

REPORT OF THE SUPERVISORY BOARD OF ÖSTERREICHISCHE POST AG ON THE 2021 FINANCIAL YEAR

Dear Shareholders, _____

The 2021 financial year was a very successful one for Austrian Post. After a difficult previous year which was hit hard by the impact of, and restrictions imposed in response to, the COVID-19 pandemic, both revenue and earnings showed a marked improvement. Total revenue increased by 14.9% to EUR 2,519.6m in 2021, with high growth rates in the national and international parcel segments offsetting the structural decline in letter mail products. Austrian Post's reported EBIT came to EUR 204.7m, as against EUR 160.6m in 2020.

Business developments were again affected by the COVID-19 pandemic in 2021. The prevailing trends towards e-substitution in the letter mail business as well as strong volume growth in the parcel business due to the steadily growing importance of online shopping picked up considerable speed, especially during the lockdown periods.

I would like to mention the takeover of ING's retail banking business in Austria by bank99 AG as a major highlight of the 2021 financial year. The transaction was approved by the Supervisory Board on 28 June 2021 and was then closed at the beginning of December.

Despite a number of challenges, Austrian Post handled the previous financial year well. It continues to align itself with the corporate aspiration to maintain the value of the company in a sustainable fashion and is optimally positioned for the future.

Annual General Meeting

As in the previous year, the COVID-19 pandemic meant that the Annual General Meeting was held as a "virtual Annual General Meeting" in accordance with the Austrian COVID-19 Company Law Act (Gesellschaftsrechtliche COVID-19-Verordnung, Austrian Federal Law Gazette II no. 140/2020). This meant that in 2021, all of the company's shareholders were once again given the opportunity to follow the Annual General Meeting live on the internet.

Changes in the Supervisory Board

Richard Köhler was appointed to the Supervisory Board by the Central Works Council of Austrian Post to succeed Martin Palensky as of 1 September 2021, in accordance with Section 110 of the Austrian Labour Constitution Act (ArbVG).

Activities of the Supervisory Board

The Supervisory Board took great care to fulfil its obligations during the year under review and performed the tasks incumbent upon it as stipulated by legal regulations, the Articles of Association of Austrian Post and the internal rules of procedure for the Supervisory Board. We regularly advised the Management Board in its efforts to manage the company and monitored its activities. The Management Board provided the Supervisory Board with ongoing information about the general economic situation in the core markets of Austrian Post and important business transactions. Moreover, the chairpersons of the committees and I were regularly in contact with the Management Board to discuss current business development.

As Chair of the Supervisory Board, dialogue with investors is a top priority for me. With this objective in mind, a number of Austrian Post roadshows on corporate governance were also held in 2021. Together with Investor Relations, video conferences were held with major institutional investors and voting right consultants to discuss Austrian Post's governance model, Management Board remuneration and sustainability strategy.

Seven Supervisory Board meetings and one workshop were held in 2021, the majority in the form of video conferences due to the COVID-19 prevention measures. Accordingly, the members of the Supervisory Board attended all meetings either in person or virtually. The revenue and earnings figures of the Austrian Post Group as well as key developments in the mail and parcel business were presented at the four ordinary Supervisory

Board meetings. One key topic addressed at the meetings was the further development of bank99 AG. Within this context, the Supervisory Board took an in-depth look at the takeover of the retail banking business of ING-DiBa Austria by bank99 AG and approved this measure on 28 June 2021. Another focal point at the meetings was the investment programme aimed at expanding parcel capacities.

At its meeting held on 11 March 2021, the Supervisory Board reviewed the annual and consolidated financial statements presented by the Management Board, along with the Management Report, the Group Management Report and the profit appropriation proposal for the 2020 financial year and adopted the financial statements. In preparation for the Annual General Meeting, the Supervisory Board also took a detailed look at the 2020 Remuneration Report, which was submitted to the Annual General Meeting held on 15 April 2021 for a vote to be cast to adopt it.

The expansion of the Vienna logistics centre was approved by the Supervisory Board on 11 August 2021. This meeting also addressed the Supervisory Board's self-evaluation of its work, organisation and working methods. The review of the self-evaluation, which is conducted based on an electronic survey, confirms the Supervisory Board's highly professional and open collaboration.

Austrian Post's budget for the 2022 financial year and a report on medium-term planning for 2023–2025 were presented and approved at the meeting held on 11 November 2021. On the evening before this meeting, the Supervisory Board obtained an in-depth insight into operations during a tour of the Styria logistics centre.

A strategy workshop was held on 11 August 2021, giving the Supervisory Board the opportunity to discuss the implementation of the new corporate and sustainability strategy adopted in the previous year. The event focused on a presentation made by our Supervisory Board member, Professor Stagl, who addressed the trends and challenges relating to the topic of sustainability.

The training programme for the Supervisory Board was continued in 2021. The topics of "customer satisfaction", "digital business models" and "cyber security" were discussed in detail with internal and external experts at three events.

Activities of the Committees

The committees set up by the Supervisory Board prepare decisions by the plenary sessions and adopt resolutions on matters to which they have been assigned decision-making rights. The chairpersons of the committees report on their committee's work to the entire Supervisory Board.

At its four meetings, the **Audit Committee** of the Supervisory Board duly carried out the responsibilities assigned to it. It monitored accounting processes, the audit and the effectiveness of the internal control system, the risk management system and the internal audit system. The auditors and the Audit Committee were also able to exchange information without the presence of the Management Board. The quarterly results were thoroughly analysed by the Audit Committee. The Supervisory Board was regularly provided with information about the results of the Audit Committee meetings. In accordance with Section 270 (1a) of the Austrian Commercial Code (UGB), BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft credibly demonstrated its impartiality towards the Audit Committee.

The **Parcel & Logistics Committee** held four meetings and addressed complex issues concerning the Parcel & Logistics Division. The Committee's meetings, which were generally held prior to the Supervisory Board meetings, were used to discuss infrastructure expansion investments in detail and prepare for decisions to be made by the Supervisory Board. Other key topics included the dynamic market environment in Austria and business developments at the Turkish parcel company Aras Kargo. The Committee reported regularly on the results and issued recommendations to the entire Supervisory Board.

The **Banking Committee** held five meetings in the 2021 financial year. The committee addressed current business developments and the key control parameters of bank99. The Banking Committee was also intensively involved in preparing for the takeover of the retail banking business of ING in Austria by bank99 AG, and supported the project in an advisory capacity.

The **Remuneration Committee** performed its duties at three meetings and addressed the evaluation of the Management Board's target achievement level for the 2020 financial year, as well as the definition of the target criteria for the variable remuneration components in 2021. The Remuneration Committee also dealt with the preparation of the Remuneration Report for the 2020 financial year, which was presented to the Annual General Meeting on 15 April 2021.

2021 Consolidated and Annual Financial Statements

BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft was appointed by the Annual General Meeting, held on 15 April 2021, to serve as the auditor of Austrian Post's annual financial statements and consolidated annual financial statements for the 2021 financial year.

The annual financial statements and consolidated annual financial statements of Austrian Post as at 31 December 2021 were audited by BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and were granted an unqualified auditor's opinion. The Management Report and Group Management Report are consistent with the annual financial statements and consolidated annual financial statements. All documentation relating to the annual financial statements, the profit appropriation proposal as submitted by the Management Board, the Corporate Governance Report and the auditor's report were thoroughly discussed in the Audit Committee with the auditors and subsequently presented to the Supervisory Board.

The Supervisory Board examined all the documents in accordance with Section 96 of the Austrian Stock Corporation Act (AktG) and did not discover any

inconsistencies or objections. As a result, it formally approved the results of the audit. The Supervisory Board approves the annual financial statements for 2021, as adopted in accordance with Section 96 (4) of the Austrian Stock Corporation Act (AktG), and declares its acceptance of the IFRS consolidated financial statements, the Management Report, the Group Management Report and the Consolidated Corporate Governance Report pursuant to Section 245a UGB. The Non-financial Report, compiled in accordance with Sections 243b and 267a UGB, was reviewed by BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

The Supervisory Board concurs with the Management Board's proposal to distribute a basic dividend of EUR 128,350,012.20 from the net profit amounting to EUR 266,723,182.87 on 5 May 2022, and to carry forward the balance of EUR 138,373,170.67 to the new account.

Finally, on behalf of the entire Supervisory Board, I would like to express my gratitude and appreciation to all the members of the Management Board and all company employees for their successful work during the very challenging past financial year. In particular, special thanks are also owed to the customers and above all the shareholders of Österreichische Post AG for their trust and confidence in the company.

10 March 2022

Edith Hlawati m.p.

Chair of the Supervisory Board