also be considered one of the examples of such influence.

Postal services have been around for centuries, providing an inexpensive and reliable way to transmit messages, letters and packages. With an extensive branch network and operations that often cover the entire country, postal operators have changed significantly over time.

The oldest method of posting is the postal system, which involved sending a postman to deliver a product or message. Then came the ability to forward mail and packages through combined rail and air systems. A modern version of such a service is an e-mail system, which is practically free and requires no effort to send a message.

Of course, the postal service has suffered significant losses in its core business of delivering letters and mail to recipients around the world. This has been influenced by the advent of the Internet and the increasing use of mobile devices and other digital technologies. Research shows that in 2007, the delivery of letters and mail accounted for 55% of all revenues of postal operators, while in 2015 this percentage fell to 44%. Currently it is less than 30% [7].

However, even with the introduction of e-commerce, sending parcels across borders still requires the use of air or rail transport. Although postmen can still deliver letters and parcels to the last mile.

With the development of technology, postal services have started to focus on becoming more secure and fast. RFID chips (radio frequency identification chips), sensors, PDAs (personal digital assistants), mobile Internet and GPS (global positioning system), etc. are some examples of advanced technologies that are already actively used in the postal industry today.

In response to this, operators providing postal services began to expand the list of additional service sectors. In 2014, for the first time, revenues from non-postal operations such as parcels, financial services, logistics and retail exceeded revenues from traditional mail. Government services, authentication, freight, customs brokerage, data collection, payments, etc. are potential sources of new revenue for postal services [7].

As customers increasingly prefer to buy goods online on various e-commerce platforms and brick-and-mortar stores move to a digital environment, e-commerce is

driving the growth of postal services. In 2021, the size of the global B2C e-commerce industry was estimated at \$3.86 trillion. Projected size of the global postal and parcel automation market is presented in Fig. 3.3.

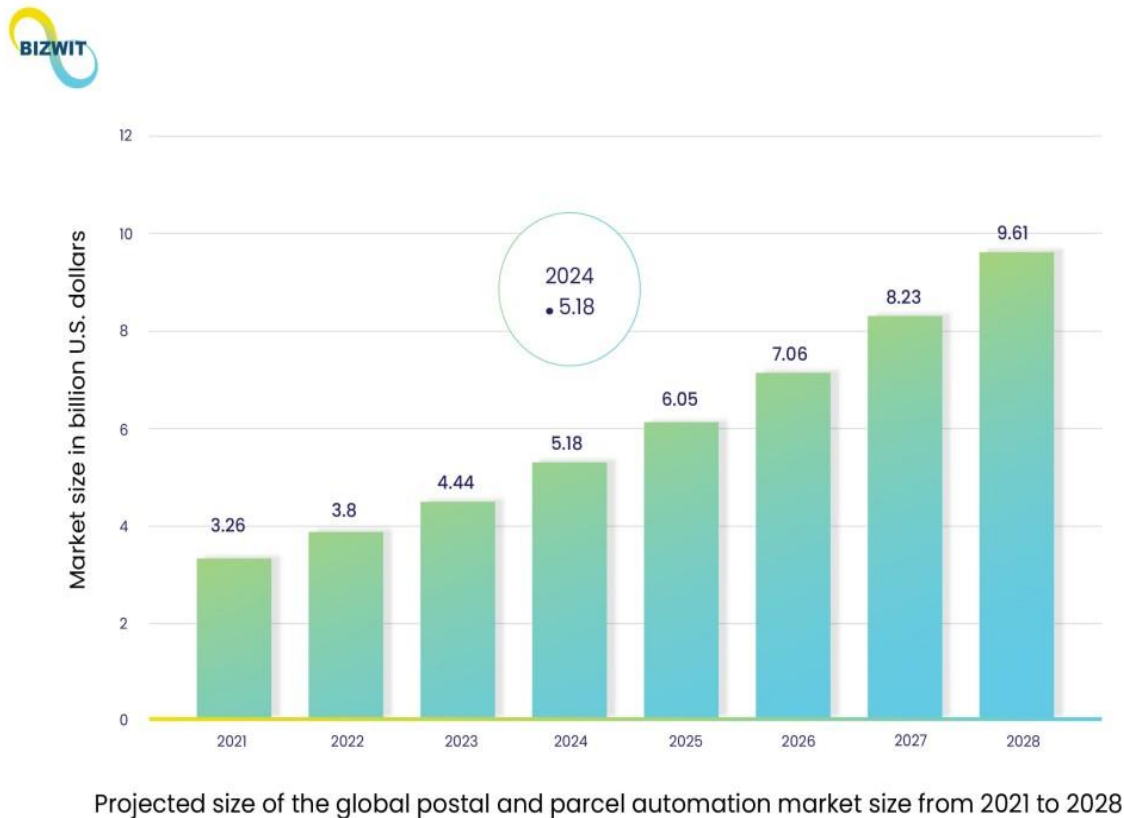


Figure 3.3 – Projected size of the global postal and parcel automation market
[7]

Several factors have greatly accelerated the growth of the global b2c e-commerce market. In particular, we can mention: the spread of digital technologies, globalization of business, ease of doing business, improvement of logistics infrastructure, as well as improvement of telecommunications and IT infrastructure.

Postal services must now balance surplus and under capacity in the postal network to maintain quality of service and bring it closer to customers at an affordable cost.

3.2 Implementation of the Post Office Management System in the activities of the Ukrposhta Company

Currently, a large number of postal operators use mobile communication to optimize their activities, as well as to optimize the processes of delivery of shipments.

Studies have shown that most postal operators use mobile technologies to provide the following types of services [based on 31]:

- information about the status of mail delivery to the recipient of the postal shipment;
- information about the delivery status of the postal item to the sender;
- coordination of the day, time and place of delivery of the postal item to the recipient;
- telephone conversation with the recipient of the mail;
- sending an SMS message to the recipient of the mail;
- sending an SMS message to the sender of the mail;
- sending an interactive SMS message to the recipient of the mail;
- sending an SMS message to the recipient of the postal item after the delivery of the postal item to the mailbox.

A very specific and new way of using the SMS service in the postal sector is automated postal points (so-called Pack Boxes or Pack Stations). After each shipment and storage of mail, an SMS is generated and sent to the recipient with information about the storage of the mail. The SMS message contains information about the location and designation of the packing station and hatch for opening the compartment.

The use of mobile technologies can lead to the following results:

- increasing the attractiveness of postal services;
- reduction or cancellation of the cost of unsuccessful delivery of a postal item;
- replacement of a paper message about failure to deliver a postal item;
- allow recipients to participate in the final phase of the mail delivery process,

- optimizing the access of mail recipients.

These mobile technologies are the basis for the further improvement of the activity of the postal operator. For Ukrposhta, we suggest considering the possibility of implementing the Post Office Management System.

Post Office Management System is a software application, specifically developed using Visual Basic 6.0 and an MS Access database [21]. This system makes it easy to work with message details, remittance details, sales and invoices, etc. The implementation of the Post Office Management System in the activities of Ukrposhta will help improve the work process and make management more efficient.

Visual Basic 6.0 is recommended for the external design of this software because it allows you to create an object-oriented program. VB 6.0 mainly focuses on web development features, Active X technology, enhanced features of existing controls, client-server, data access, advanced controls, design improvements, and new language capabilities with development.

Existing system:

The current Ukrposhta system and management is not advanced, as it does not include courier operations. There is no computerized maintenance of transaction details like money transfer, express mail, registered mail, save transaction, regular bank transaction etc. This system is very uneconomical, unreliable and dangerous.

The proposed system:

The proposed Post Office Management System simplifies management and operational procedures in the post office. With this system, details like mail, money transfer, subscription, sales, invoices, etc. can be easily managed and monitored through the main menu of the software.

Data Flow Diagram (DFD) is used as preliminary step towards creating Post Office Management System.

The first step is to create a data flow context diagram of level 0 - this is the level for the mail management system. At this level, there is only a flowchart of the process, which represents the entire system and its connection with external objects (Fig. 3.4).



Figure 3.4 – Level 0 DFD for Post Office Management System [3]

The Level 1 data flow diagram for the Post Office Management System gives more insight into the data flow of the system. At this level, one process of the data block diagram is divided into several subprocesses (Fig. 3.5).

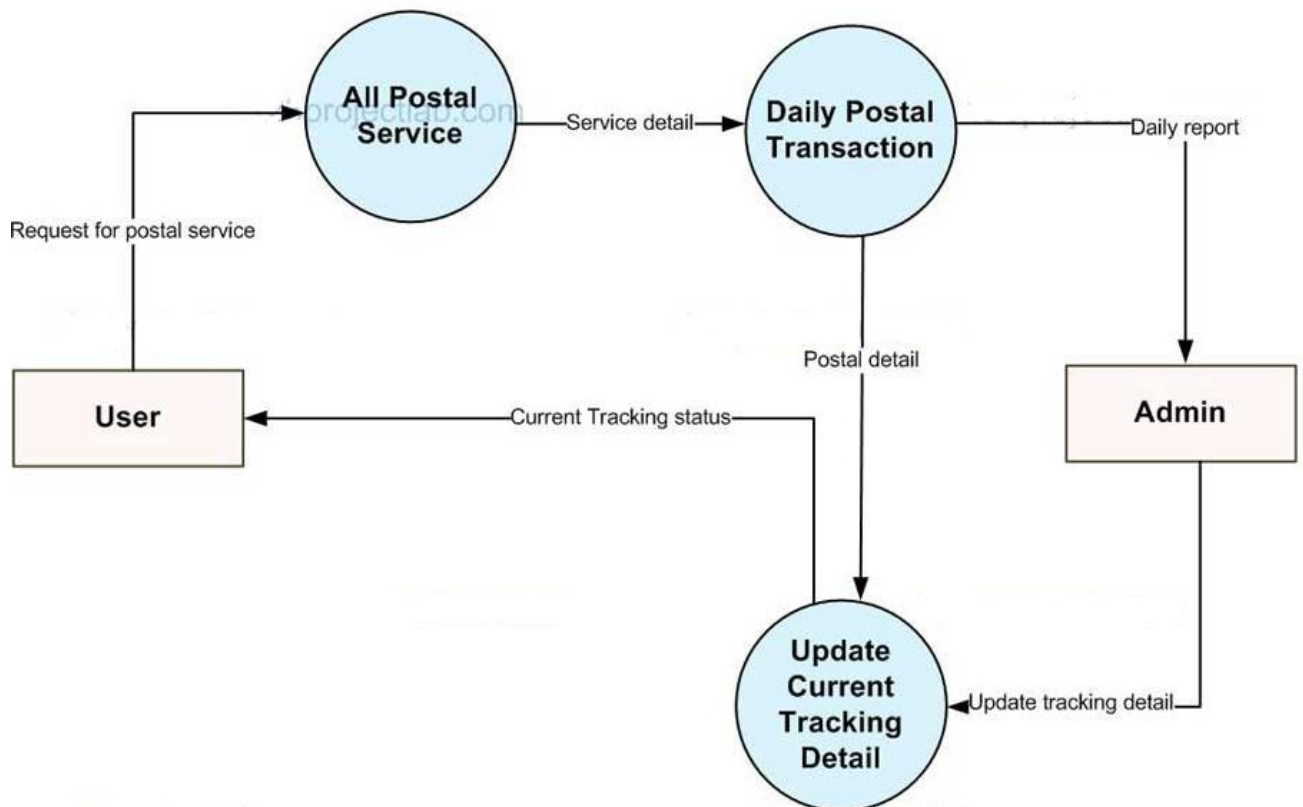


Figure 3.5 – Level 1 DFD for Post Office Management System [3]

A Level 2 data flow diagram for the Post Office Management System provides even more insight into the system than a Level 1 flow diagram. This level further

divides the main process into smaller sub-processes. In addition, it provides information about data repositories (Fig. 3.6).

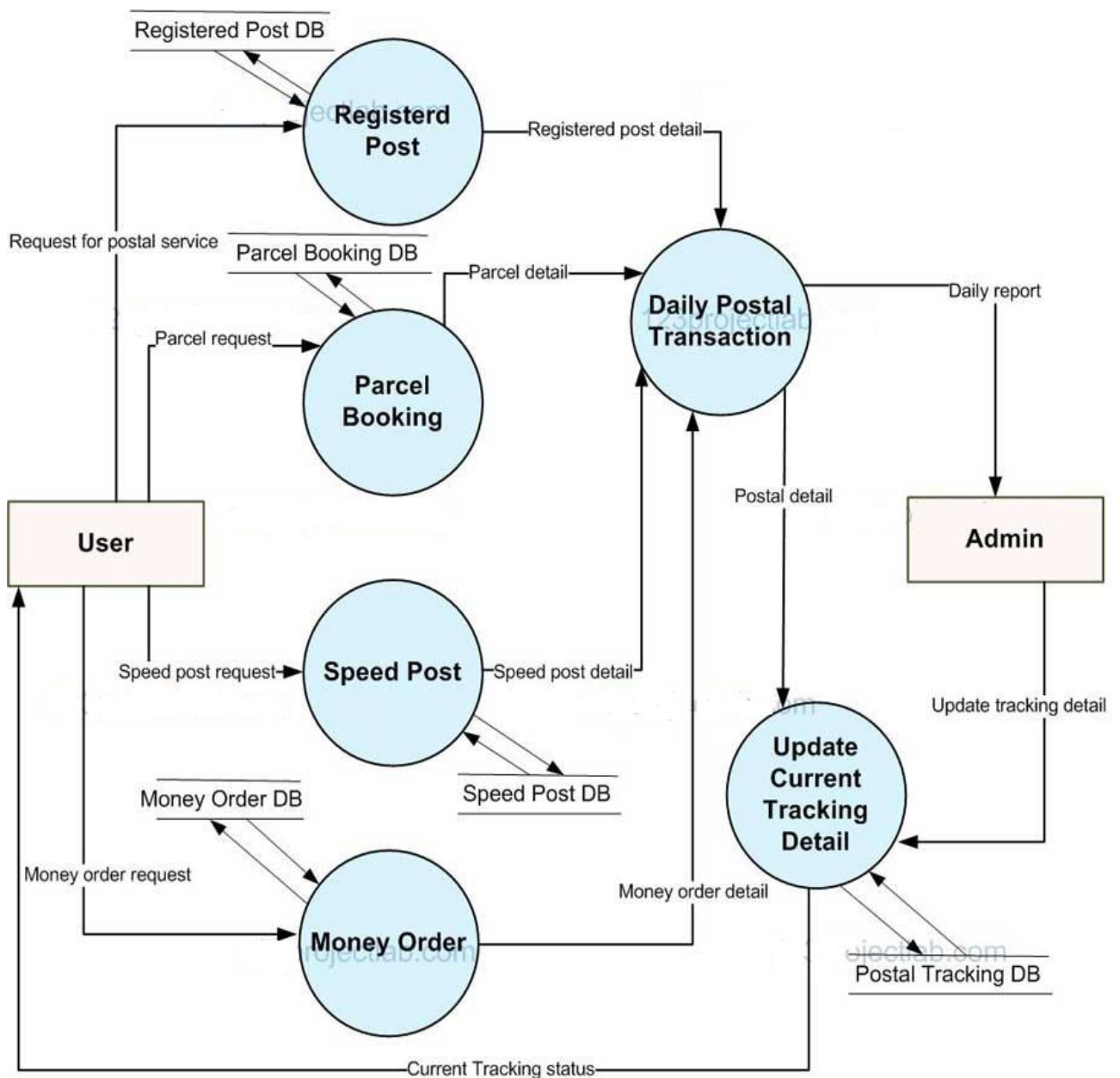


Figure 3.6 – Level 2 DFD for Post Office Management System [3]

In general, the Mail Management System is a six-module project, a detailed description of which is given in the Table 3.1.

The Post Office Management System has the following features [19]:

- all transactions are online, meaning the customer or employees have access control, balance viewing, account statements and transaction reports;

- account details can be added to the system, the system automatically calculates interest rates and the total amount;
- the system helps customers make online transactions while sitting at a computer or laptop in their office or home;
- customers can access their account and transaction information by entering their ID and password online;
- Ukrposhta employees can add payment information for paying electricity bills, telephone bills, money transfer, etc.;
- by entering a tracking ID, customers can track the status of sent and pending registration letters and express mail letters;
- customers can download the receipt of the last transaction, etc.

Table 3.1 – The main modules of the Post Office Management System [19, 20]

№	Modules	Description of modules
1	2	3
1	Sales details	This modules consists of various other forms such as postcards and stamps. The various types of postcards are envelop, printed cards, competition postcard, etc. along with their amount. Stamp costs of around 1 to 50 are sold in the proposed system.
2	Register post	This module is a form containing the postage to where it is to be delivered. It contains the sender address, receiver address, acknowledgement, commission, and weightage.
3	Speed post	This module is very similar to register post. It contains information such as sender address, receiver address, acknowledgement, commission, and weightage. The extra amount will be taken for urgent postage.
4	Money order	This form contains details of the person to whom money is to be sent. It additionally contains the sender address and the amount of transaction.
5	Money savings	This module contains details and information regarding various types of savings like short-term saving, long-term saving, etc.
6	Reports	Periodic reports can be generated from the main menu of the application containing various details.

The main advantages of the Post Office Management System for the Ukrposhta Company are presented in Fig. 3.7.

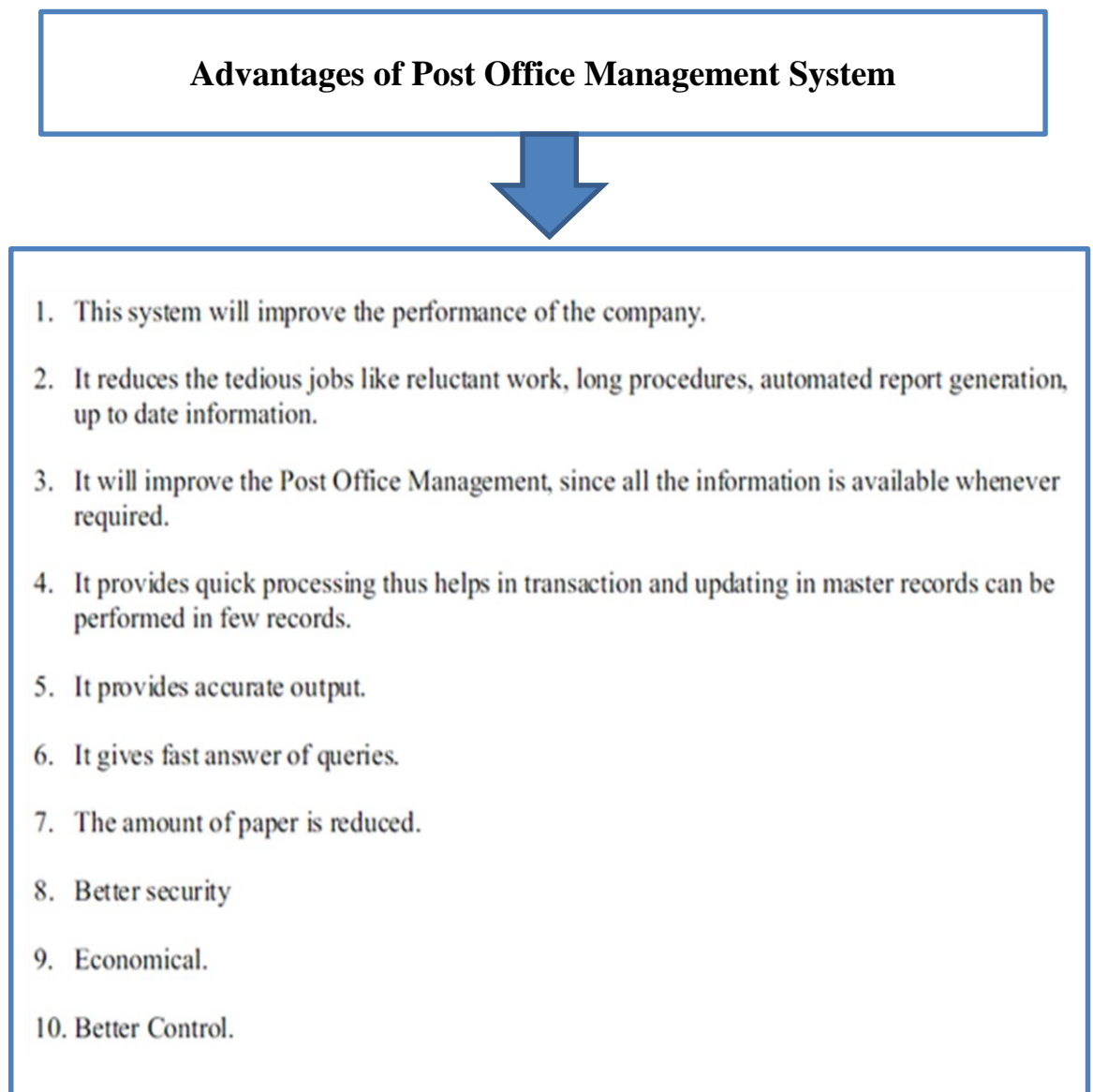


Figure 3.7 – The main advantages of Post Office Management System

The proposed Post Office Management System can be additionally updated and changed in accordance with the requirements of the Ukrposhta Company in the future. In general, the Post Office Management System can provide users with timely information when needed and improve the management description at the appropriate time.

3.3 Improving the management of the mail delivery process with the participation of air transport

Based on the conducted research, we can say that the Ukrposhta company also needs to implement the latest technologies that will help improve the management of the process of mail delivery with the participation of air transport.

In particular, this is Freight Management System or Freight Management Software (FMS) (Fig. 3.8).



Figure 3.8 – Use cases of a Freight Management System [5]

The basis of the functioning of this system should be the integration of mobile technologies with RFID technology.

RFID technology allows you to manage postal shipments in real time, clearly indicate the exact time and location of specific postal shipments at various stages of the process, which allows you to provide valuable information about the entry or exit

of the shipment in different processing centers. In general, it is an element of automation that provides information without human intervention [31].

Mobile services, in turn, allow, under certain conditions, to facilitate communication between the postal operator and the client, as mentioned above.

The whole essence of the proposal is based on the simplicity of their integration and eliminates the need for human labor to optimize the delivery of postal items.

The main principles that should be followed when developing the proposed model:

- eliminating the need for human intervention;
- the lowest level of necessary equipment and software,
- automation of the entire process;
- the ability of the sender to change information about the shipment;
- simplicity and complexity of the system;
- the possibility of using additional equipment and software;
- using mainly registered letters and parcels with declared value.

The method of integration of the specified technologies into the proposed model is presented in fig. 3.9. Also involved in the integration is EAN technology, which is essentially just barcode technology.

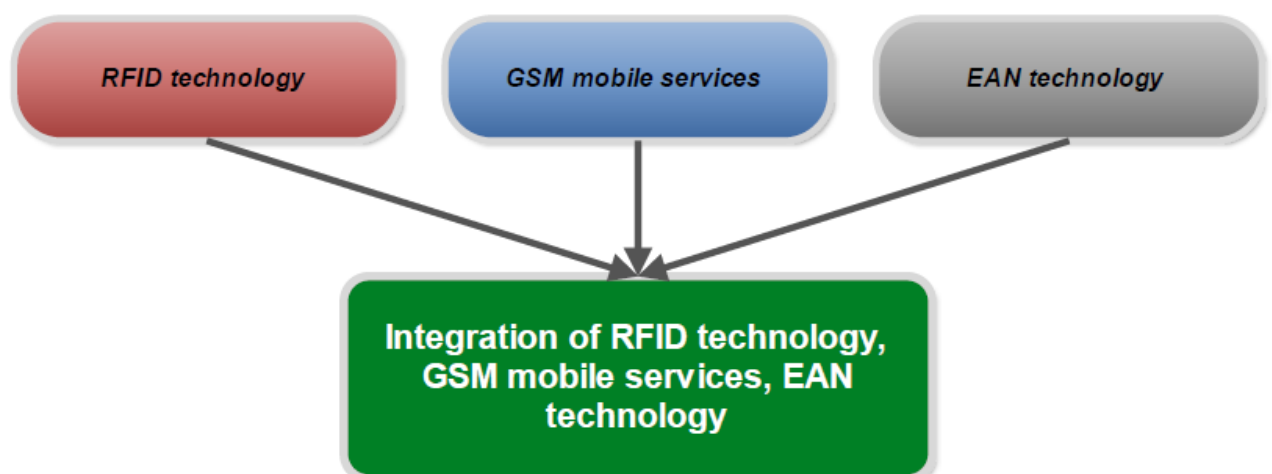


Figure 3.9 – Integration of the proposed technologies

The simplified principle of transportation and delivery of postal items is implemented in the following stages:

- the consignor comes to the place of dispatch for the purpose of sending a letter or parcel with the declared value;
- the collected batch of shipments is transported to the entrance of the central processing center;
- the batch of shipments is processed and classified according to the output lines to the central processing centers;
- a batch of shipments is transported from the entrance of the central processing center to the exit processing center;
- shipments are sorted by individual delivery points;
- classified shipments are transported to different delivery points;
- postal items are delivered to addressees.

Now we can consider the impact of the proposed application.

The proposal is to build a model that would allow the control of postal shipments in the network of their promotion and organize at certain points of contact with the addressee the processing and disposal of the shipment. According to the nature of the design model, it can be concluded that the function will be performed on two levels, namely: identification part and communication part.

Postal identification involves tracking from submission to delivery through passive identification technology to placement and delivery locations, as well as active identification technology at processing centers. Passive identification technology refers to barcode technology. Active identification technology is RFID.

The names of passive and active identification technology were chosen due to the need for their separation technology, which is necessary for the identification of mail in individual departments. After all, the first technology requires the participation of people, and for the second, the human factor can be excluded.

The essence of communication is the possibility of one-way or two-way communication between the operator and the addressee of the mail.

When choosing the appropriate options for the proposed model, you can consider the amount of information that should be stored in RFID and EAN. This volume is usually quite large, and if placed in a barcode, it will be long, preventing the possibility of manual data entry for storage in the database. This is one of the reasons why it is better to choose the second option. After all, there will be a connection between the information stored in the barcode and the information stored in the RFID tag. Thus, there will be pre-defined relationship tables between barcode data and RFID tag data. When an employee enters a barcode into the database, data from the RFID tags is also attached, which is stored in a predefined table. The principle is shown in Fig. 3.10.

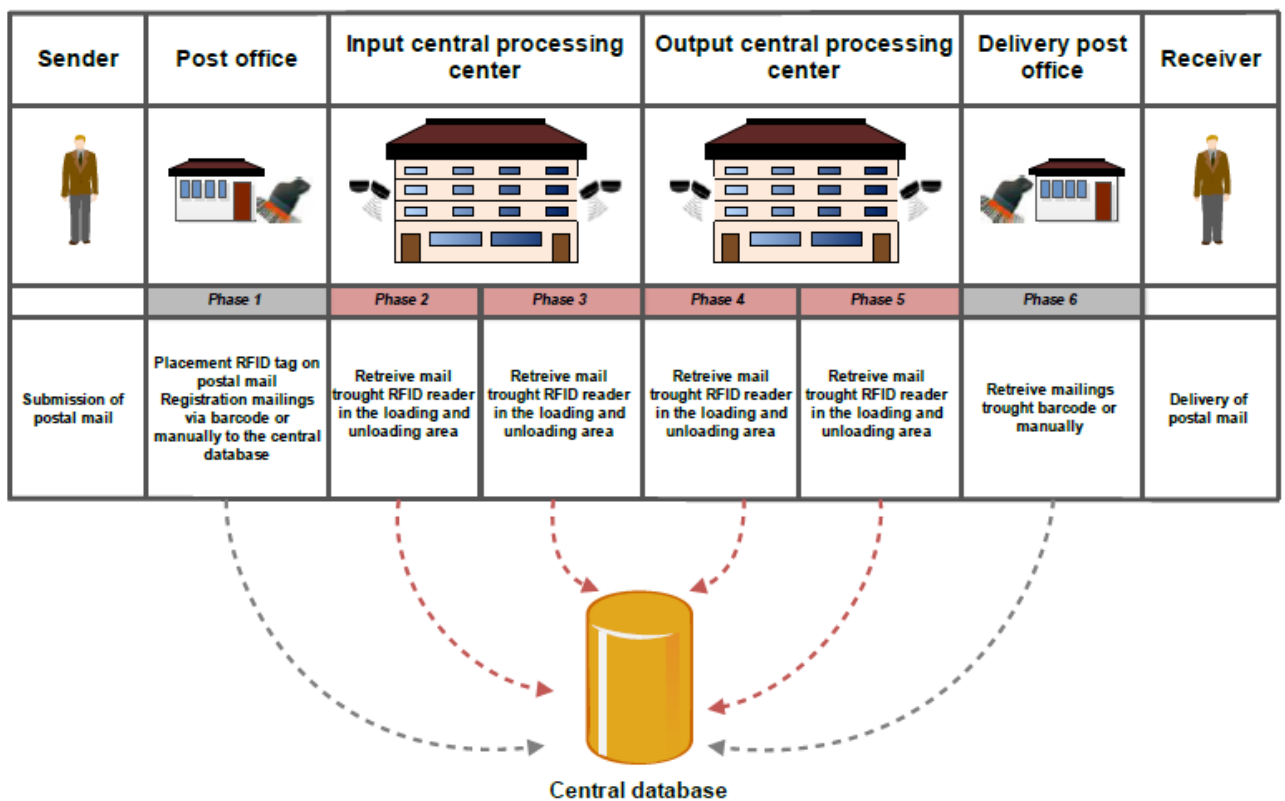


Figure 3.12 – Principle of the proposed model

Therefore, the latest information technologies for managing cargo transportation, in particular postal shipments, which are based on high accuracy and correspondence of information in real time, can make a significant contribution to the

entire logistics system of the Ukrposhta company. At the same time, reducing the risks of human intervention, errors or corruption.

General benefits of using Freight Management Software are shown in Fig. 3.11.



Figure 3.11 – General benefits of using Freight Management Software [5]

In particular, the following advantages of FMS implementation for Ukrposhta can be described:

- improving customer service: FMS automates internal operations, which helps to more accurately meet customer needs and quickly respond to their changes;
- cloud systems, analytics based on artificial intelligence and machine learning, as well as proper integration with existing supply chain management systems eliminate possible "bottlenecks" in the chain;
- helps increase business scalability potential.

On the basis of the proposed system, it is also possible to consider what benefits all participants in the process of administration, transportation and delivery of postal items will receive as a result. Namely: the sender, the addressee and the postal operator (Fig. 3.12).

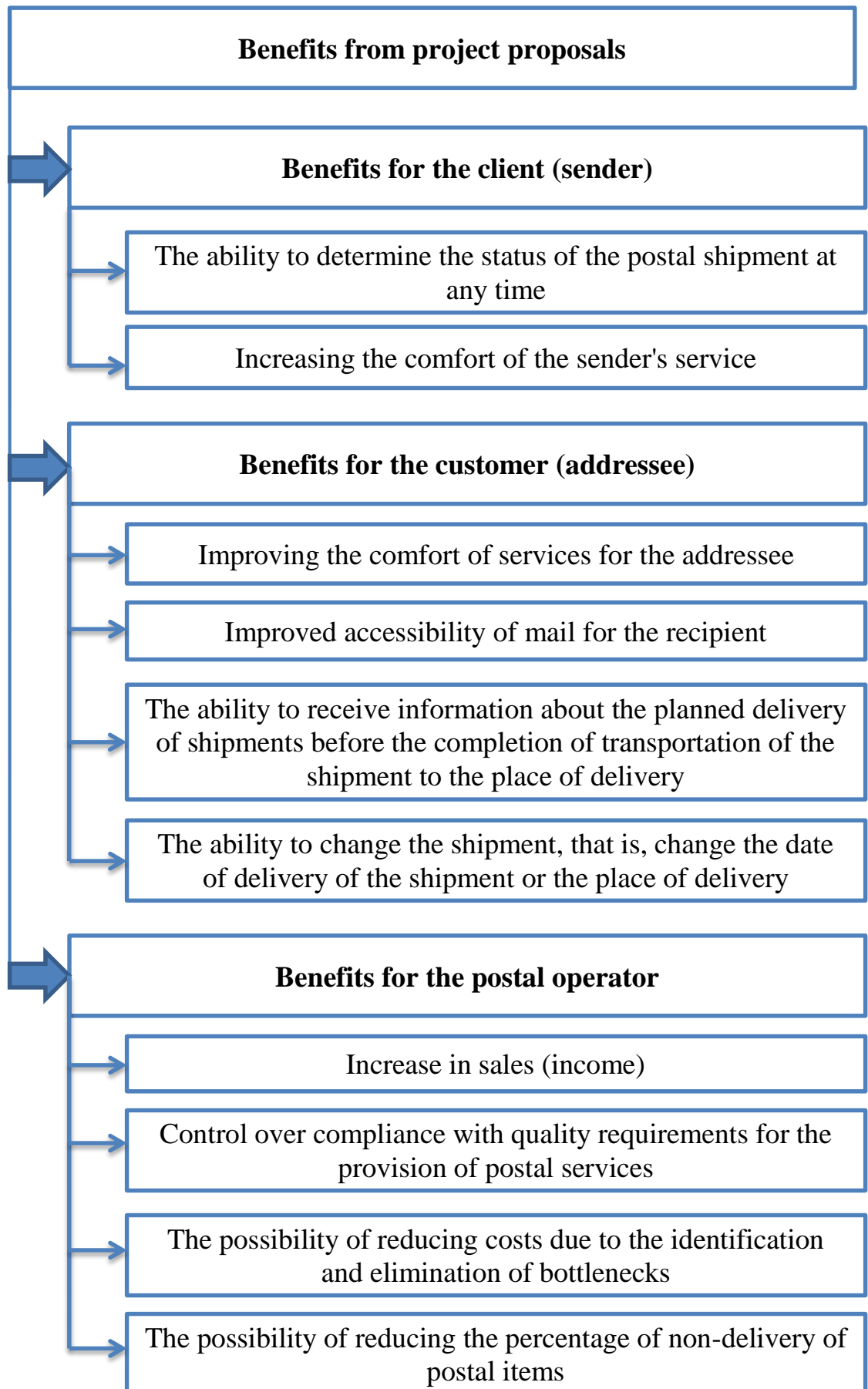


Figure 3.12 – Benefits from project proposal

In order to calculate the economic effect that Ukrposhta can get from the project proposals, it is necessary to determine the costs of the project, the projected revenues from the project and its NPV.

We can calculate the income from the project as a certain percentage of the increase in income. The basis will be the trend line built on the basis of the data in the Table 2.2 and using the Excel toolkit (Fig. 3.13).

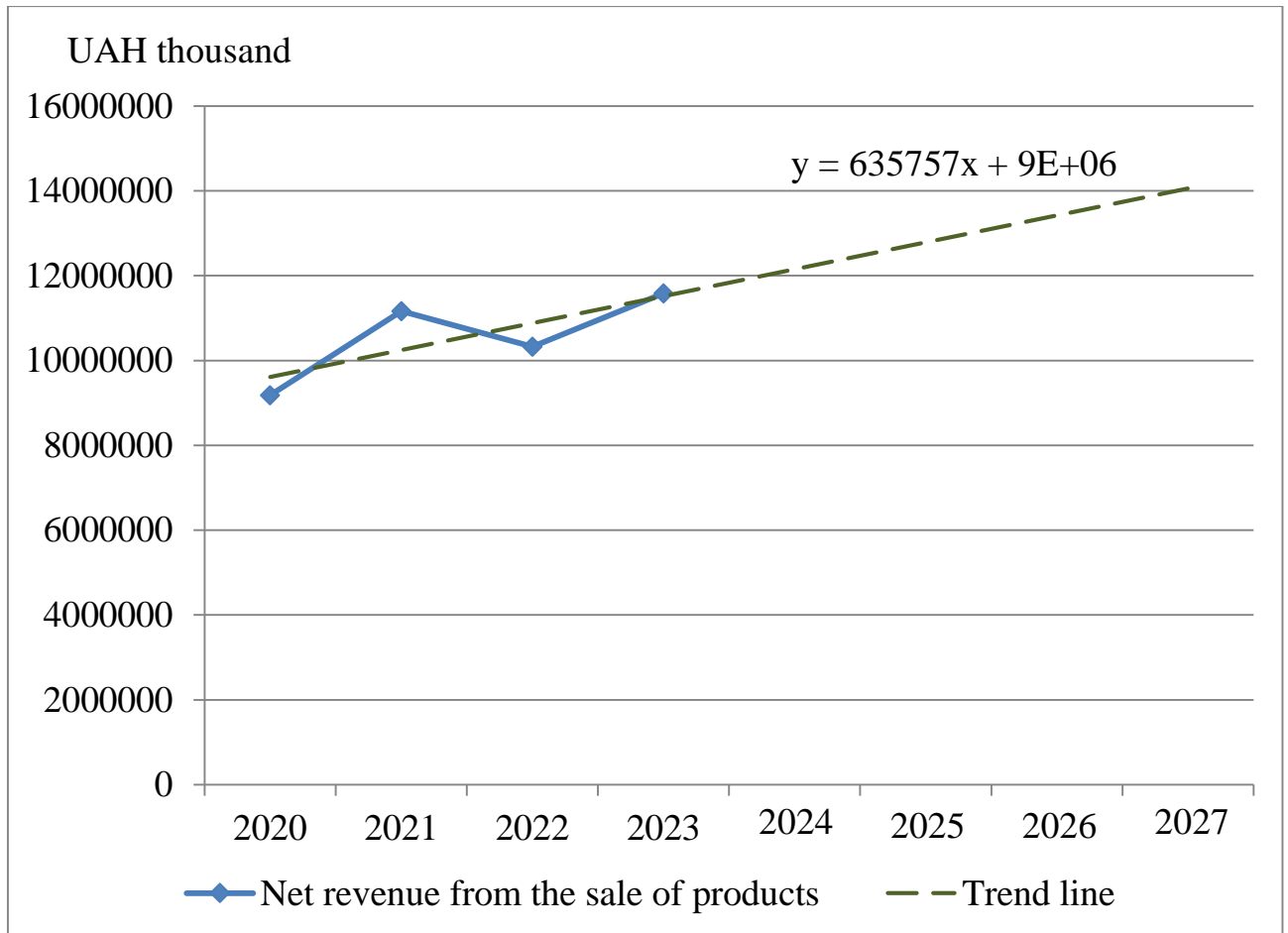


Figure 3.13 – Net revenue trend line of Ukrposhta

In our calculations, we will assume that project proposals will provide an opportunity to increase income by 3% annually from the constructed trend.

Costs for the system amount to UAH 500 million. initial, and then current costs will be 25% of the initial.

We will accept the discount rate at the level of 15%.

The calculation of NPV of the project is presented in the Table 3.2.

Table 3.2 – NPV of the project at a discount rate of 15%

№	Indicators	2024	2025	2026	2027
1	2	3	4	5	6
1	Number of the year	0	1	2	3
2	Discount factor	1,000	0,870	0,756	0,658
3	Costs for implementing the system, UAH thousand	500000	125000	125000	125000
4	Discounted costs, UAH thousand	500000	108696	94518	82190
5	Projected additional income, UAH thousand	0	383621	402693	421766
6	Discounted additional income, UAH thousand	0	333583	304494	277318
7	Effect of implementation, UAH thousand	-500000	258621	277693	296766
8	Discounted effect, UAH thousand	-500000	224888	209976	195129
9	NPV, UAH thousand	129992			

Finding the payback period of the project is shown in Fig. 3.14.

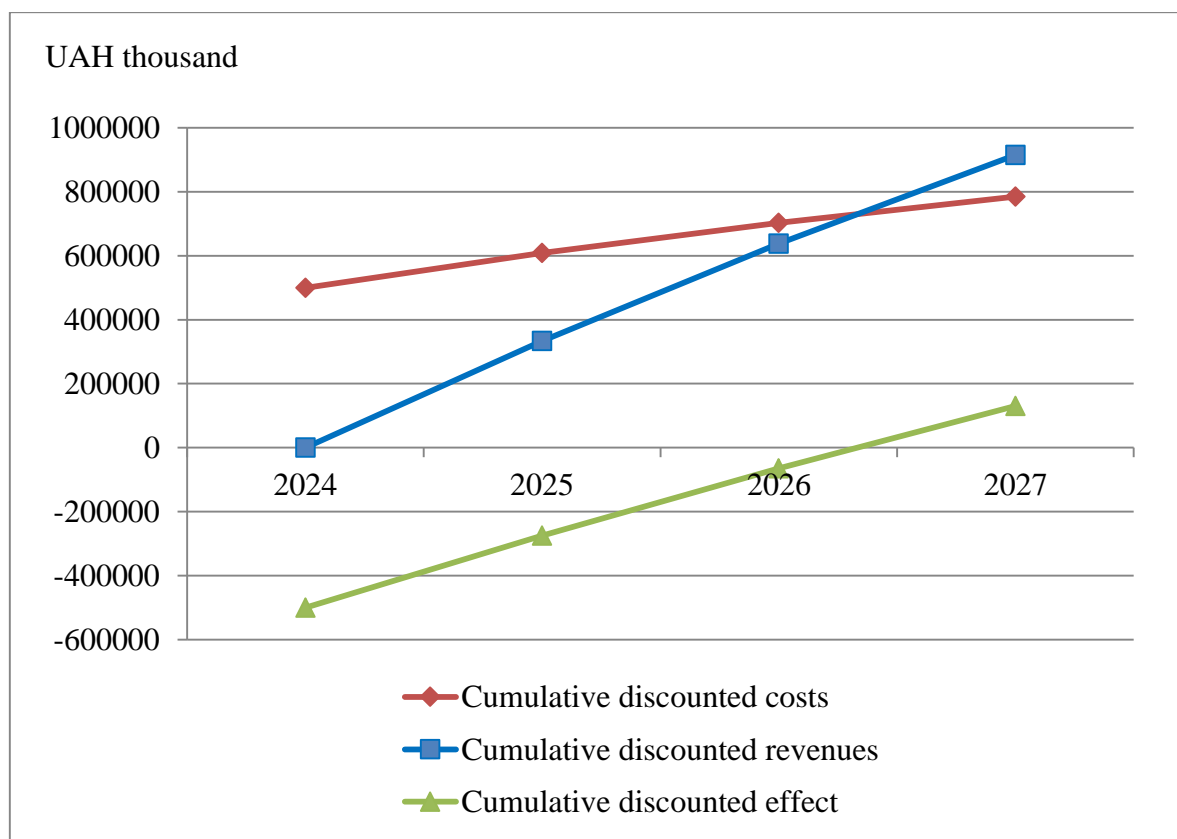


Figure 3.14 – Finding the payback period of the project

So, we can see that the NPV of the project is positive, the payback period of the project is slightly less than 3.5 years. Thus, the project is economically profitable, and therefore can be recommended for implementation in the activities of the Ukrposhta Company.

Finally, effective postal supply chain management becomes possible when the postal operator understands that it must meet rapidly changing customer demands. This understanding is the only way to gain new markets, scale business for greater profits, increase return on investment and strengthen your competitive advantage.

Chapter 3 summary

The third chapter dealt with project proposals for improving the organization of Ukrposhta activities based on modern information technologies.

Possible directions for improving the organization of the postal operator's activities have been identified. It was noted, that Ukrposhta considers the following strategic investment projects: automation of the logistics network, completion of the automation of the postal network, strengthening of the company's resilience to power and communication failures, renewal of the company's fleet and replacement of critical IT systems.

The latest technologies and information systems are the main factor in saving time, labor and costs. The postal industry can also be considered one of the examples of such influence.

Next, project proposals were developed for the implementation of the Post Office Management System in the activities of Ukrposhta.

Post Office Management System makes it easy to work with message details, remittance details, sales and invoices, etc. The implementation of the Post Office Management System in the activities of Ukrposhta will help improve the work process and make management more efficient. In general, the Post Office

Management System can provide users with timely information when needed and improve the management description at the appropriate time.

A project to improve the management of the process of mail delivery with the participation of air transport was also developed.

Based on the conducted research, we can say that the Ukrposhta Company also needs to implement the latest technologies that will help improve the management of the process of mail delivery with the participation of air transport. In particular, this is Freight Management System or Freight Management Software. The basis of the functioning of this system should be the integration of mobile technologies with RFID technology.

The NPV of the project is positive; the payback period of the project is slightly less than 3.5 years. Thus, the project is economically profitable, and therefore can be recommended for implementation in the activities of the Ukrposhta Company.

CONCLUSIONS AND RECOMMENDATIONS

In the first chapter theoretical foundations of organizing a postal operator's activities using air transport were investigated.

According to the definition given in the Law of Ukraine «On Postal Communications», a postal operator is a business entity that operates on the territory of Ukraine and provides postal services in accordance with the procedure established by law. Postal operators provide postal services. Postal services are the activity of a postal operator for the reception, processing, transportation and delivery (handover) of postal items, the execution of user instructions regarding postal transfers, aimed at meeting the needs of users

Postal operators can use their own means of transport for the transportation of mail, as well as the transport of other individuals and legal entities on contractual basis. Transportation of postal items by road, water, rail and air transport is carried out on a contractual basis in accordance with the legislation.

It was noted, that the success of cooperation between the aviation and postal industries to improve the global delivery of mail directly depends on the cooperation and coordination between the International Air Transport Association and the Universal Postal Union. This joint effort should help both sectors solve logistics problems and improve customer service worldwide.

During the second chapter we conducted organizational and economic analysis of the Ukrposhta activity.

JSC “Ukrposhta” is the only national postal operator in Ukraine. It was found in 1947. Ukrposhta's network covers 100% of the territory of Ukraine (more than 27,000 settlements, except for the temporarily occupied ones). It provides postal, logistics, financial and trade services for individuals and business clients.

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

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

Also it was conducted analysis of the economic and financial state of the enterprise's activity. Throughout 2023, the economy recovered thanks to the high adaptability of businesses and households to the war and loose fiscal policy, which was supported by large-scale international financing. According to the National Bank of Ukraine, GDP grew by 5.7% in 2023 (after falling by 30.3% in 2022). Despite the war, economic growth is expected to continue. In 2024, real GDP is expected to grow by 3.6%, primarily due to continued high budget spending amid expected sufficient international assistance.

Also it was conducted analysis of the business processes organization. Ukrposhta customers can order delivery to the most remote corners of Ukraine, send and receive parcels from all over the world, and vice versa.

The third chapter dealt with project proposals for improving the organization of Ukrposhta activities based on modern information technologies.

Possible directions for improving the organization of the postal operator's activities have been identified. It was noted, that Ukrposhta considers the following strategic investment projects: automation of the logistics network, completion of the automation of the postal network, strengthening of the company's resilience to power and communication failures, renewal of the company's fleet and replacement of critical IT systems. In order to increase the competitiveness of Ukrposhta in the rapidly changing business environment, as well as to obtain loyal customers, the use of special software for managing postal transportation is necessary.

The latest technologies and information systems are the main factor in saving time, labor and costs. The postal industry can also be considered one of the examples of such influence.

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The NPV of the project is positive; the payback period of the project is slightly less than 3.5 years. Thus, the project is economically profitable, and therefore can be recommended for implementation in the activities of the Ukrposhta Company.

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Financial statements for 2023

Company: JSC "Ukrposhta"
 Territory: Ukraine, Kyiv, Shevchenkiivskiy district
 Organisational and legal form of business: State joint-stock company (company)
 Type of economic activity: National postal services
 Average number of employees: 34 751
 Address, phone number: 22 Khreshchatyk Street, Kyiv
 Unit of measurement: UAH thousand, without decimal point
 Prepared (mark a "V" in the appropriate cell):
 under the Accounting Regulations (Standards)
 in accordance with International Financial Reporting Standards

v

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

Form No. 1 Classification code				1801001
Asset	Note	Line code	31 December 2022 p.	31 December 2023 p.
I. Non-current assets				
Intangible assets	9	1000	115 895	123 622
historical cost		1001	143 589	153 625
amortisation		1002	(27 694)	(30 003)
Capital investments in progress	9	1005	295 454	324 447
Property, plant and equipment	9	1010	3 870 901	4 041 107
historical cost		1011	6 847 341	7 521 947
depreciation		1012	(2 976 440)	(3 480 840)
Investment property	9	1015	68 961	65 522
historical cost		1016	79 104	78 166
depreciation		1017	(10 143)	(12 644)
Other financial investments	11	1035	12 579	13 418
Long-term receivables		1040	180	166
Deferred tax assets	30	1045	87 652	255 571
Total for section I		1095	4 451 622	4 823 853
II. Current assets				
Inventory	10	1100	564 624	455 388
production stock		1101	348 417	331 631
work in progress		1102	-	-
finished goods		1103	-	-
Goods for resale		1104	216 207	123 757
Receivables for goods, works and services	11	1125	325 063	555 585
Receivables from settlements:				
for advances issued	11	1130	74 177	150 544
with the budget	11	1135	9 193	8 481
including corporate profit tax prepaid		1136	20	20
from accrued income	11	1140	19 958	7 802
Other current receivables	11	1155	114 114	130 809
Current financial investments	12	1160	585 098	-
Cash and cash equivalents	12	1165	3 132 038	5 233 842
Cash on hand		1166	339 238	118 937
Current accounts with banks		1167	2 792 800	5 114 905
Other current assets		1190	68 977	76 110
Total for section II		1195	4 893 242	6 618 561
III. Non-current assets held for sale and disposal groups	9	1200	73 819	60 539
BALANCE		1300	9 418 683	11 502 953

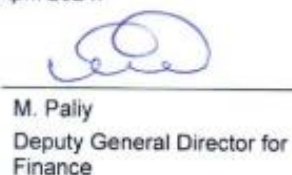
BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) (CONTINUED)

Liabilities	Note	Line code	Form No. 1	Classifier code	1801001
			31 December 2022 p.	31 December 2023 p.	
I. Equity					
Registered (share) capital	14	1400	6 518 597		6 518 597
Revaluation effect on corporatisation	14	1416	(5 254 038)		(5 254 038)
Retained earnings		1420	155 241		(641 120)
Total for section I		1495	1 419 800		623 439
II. Long-term liabilities and provisions					
Deferred tax liabilities	30	1500	-		-
Long-term bank borrowings	15	1510	863 115		795 276
Other long-term liabilities	15	1515	266 211		451 034
Total for section II		1595	1 129 326		1 246 310
III. Current liabilities and provisions					
Short-term bank borrowings	15	1600	3 381		-
Current payables for: long-term liabilities	15	1610	431 583		485 913
goods, works, services	16	1615	2 778 229		3 498 755
settlements with the budget		1620	72 700		96 248
including liability on income tax		1621	-		-
insurance		1625	55 209		47 310
payroll		1630	202 725		185 917
Current payables on advances received		1635	213 236		172 698
Current payables for settlements with shareholder		1640	-		-
Accruals and other provisions	17	1660	619 143		919 501
Deferred revenue	18	1665	319 253		344 135
Other current liabilities	19	1690	2 174 098		3 882 727
Total for section III		1695	6 869 557		9 633 204
BALANCE		1900	9 418 683		11 502 953

Approved for issue and signed on 24 April 2024.



I. Smelyansky
General Director



M. Paliy
Deputy General Director for
Finance



K. Klymenko
Chief Accountant

STATEMENT OF FINANCIAL RESULT (STATEMENT OF COMPREHENSIVE INCOME)

for 2023

Form No. 2

Classifier code

1801003

I. FINANCIAL RESULTS

Item	Note	Line code	For the reporting period - 2023	For the previous period - 2022
1		2	3	4
Net revenue from sales of goods, works and services	20	2000	11 581 111	10 323 419
Cost of sales of goods, works and services	21	2050	(10 656 528)	(9 926 858)
Gross:				
Profit		2090	924 583	396 561
Loss		2095	-	-
Other operating income	27	2120	305 082	179 762
Administrative expenses	23	2130	(1 429 681)	(1 148 387)
Selling expenses	22	2150	(281 252)	(207 900)
Other operating expenses	24	2180	(379 726)	(411 903)
Financial result from operating activities:				
Profit		2190	-	-
Loss		2195	(860 994)	(1 191 867)
Other financial income	25	2220	127 299	140 419
Other income	28	2240	99 216	126 412
Financial expenses	26	2250	(177 920)	(115 054)
Other expenses	29	2270	(151 881)	(493 072)
Financial result before tax:				
Profit		2290	-	-
Loss		2295	(964 280)	(1 533 162)
Income tax (expense)/credit	30	2300	167 919	275 073
Net financial result:				
Profit		2350	-	-
Loss		2355	(796 361)	(1 258 089)

II. COMPREHENSIVE INCOME

Item	Note	Line code	For the reporting period - 2023	For the previous period - 2022
1		2	3	4
Revaluation of non-current assets		2400	-	-
Other comprehensive income		2445	-	-
Other comprehensive income before taxation		2450	-	-
Income tax arising on other comprehensive income		2455	-	-
Other comprehensive income after taxation		2460	-	-
Total comprehensive income (total of lines 2350, 2355 and 2460)		2465	(796 361)	(1 258 089)

STATEMENT OF FINANCIAL RESULTS (STATEMENT OF COMPREHENSIVE INCOME)
for 2023
(continued)

Form No. 2

III. ELEMENTS OF OPERATING EXPENSES

Item	Note	Line code	For the reporting period - 2023	For the previous period - 2022
1		2	3	4
Material expenses		2500	1 122 506	942 235
Payroll		2505	5 974 643	5 469 472
Social security tax		2510	1 300 245	1 275 354
Depreciation/amortisation		2515	718 363	582 986
Other operating expenses		2520	3 298 839	3 074 363
Cost of goods sold		2530	332 591	350 638
Total		2550	12 747 187	11 695 048

IV. CALCULATION OF SHARES PROFITABILITY

Item	Note	Line code	For the reporting period - 2023	For the previous period - 2022
1		2	3	4
Average annual number of ordinary shares		2600	-	-
Adjusted average annual number of ordinary shares		2605	-	-
Net profit/(loss) per ordinary share		2610	-	-
Adjusted net profit/(loss) per ordinary share		2615	-	-
Dividends per ordinary share		2650	-	-

Approved for issue and signed on 24 April 2024.


I. Smelyansky
General Director


M. Paliy
Deputy General Director for
Finance


K. Klymenko
Chief Accountant

Financial statements for 2022

Enterprise: JSC "Ukrposhta"
 Territory: Ukraine, Kyiv, Shevchenkivskiy district
 Organisational and legal form of economic activity: State Joint-Stock Company
 Type of economic activity: National postal services
 Average number of employees: 53,432
 Address, telephone: 22 Khreschatyk Str., Kyiv
 Units of measurement: thousands of Hryvnias, no decimal point
 Prepared (mark "v" in the appropriate cell):
 in accordance with National Regulations (Standards) of Accounting
 in accordance with International Financial Reporting Standards

v

Balance Sheet (Statement of Financial Position)

			Form No. 1 Code under DKUD	1801001
Asset	Note	Line code	31 December 2021	31 December 2022
I. Non-current assets				
Intangible assets	9	1000	55,518	115,895
historical cost		1001	150,078	143,589
amortisation		1002	(94,560)	(27,694)
Capital investments in progress	9	1005	320,864	295,454
Property, plant and equipment	9	1010	3,830,957	3,870,901
historical cost		1011	6,180,904	6,847,341
depreciation		1012	(2,329,947)	(2,976,440)
Investment property	9	1015	100,693	68,961
historical cost		1016	107,386	79,104
depreciation		1017	(6,693)	(10,143)
Other financial investments		1035	19,076	12,579
Long-term accounts receivable		1040	196	180
Deferred tax assets		1045	-	87,652
Total Section I		1095	4,327,306	4,451,622
II. Current assets				
Inventory	10	1100	293,899	564,624
production stock		1101	231,750	348,417
work in progress		1102	11	-
finished goods		1103	-	-
goods for resale		1104	62,138	216,207
Accounts receivable for goods, works and services	11	1125	401,152	325,063
historical cost		1125.1	459,406	399,892
impairment provision		1125.2	(58,254)	(74,829)
Accounts receivable on settlements: for advances issued	11	1130	35,830	74,177
with the budget	11	1135	8,942	9,193
including corporate profit tax prepaid		1136	-	20
on accrued income	11	1140	8,686	19,958
Other current accounts receivable	11	1155	155,828	114,114
historical cost		1155.1	179,138	146,066
impairment provision		1155.2	(23,310)	(31,952)
Current financial investments	12	1160	1,509,233	585,096
Cash and cash equivalents	12	1165	3,893,395	3,132,038
Cash on hand		1166	119,329	338,238
Current accounts		1167	3,774,066	2,792,800
Other current assets		1190	57,720	68,977
Total Section II		1196	6,364,685	4,893,242
III. Non-current assets held for sale and disposal groups	9	1200	75,643	73,819
BALANCE		1300	10,767,634	9,418,683

Balance Sheet (Statement of Financial Position) (continued)

Liabilities	Note	Form No. 1 Line code	Code under DKUD	1801001
			31 December 2021	31 December 2022
I. Equity				
Registered (share) capital	14	1400	6,518,587	6,518,587
Revaluation effect on corporatisation	14	1416	(5,254,038)	(5,254,038)
Retained earnings		1420	1,413,330	155,241
Total Section I		1495	2,677,889	1,419,800
II. Long-term liabilities and provisions				
Deferred tax liabilities	30	1500	189,105	-
Long-term bank borrowings	15	1510	612,878	863,115
Other long-term liabilities	15	1515	318,515	266,211
Total Section II		1595	1,120,498	1,129,326
III. Current liabilities and provisions				
Short-term bank borrowings	15	1600	70,011	3,381
Current accounts payable on settlements: for long-term liabilities	15	1610	274,500	431,583
for goods, works, services	16	1615	1,733,721	2,778,229
with the budget		1620	137,553	72,700
including liability on income tax		1621	22,028	-
for insurance		1625	84,806	55,209
on payroll		1630	250,279	202,725
Current accounts payable on advances received		1635	191,403	213,236
Current accounts payable on settlements with shareholder	14	1640	55,075	-
Accruals and other provisions	17	1660	614,308	619,143
Deferred revenue	18	1665	499,055	319,253
Other current liabilities	19	1690	3,058,535	2,174,098
Total Section III		1695	6,969,247	6,869,557
BALANCE		1900	10,767,634	9,418,683


Approved for issue and signed on 24 April 2023.





I. Smelyansky
 General Director

M. Paliy
 Deputy General Director of
 Finance



K. Klymenko
 Chief Accountant

Enterprise: JSC "Ukrposhta"
Statement of Financial Results (Statement of Comprehensive Income)
for 2022

Form No. 2

Code under DKUD

1801003

I. FINANCIAL RESULTS

Item	Note	Line code	For the reporting period - 2022	For the reporting period - 2021
1		2	3	4
Net revenue from sales of goods, works and services	20	2000	10,323,419	11,181,868
Cost of sales of goods, works and services	21	2050	(9,926,858)	(9,536,425)
Gross:				
Profit		2090	396,561	1,645,443
Loss		2095	-	-
Other operating income	27	2120	179,762	309,471
Administrative expenses	23	2130	(1,148,387)	(1,324,050)
Selling expenses	22	2150	(207,900)	(259,349)
Other operating expenses	24	2180	(411,903)	(170,034)
Financial result from operating activities:				
Profit		2190	-	201,481
Loss		2195	(1,181,867)	-
Other financial income	25	2220	140,419	104,904
Other income	28	2240	126,412	91,705
Financial expenses	26	2250	(115,054)	(114,569)
Other expenses	29	2270	(493,072)	(45,575)
Financial result before taxation:				
Profit		2290	-	237,946
Loss		2295	(1,533,162)	-
Income tax (expenses)/credit	30	2300	275,073	(54,364)
Net financial result:				
Profit		2350	-	183,582
Loss		2355	(1,258,089)	-

II. COMPREHENSIVE INCOME

Item	Note	Line code	For the reporting period - 2022	For the reporting period - 2021
1		2	3	4
Revaluation of non-current assets		2400	-	-
Other comprehensive income		2445	-	-
Other comprehensive income before tax		2450	-	-
Income tax arising on other comprehensive income		2455	-	-
Other comprehensive income after tax		2460	-	-
Total comprehensive income (total of lines 2350, 2355 and 2460)		2465	(1,258,089)	183,582

JSC "Ukrposhta"
Statement of Financial Results (Statement of Comprehensive Income)
 All amounts in thousands of Ukrainian Hryvnia

Statement of Financial Results (Statement of Comprehensive Income)
 for 2022
 (continued)

Form No. 2

III. ELEMENTS OF OPERATING EXPENSES

Item	Note	Line code	For the reporting period - 2022	For the reporting period - 2021
1		2	3	4
Material expenses		2500	942,235	645,645
Payroll		2505	5,469,472	6,194,389
Social payments		2510	1,275,354	1,461,785
Depreciation/amortisation		2515	582,986	454,092
Other operating expenses		2520	3,074,363	2,437,060
Cost of goods sold		2530	350,638	96,887
Total		2550	11,695,048	11,289,858

IV. CALCULATION OF SHARES PROFITABILITY

Item	Note	Line code	For the reporting period - 2022	For the reporting period - 2021
1		2	3	4
Average annual number of ordinary shares		2600	-	-
Adjusted average annual number of ordinary shares		2605	-	-
Net profit/(loss) per ordinary share		2610	-	-
Adjusted net profit/(loss) per ordinary share		2615	-	-
Dividends per ordinary share		2650	-	-

Approved for issue and signed on 24 April 2023.





I. Smelyansky
 General Director


 M. Paliy
 Deputy General Director of Finance

K. Klymenko
 Chief Accountant

Financial statements for 2021

Enterprise: **SC "Ukrposhta"**
 Territory: **Ukraine, Kyiv, Shevchenkivskiy district**
 Organisational and legal form of economic activity: **State Stock Company (company)**
 Type of economic activity: **National postal services**
 Average number of employees: **61,779**
 Address, telephone: **22, Khreschatyk Str., Kyiv**
 Measurement unit: thousands of Hryvnias, no decimal point
 Prepared (mark "v" in the appropriate cell):
 in accordance with National Regulations (Standards) of Accounting
 in accordance with International Financial Reporting Standards

v

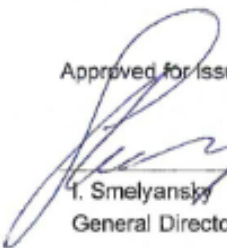
Balance Sheet (Statement of Financial Position)

		Form No. 1 DKUD code	1801001	
Asset	Note	Line code	31 December 2020 (restated)	31 December 2021
I. Non-current assets				
Intangible assets		1000	18 695	55 518
historical cost		1001	115 114	150 078
amortisation		1002	(96 419)	(94 560)
Capital investments in progress	9	1005	65 889	320 864
Property, plant and equipment	9	1010	3 410 581	3 830 957
historical cost		1011	5 401 387	6 160 904
depreciation		1012	(1 990 786)	(2 329 947)
Investment property	9	1015	117 377	100 693
historical cost		1016	120 829	107 386
depreciation		1017	(3 452)	(6 693)
Other financial investments		1035	17 925	19 078
Long-term accounts receivable		1040	209	196
Deferred tax assets		1045	-	-
Total Section I		1095	3 630 676	4 327 306
II. Current assets				
Inventory	10	1100	225 554	293 899
production stock		1101	161 138	231 750
work in process		1102	4 170	11
finished goods		1103	11 518	-
goods for resale		1104	48 726	62 138
Accounts receivable for goods, works and services	11	1125	335 518	401 152
historical cost		1125.1	371 650	459 406
impairment provision		1125.2	(36 134)	(58 254)
Accounts receivable on settlements: for advances issued	11	1130	24 818	35 830
with the budget	11	1135	17 197	8 942
including corporate profit tax prepaid		1136	13 260	-
on accrued income	11	1140	8 785	8 686
Other current accounts receivable	11	1155	97 356	155 828
historical cost		1155.1	118 956	179 138
impairment provision		1155.2	(21 600)	(23 310)
Current financial investments	12	1160	195 095	1 509 233
Cash and cash equivalents	12	1165	5 246 112	3 893 395
Cash on hand		1166	493 831	119 329
Current accounts		1167	4 752 281	3 774 066
Other current assets		1190	29 695	57 720
Total Section II		1195	6 180 128	6 364 685
III. Non-current assets held for sale and disposal groups	9	1200	98 659	75 643
Balance		1300	9 909 463	10 767 634


Balance Sheet (Statement of Financial Position) (continued)

Liabilities	Note	Line code	Form No. 1	DKUD Code	1801001
			31 December 2020 (restated)	31 December 2021	
I. Equity					
Registered (share) capital	14	1400	6 518 597	6 518 597	
Revaluation effect on corporatisation	14	1416	(5 254 038)	(5 254 038)	
Retained earnings	8	1420	1 317 807	1 413 330	
Total Section I		1495	2 582 366	2 677 889	
II. Long-term liabilities and provisions					
Deferred tax liabilities	30	1500	201 646	189 105	
Long-term bank borrowings	15	1510	65 878	612 878	
Other long-term liabilities	15,6	1515	361 220	318 515	
Total Section II		1596	628 744	1 120 498	
III. Current liabilities and provisions					
Short-term bank borrowings	15,6	1600	250 758	127 223	
Current accounts payable on settlements: for long-term liabilities	15	1610	168 707	217 268	
for goods, works, services	16	1615	1 103 112	1 733 721	
with the budget		1620	99 315	137 553	
including liability on income tax		1621	-	22 028	
for insurance		1625	55 484	84 806	
on payroll		1630	205 345	250 279	
Current accounts payable on advances received		1635	259 671	191 403	
Current accounts payable on settlements with shareholder	14	1640	49 477	55 075	
Accruals and other provisions	17	1680	502 007	614 309	
Deferred revenue	18	1685	413 663	499 055	
Other current liabilities	19	1690	3 500 814	3 058 535	
Total Section III		1696	6 698 353	6 969 247	
BALANCE		1900	9 909 463	10 767 634	

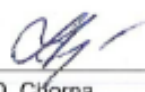
Approved for issue and signed on 9 June 2022.



I. Smelyansky
General Director

M. Paliy
Deputy General Director of
Finance



O. Chorna
Acting Chief Accountant

Enterprise: SC "Ukrposhta"
Statement of Financial Results (Statement of Comprehensive Income)
for 2021

Form No. 2

DKUD Code

1801003

I. FINANCIAL RESULTS

Item	Note	Line code	For the reporting period - 2021	For the prior period - 2020 (restated)
1		2	3	4
Net revenue from sales of goods, works and services	20	2000	11 181 868	9 182 437
Cost of sales of goods, works and services	21	2050	(9 536 425)	(7 774 565)
Gross:				
Profit		2090	1 645 443	1 407 872
Loss		2095	-	-
Other operating income	27,6	2120	309 471	259 383
Administrative expenses	23	2130	(1 324 050)	(1 136 999)
Selling expenses	22	2150	(259 349)	(211 367)
Other operating expenses	24,6	2180	(170 034)	(147 237)
Financial results from operating activities:				
Profit		2190	201 481	171 652
Loss		2195	-	-
Other financial income	25	2220	104 904	94 517
Other income	28	2240	91 705	68 959
Financial expenses	26,6	2250	(114 569)	(86 028)
Other expenses	29	2270	(45 575)	(45 477)
Financial result before taxation:				
Profit		2290	237 946	203 623
Loss		2295	-	-
Income tax (expense)/credit	30	2300	(54 364)	(42 383)
Net financial result:				
Profit		2350	183 582	161 240
Loss		2355	-	-

II. COMPREHENSIVE INCOME

Item	Note	Line code	For the reporting period - 2021	For the prior period - 2020 (restated)
1		2	3	4
Revaluation of non-current assets		2400	-	-
Other comprehensive income		2445	-	-
Other comprehensive income before tax		2450	-	-
Income tax arising on other comprehensive income		2455	-	-
Other comprehensive income after tax		2460	-	-
Comprehensive income (total of lines 2350, 2355 and 2460)		2465	183 582	161 240

Statement of Financial Results (Statement of Comprehensive Income)
for 2021
(continued)

Form No. 2

III. ELEMENTS OF OPERATING EXPENSES

Item	Note	Line code	For the reporting period - 2021	For the prior period - 2020 (restated)
1		2	3	4
Material expenses		2500	645 645	520 443
Payroll		2505	6 194 389	5 280 313
Social payments		2510	1 461 785	1 237 219
Depreciation/amortisation		2515	454 092	354 882
Other operating expenses		2520	2 437 060	1 784 579
Cost of goods sold		2530	96 887	92 732
Total		2550	11 289 858	9 270 168

IV. CALCULATION OF SHARES PROFITABILITY

Item	Note	Line code	For the reporting period - 2021	For the prior period - 2020
1		2	3	4
Average annual number of ordinary shares		2500	-	-
Average annual number of ordinary shares, adjusted		2505	-	-
Net profit/(loss) per share		2510	-	-
Net profit/(loss) per share, adjusted		2515	-	-
Dividends per ordinary share		2550	-	-

Approved for issue and signed on 09 June 2022.

 Smetlyansky General Director	 M. Paliy Deputy General Director of Finance	 O. Chorna Acting Chief Accountant
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