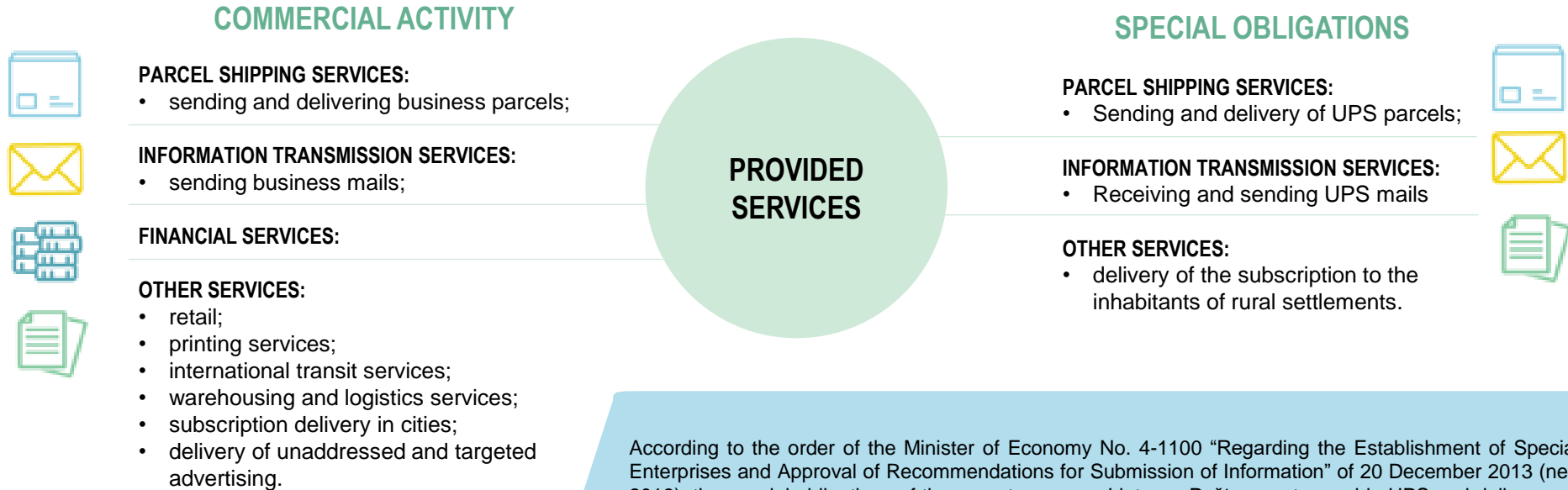


LIETUVOS PAŠTAS STRATEGY FOR 2022–2024



SERVICES



According to the order of the Minister of Economy No. 4-1100 “Regarding the Establishment of Special Obligations of State-Owned Enterprises and Approval of Recommendations for Submission of Information” of 20 December 2013 (new wording No. 4-270 of 7 May 2018), the special obligations of the parent company Lietuvos Paštas are to provide UPS and deliver periodicals to subscribers in rural areas.

UPS tariffs must be based on the cost of the UPS provided, but be accessible to all users of postal services and be transparent and non-discriminatory.

The service of delivering periodicals to subscribers in rural areas is not included in the UPS, but the postal service provider obliged by the Government to provide periodicals must deliver periodicals to subscribers in rural areas at rates approved by the Government.

SHAREHOLDERS' EXPECTATIONS

| AREA OF EXPECTATIONS | DETAILING OF EXPECTATIONS ¹ |
|----------------------------|---|
| Social Responsibility | <p>Social responsibility and caring for employees. The company must conduct its business in accordance with the highest standards of transparency, governance, ethics and social responsibility.</p> |
| | <p>Quality of customer service. The company must increase the value of services provided to customers, improve its quality and customer satisfaction.</p> |
| | <p>Ensuring functions important to the state. The company must ensure universal postal service and delivery of periodicals to subscribers residing in rural residential areas.</p> |
| Non-financial expectations | <p>Development opportunities. The Ministry of Transport and Communications expects that the Company will take advantage of the prospects and opportunities of international markets and will actively operate in international postal services market</p> |
| | <p>Innovation. The Company must prioritize the development of innovative technology solutions that create value for customers and the Company itself.</p> |
| | <p>Leadership. The Ministry of Transport and Communications expects that the Company will become a leader in its field in the region by investing in new technologies and modern working methods.</p> |
| | <p>Transparency and risk management. The Company must implement such anti-corruption measures and processes that would ensure that the Company's operations are carried out in a transparent and fair manner. The company must implement and continuously improve its risk management system.</p> |
| | <p>Efficiency. In order to be competitive, The Company must pay attention to activities that increase efficiency and help manage operating costs.</p> |
| Financial Expectations | <p>Good governance. The Company must be rated at least A in the annual Index of Good Corporate Governance of State-Owned Enterprises.</p> |
| | <p>The company's target return on equity (ROE) must be at least 9%.</p> |
| | <p>Dividends, after covering losses incurred in previous periods, must be at least 80% of the Company's distributable profit for the relevant year. The company must ensure a consistent reduction of the share of debt in the capital structure and strive to ensure that the ratio of financial debts to equity does not exceed: 2020 - 3.8; 2021 -3.2; 2022 - 2.6; 2023 - 2.2.</p> |

STRATEGY FOR 2022 – 2024

STRATEGY - SUSTAINABLE GROWTH

Focus on growing revenue from shipping parcels, innovating and creating more convenience for customers.

STRATEGIC DIRECTIONS



MISSION

Convenient to receive and send. For everyone.



VISION

A modern and reliable post office that connects Lithuania with the world.



VALUES

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



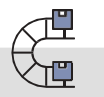
Enhancing financial sustainability



Development of e-commerce solutions for customers



Provision of quality postal services



Performance optimisation, automation and digitisation



Reducing the impact on climate change



Creating a motivating work environment

OUR MISSION IN MORE DETAIL





CONNECTING LITHUANIA WITH THE REST OF THE WORLD

This is a phrase that shows the impact that Lietuvos Paštas has on society. At the same time, this means that Lietuvos Paštas will not only be a local postal service provider in Lithuania, but will apply its services and solutions internationally.

MODERN

For our customers this means that Lietuvos Paštas will seek to maintain an image of a modern postal service provider with its main processes and operations to be automated and streamlined as much as possible over the period of upcoming 5 years. For our employees this means that Lietuvos Paštas will seek to offer market standard work pay, modern and innovative means of work.

RELIABLE

For our customers this means that Lietuvos Paštas seeks to fulfil its commitments and provide the services in line with customer expectations. For our employees this means that Lietuvos Paštas will seek to ensure safe and reliable working environment, accompanied with all social guarantees.



OUR VALUES IN MORE DETAIL



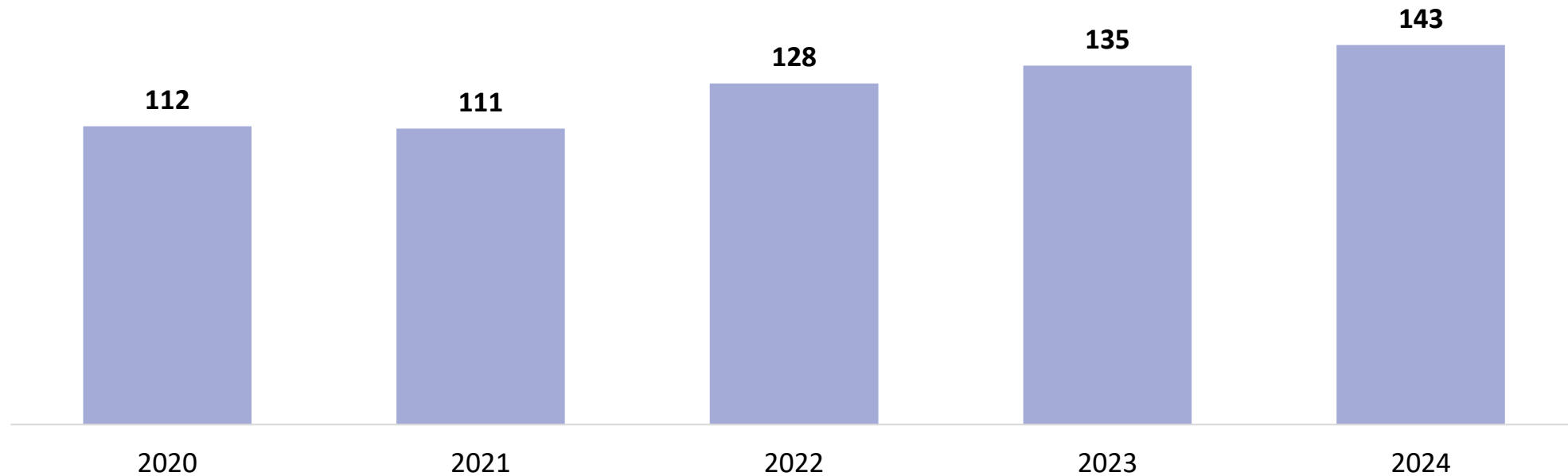
HOW WILL WE MEASURE THE SUCCESS OF THE STRATEGY? MAP OF STRATEGIC TARGETS

| Section | Strategic direction | Target | Target indicator |
|-----------|---|---|--|
| FINANCE | Enhancing financial sustainability | Create added value for the shareholder | Return on equity (ROE), % |
| | | Manage the share of debt in equity structure | Financial debt to equity ratio, % |
| CUSTOMERS | Development of e-commerce solutions for customers | Increase the market share of revenue from the delivery of parcels | Increase in market share of revenue from the delivery of parcels, measured by the result of Q4 of the previous year, % |
| | Provision of quality postal services | Ensure high customer satisfaction with postal services | Net promoter score, NPS index, % |
| PROCESSES | Digitisation and automation of operations | Improve operational efficiency | Sales revenue per staff, thous. EUR |
| | Reducing the impact on climate change | Reduce CO2 emissions | Reduced CO2 emissions,% (compared to 2020) |
| EMPLOYEES | Creating a motivating work environment | Strengthen employee engagement | Employee engagement, % |

KEY INDICATOR FOR EVALUATION OF THE STRATEGY AMBITION BY 2024: ANNUAL OPERATING INCOME OF EUR 143 MILLION



OPERATING REVENUE, MLN. EUR



THANK YOU.

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