

Report of the Supervisory Board of Austrian Post on the 2023 Financial Year

Dear Shareholders!

The 2023 financial year presented Austrian Post with challenging overall conditions. High inflation coupled with flagging economic output is affecting both consumer purchasing power and willingness to invest within the corporate sector. The retail sector in particular is currently experiencing dwindling demand. Given the tense macroeconomic environment, we are very satisfied with Austrian Post's development.

Group revenue in 2023 came to EUR 2,740.8m. The Mail Division recorded a 2.3% drop in revenue due to the decline in the traditional letter mail business, as well as lower volumes in the direct mail business. The Parcel & Logistics Division reported growth of 16.6%, based on increased volumes in all regions. The Retail & Bank Division generated strong revenue growth of 37.6% to EUR 168.6m thanks to the improved interest rate environment for banks.

Austrian Post's reported EBIT came to EUR 190.2m, as against EUR 188.4m in 2022.

Changes in the Supervisory Board

The Supervisory Board mandates awarded to Huberta Gheneff, Edith Hlawati, Peter E. Kruse, Chris E. Muntwyler and Stefan Szyszkowitz expired at the end of the Annual General Meeting held on 20 April 2023. Carola Wahl resigned from her position with effect from 20 April 2023 and left the Supervisory Board.

The candidates nominated by the Supervisory Board, Stefan Fürnsinn, Bernhard Spalt, Elisabeth Stadler and Christiane Wenckheim, were elected as new members of the Supervisory Board by the Annual General Meeting held on 20 April 2023. At the same time, Huberta Gheneff and Peter E. Kruse were re-elected. At the subsequent constituent meeting of the Supervisory Board, Elisabeth Stadler was elected Chair of the Supervisory Board and Stefan Fürnsinn was elected Deputy Chair. Elections were



Elisabeth Stadler
Chair of the Supervisory Board

also held to replace members of the Supervisory Board committees.

There was also a change affecting the employee representatives: Ulrike Ernstbrunner was appointed to the Supervisory Board to succeed Maria Klima with effect from 8 November 2023.

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.

Seven Supervisory Board meetings and one strategy workshop were held in 2023. The majority of these sessions were held as face-to-face meetings. The attendance rate in the plenary sessions was around 98%; the committee meetings were attended in full with the exception of one meeting.

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 challenging overall macroeconomic environment and its impact on the business environment in which Austrian Post operates. Another focal point was the business performance of key investments, in particular the Turkish parcel investment Aras Kargo and bank99.

An extraordinary meeting held on 14 February 2023 approved the acquisition of an 80% stake in Agile Actors, a Greek software development and data engineering service provider. With its broad-based technical expertise, this company will help Austrian Post forge ahead with the Group's digital transformation.

At its meeting held on 14 March 2023, 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 2022 financial year and adopted the financial statements. In preparation for the Annual General Meeting, the Supervisory Board also took a detailed look at the 2022 Remuneration Report, which was submitted to the Annual General Meeting held on 20 April 2023 for a vote to be cast to adopt it.

A strategy workshop was held before the August meeting of the Supervisory Board, giving the Supervisory Board the opportunity to discuss the implementation of the corporate and sustainability strategy adopted in 2020. In addition to an extensive discussion of current trends and strategic focus areas in the company's target markets, the 2030 sustainability master plan for three aspects, "Economy & Customers", "Environment & Climate" and "People & Social", was also discussed. One key component of the event was a specialist contribution made by our Supervisory Board member Sigrid Stagl on the topic of "Climate and Energy".

The meeting on 13 November 2023 was held at the new parcel centre in Vienna Inzersdorf. Austrian Post's budget for the 2024 financial year and a report on medium-term planning for 2025–2027 were presented and approved at this meeting. The meeting was followed by a tour of the Vienna logistics centre.

Management Board matters were a particular focus of the Supervisory Board's work over the past financial year. Following intensive preparatory work by the Nomination Committee, the Supervisory Board appointed Walter Oblin as Chair of the Management Board with effect from 1 October 2024 at the extraordinary meeting held on 18 December 2023. In this role, he will succeed Georg Pölzl, whose contract is set to expire on 30 September 2024. Peter Umundum's Management Board contract had already been extended until 31 March 2026 at the Supervisory Board meeting on 9 August 2023.

As part of the training programme for the Supervisory Board, Susanne Kalss from the Vienna University of Economics and Business gave us a detailed update on the rights and duties of the Supervisory Board on 14 November 2023. We discussed current issues relating to the work of the Supervisory Board and key corporate governance aspects.

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 Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft credibly demonstrated its impartiality towards the Audit Committee.

The **Parcel & Logistics Committee** discussed selected topics relating to current business developments at one meeting. As the main projects that the Parcel & Logistics Committee was set up to support have since been completed, the Supervisory Board made the decision to terminate the activities of the Parcel & Logistics Committee in April 2023.

The **Banking Committee** held four meetings in the 2023 financial year and addressed current business developments and the key control parameters of bank99. The

Banking Committee was provided with ongoing information on the work programme and technical migration of ING Austria to bank99.

The **Remuneration Committee** performed its duties at five meetings and addressed the evaluation of the Management Board's target achievement level for the 2022 financial year, as well as the definition of the target criteria for the variable remuneration components in 2023. The Remuneration Committee also dealt with the preparation of the Remuneration Report for the 2022 financial year, which was presented to the Annual General Meeting on 20 April 2023. In the context of the selection process for the position of the new Chair of the Management Board, the structure and amount of Management Board remuneration was subjected to an external review. The review confirmed that the Management Board remuneration is appropriate and in line with market standards. The recommended adjustments to the remuneration structure were discussed at length and will be incorporated into the 2024 remuneration policy. Based on this recommendation, the Remuneration Committee defined the future remuneration to be paid to the CEO, which will be applied to Walter Oblin's employment contract as CEO from 1 October 2024.

The **Nomination Committee** held six meetings in the 2023 financial year. In March 2023, the committee addressed the filling of positions on the Supervisory Board that had become vacant and prepared a nomination for the Supervisory Board to be made to the Annual General Meeting. In July 2023, the Nomination Committee discussed the option to extend Peter Umundum's contract and recommended to the Supervisory Board that the contract be extended for a further two years, i.e. until 31 March 2026.

In 2023, the Nomination Committee focused on filling the position of Chair of the Management Board, which will become vacant at the end of 30 September 2024. With the authorisation of the Supervisory Board, the Nomination Committee selected an HR consultancy firm to support the recruitment process and clarified all issues relating to the advertisement of the position and pre-selection of the Management Board member. At the meeting on 18 December 2023, the Nomination Committee approved the appointment proposal and recommended to the Supervisory Board that Walter Oblin be appointed Chair of the Management Board with effect from 1 October 2024.

2023 Consolidated and Annual Financial Statements

BDO Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft was appointed by the Annual General Meeting, held on 20 April 2023, to serve as the auditor of Austrian Post's annual financial statements and consolidated annual financial statements for the 2023 financial year.

The annual financial statements and consolidated annual financial statements of Austrian Post as at 31 December 2023 were audited by BDO Assurance 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 Non-financial 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 2023, 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 Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

The Supervisory Board concurs with the Management Board's proposal to distribute a basic dividend of EUR 120,243,695.64 from the net profit amounting to EUR 304,693,298.82 on 2 May 2024, and to carry forward the balance of EUR 184,449,603.18 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 past financial year. In particular, special thanks are also owed to the customers and above all the shareholders of Austrian Post for their trust and confidence in the company.

12 March 2024

Elisabeth Stadler m.p.

Chair of the Supervisory Board