Q 02

DOING WHAT COUNTS.

AUSTRIAN POST

Half-year Financial Report 2022

Constantly Improving.

H1 2022 Highlights

Revenue

- H1 revenue down by 4.0 % year-on-year to EUR 1,211.8m, decrease in Parcel (–8.9 %) and Mail (–1.4 %)
- Improved trend in Q2: –0.8 % to EUR 610.4m, parcel decline of 5.1 % and growth in the mail business of 1.1 %

Earnings

- Decline in H1 earnings (EBIT) to EUR 91.0m from EUR 103.4m; Q2 from EUR 43.7m to EUR 51.4m
- Earnings per share down from EUR 1.18 to EUR 0.83

Cash flow and balance sheet

- Operating free cash flow of EUR 105.8m and equity of EUR 640.7m

Outlook 2022

- 2022 revenue targeted as close as possible to prior-year level (2021 revenue: EUR 2.5bn)
- Expected EBIT 2022 within the range of 2021 (EUR 205m) and 2020 (EUR 161m)

Key Figures

EUR m	H1 2021	H1 2022	Change
EARNINGS FIGURES			
Revenue	**1,262.6**[1]	**1,211.8**	**–4.0 %**
EBITDA	**184.5**	**179.4**	**–2.7 %**
EBITDA margin	14.6 %	14.8 %	–
EBIT	**103.4**	**91.0**	**–12.0 %**
EBIT margin	8.2 %	7.5 %	–
Profit for the period	84.2	54.8	–34.9 %
Earnings per share (EUR)[2]	**1.18**	**0.83**	**–29.4 %**
Employees (average for the period, full-time equivalents)	27,489	27,144	–1.3 %
CASH FLOW AND CAPEX			
Gross cash flow[3]	**227.4**	**161.9**	**–28.8 %**
Cash flow from operating activities	281.5	45.0	–84.0 %
Cash flow from financing activities	–144.6	–66.2	54.2 %
Operating free cash flow[4]	**139.1**	**105.8**	**–23.9 %**
CAPEX	47.0	58.7	24.9 %

EUR m	31 December 2021	30 June 2022	Change
BALANCE SHEET FIGURES			
Total assets	4,792.6	5,157.8	7.6 %
Equity	672.2	640.7	–4.7 %
Equity ratio	14.0 %	12.4 %	-
Net debt[5]	663.4	813.3	22.6 %
Capital employed[5]	1,126.9	1,226.1	8.8 %

[1] The presentation of financial services in the consolidated income statement has been adjusted. Income from financial services is recognised under revenue, while expenses from financial services are reported separately (previously income and expenses from financial services were presented net under revenue).
[2] Undiluted earnings per share in relation to 67,552,638 shares
[3] The presentation of the provision of financial services has been adjusted. Interest from financial services were reported separately as part of cash flow from operating activities.
[4] Free cash flow before acquisitions/securities/money market investments, growth CAPEX and core banking assets
[5] bank99 was not included in the calculation, as this key figure is only relevant for the logistics business in terms of content.

Statement by the Management Board

Dear Shareholders,

The first half of 2022 for Austrian Post was shaped by very challenging conditions. Interruptions in international value chains have put an upward pressure on costs intensified by the war in Ukraine. This backdrop and the extraordinarily high parcel volumes in the prior-year quarters make it for a challenging start into 2022. However, volume development on the Austrian parcel market showed an improved trend, with only a 1% decline in the second quarter compared with a 9% in the first one.

Group revenue in the first half-year 2022 totalled EUR 1,211.8m (–4.0%), whereas second-quarter revenue showed an improved trend, with revenue down by only 0.8%. In particular, the parcel business in Turkey was strongly impacted due to inflation and currency effects compared with an extraordinarily successful year in 2021. When excluding Parcel Turkey, however, Group revenue increased by 0.1% in the first half of 2022. The Mail Division reported a revenue decrease of 1.4% in the first six months of the year and Parcel & Logistics revenue fell by 8.9% in total but only by 0.8% excluding Parcel Turkey. In contrast, the Retail & Bank Division developed positively, generating a 49.3% revenue increase to EUR 54.2m in the first six months of 2022.

The key earnings figures in the first half of 2022 were also considerably below the prior-year level, although there was an improvement in the second quarter. EBITDA of the first half-year fell by 2.7% to EUR 179.4m, whereas earnings before interest and tax (EBIT) declined by 12.0% year-on-year from EUR 103.4m to EUR 91.0m.

The difficult business environment is expected to continue into the second half of the year. There is also the risk that the energy market will remain unpredictable and that the gas supply in parts of Europe is not secure. Austrian Post aims to address these unfavourable conditions in terms of both revenue and costs. For this reason, price adjustments are just as necessary as efficiency improvements in internal processes. Assuming a continuation of sufficient energy and gas supply in Europe, the company continues its efforts to generate revenue in 2022 as close to the level of 2021 as possible. From today's perspective, Group earnings (EBIT) in 2022 should be in the range of the results reported in the last two years (2021 EBIT: EUR 205m; 2020 EBIT: EUR 161m). The ambition of the company remains to get as close as possible to the 2021 level. The underlying prerequisite is predictability of gas and energy supply in Austrian Post's markets.

The planned investment programme designed to expand the logistics infrastructure and ensure a sustainable vehicle fleet will be basically continued. Individual investments are being assessed to ensure adherence to all profitability targets. By putting the expanded capacities of the parcel logistics centre in Upper Austria into operation in September 2022, the sorting capacities at this site can be significantly expanded. This means total capacity of 131,000 parcels per hour sorted in our logistics centres throughout Austria. The capacities were made just as fit for 2030 as the conversion of our vehicle fleet to CO_2-free delivery.

Vienna, 2 August 2022

The Management Board

GEORG PÖLZL
CEO
Chairman of the
Management Board

WALTER OBLIN
Deputy CEO
Mail & Finance (CFO)

PETER UMUNDUM
Member of the
Management Board
Parcel & Logistics (COO)

Group Management Report for the First Half of 2022

1. Business Development and Economic Situation

1.1 Changes to the scope of consolidation

No major changes in the scope of consolidation took place in the first half of 2022. A complete presentation of all changes in the scope of consolidation can be found in Note 3 of the Interim Consolidated Financial Statements.

1.2 Revenue and Earnings

1.2.1 REVENUE DEVELOPMENT

In the first half of 2022, Austrian Post's Group revenue decreased by 4.0% year-on-year to EUR 1,211.8m. However, the second quarter showed an improved trend, with revenue down by only 0.8%. In particular, the parcel business in Turkey was strongly impacted by inflation and currency effects following an extraordinarily successful year in 2021. Half-year revenue has increased by 0.1% without accounting for the Turkish business (Parcel Turkey).

The Mail Division reported a 1.4% drop in revenue in the first six months of the 2022 financial year, whereas revenue of the Parcel & Logistics Division fell by 8.9%, or 0.8% excluding the business in Turkey (Parcel Turkey). In contrast, the Retail & Bank Division developed positively, showing a 49.3% revenue increase to EUR 54.2m in the first six months of 2022.

The Mail Division generated 48.9% of Austrian Post's revenue in the first half of 2022. The 1.4% revenue decrease can be attributed to structural decline of addressed letter mail volumes due to electronic substitution and lower international mail volumes. This contrasted with positive special effects on traditional letter mail volumes and catch-up effects in the direct mail business which had suffered during the lockdown periods.

The Parcel & Logistics Division accounted for 46.7% of Group revenue. In particular, the Turkish parcel business showed a decline compared to the successful business development in the previous year due to the current market situation (inflation and currency effects). Parcel revenue in Austria fell by 1.9% year-on-year compared to a 6.3% revenue increase generated in Southeast and Eastern Europe. The Logistics Solution business showed a stable development.

The Retail & Bank Division generated a 4.4% share of total revenue in the first half-year 2022, with revenue of EUR 54.2m or 49.3%. In December 2021, the retail business of ING was acquired. This produced positive effects in the net interest and commission income of bank99.

Revenue Development

EUR m

[1] Adjusted presentation

Revenue by Division

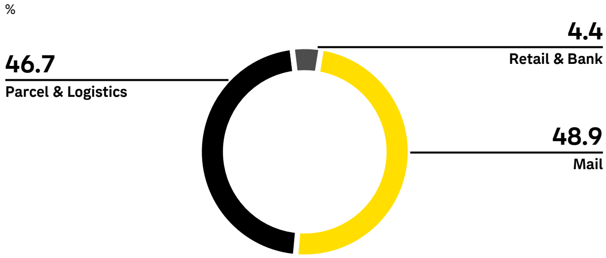
EUR m	H1 2021[1]	H1 2022	Change %	Change EUR m	Q2 2021[1]	Q2 2022
REVENUE	**1,262.6**	**1,211.8**	**-4.0%**	**-50.9**	**615.6**	**610.4**
Mail	608.2	599.5	-1.4%	-8.7	297.3	300.7
Parcel & Logistics	628.1	572.0	-8.9%	-56.0	304.4	288.9
Retail & Bank	36.3	54.2	49.3%	17.9	18.6	27.7
Corporate/Consolidation	-9.9	-14.0	-40.5%	-4.0	-4.6	-6.9
Working days in Austria	123	124	–	–	61	61

[1] The presentation of financial services in the consolidated income statement has been adjusted. Income from financial services is recognised under revenue, while expenses from financial services are reported separately (previously, income and expenses from financial services were presented net under revenue).

From a regional perspective, Austrian Post generated 81.8% of its Group revenue in Austria in the first half of 2022. Its international business accounted for 18.2% of the total Group revenue in the first half of 2022. Thereof, Turkey accounted for 8.9%, whereas the region of Southeast and Eastern Europe contributed 7.0% of Group revenue. 2.3% of the revenue was generated in Germany.

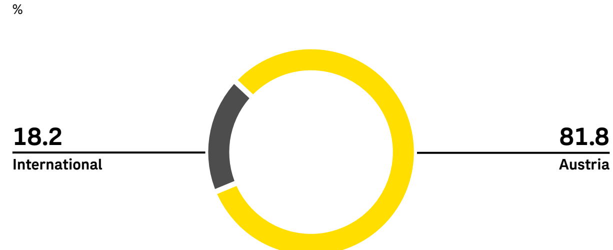
Revenue by Division H1 2022

%



Revenue by Region H1 2022

%



Revenue Development of the Mail Division

EUR m	H1 2021	H1 2022	Change %	Change EUR m	Q2 2021	Q2 2022
REVENUE	**608.2**	**599.5**	**-1.4%**	**-8.7**	**297.3**	**300.7**
Letter Mail & Business Solutions	391.9	375.3	-4.2%	-16.7	186.4	187.7
Direct Mail	157.6	161.7	2.6%	4.1	81.0	80.2
Media Post	58.7	62.6	6.5%	3.8	29.9	32.8
Revenue intra-Group	1.4	1.9	34.6%	0.5	0.6	0.9
TOTAL REVENUE	**609.6**	**601.4**	**-1.3%**	**-8.2**	**297.9**	**301.6**
thereof revenue with third parties	603.8	594.0	-1.6%	-9.9	294.3	298.2

Revenue of the Mail Division totalled EUR 599.5m in the first half of 2022, of which 62.6% can be attributed to the Letter Mail & Business Solutions area. Direct Mail accounted for 27.0% of total divisional revenue, and Media Post had a 10.4% share.

In the first half of 2022, Letter Mail & Business Solutions revenue amounted to EUR 375.3m, implying a year-on-year decrease of 4.2%. The basic downward volume trend resulting from the substitution of letters by electronic forms of communication continued. However, the second quarter of 2022 was characterised by positive special effects related to one-off mailings from public authorities and energy suppliers. In the current reporting period, operating letter mail volumes were down by 3% from the first half of 2021 and showed an increase of 1% when including the special effects. Further development will also be impacted by the difficult environment. Inflation-related price increases for fuel, energy and staff costs must be taken into consideration. In turn, this led to necessary adjustments in postal rates: A rate adjustment for Economy Letters took place on 1 July 2022 and Priority Letters will be adjusted as of 1 October 2022. International letter mail also showed a volume decline, whereas the Business Solutions area reported a stable development.

Direct Mail revenue increased by 2.6% year-on-year to EUR 161.7m in the first half of 2022. The government-imposed store closings in response to COVID-19 had an extremely negative effect on the advertising business in the previous year. For this reason, a catch-up effect is noticeable with respect to direct mail volumes, but increased volatility can be expected. The pressure in the direct mail business is intensified by higher prices for energy and paper.

Revenue from Media Post, i.e., the delivery of newspapers and magazines, increased by 6.5% from the prior-year period to EUR 62.6m. This increase can be attributed to additional volumes.

Revenue Development of the Parcel & Logistics Division

			Change			
EUR m	H1 2021[1]	H1 2022	%	EUR m	Q2 2021[1]	Q2 2022
REVENUE	**628.1**	**572.0**	**-8.9%**	**-56.0**	**304.4**	**288.9**
Parcel Austria	350.3	343.7	-1.9%	-6.7	167.1	172.8
Parcel Turkey	160.7	108.2	-32.6%	-52.4	77.9	57.9
Parcel CEE/SEE	80.5	85.6	6.3%	5.1	39.6	43.2
Logistics Solutions/Consolidation	36.5	34.6	-5.4%	-2.0	19.8	15.1
Revenue intra-Group	0.5	0.3	-31.1%	-0.1	0.2	0.2
TOTAL REVENUE	**628.5**	**572.4**	**-8.9%**	**-56.2**	**304.6**	**289.1**
thereof revenue with third parties	621.3	562.7	-9.4%	-58.6	302.3	284.0

[1] Adjusted presentation

Revenue disclosure in the Parcel & Logistics Division has been adjusted. The revenue breakdown in parcel logistics now incorporates revenue presentation on a regional basis along with additional logistics services. The comparative figures of the previous year were adapted.

Revenue of the Parcel & Logistics Division fell by 8.9% in the first half of 2022 to EUR 572.0m. This sharp decrease is attributable mainly to the parcel business in Turkey. Turkish revenue in the local currency of the ongoing profitable subsidiary rose by 23% (after valuation IAS 29 hyperinflation) in the first half-year, but a decline of 32.6% had to be reported in euro (–25.7% in the second quarter of 2022).

Parcel Austria also experienced a 1.9% revenue decline in the first half of 2022. Parcel volumes have now entered a phase of normalisation following extraordinarily strong volume growth in the prior-year periods (first half-year 2021 +20%, first half-year 2020 +36%). However, the trend improved with second-quarter revenue up by 3.4%.

The parcel business in Southeast and Eastern Europe continues to generate growth rates, with revenue up by 6.3% to EUR 85.6m in the first six months of 2022 (+8.9% in the second quarter of 2022).

Revenue of the Logistics Solutions area (incl. Consolidation), which provides special logistics services such as the transport of COVID-19 test kits, fell by 5.4% to EUR 34.6m in the period under review. Positive special effects relating to logistics services in the previous year were reduced in the current reporting period.

Revenue Development of the Retail & Bank Division

EUR m	H1 2021[1]	H1 2022	Change %	Change EUR m	Q2 2021[1]	Q2 2022
REVENUE	**36.3**	**54.2**	**49.3%**	**17.9**	**18.6**	**27.7**
Branch Services	21.5	18.7	–12.7%	–2.7	10.9	9.7
Income from Financial Services	14.8	35.4	>100%	20.6	7.6	18.0
Revenue intra-Group	90.4	93.7	3.7%	3.3	44.5	47.1
TOTAL REVENUE	**126.6**	**147.8**	**16.7%**	**21.2**	**63.0**	**74.8**
thereof revenue with third parties	36.1	54.0	49.4%	17.8	18.5	27.6

[1] The presentation of financial services in the consolidated income statement has been adjusted. Income from financial services is recognised under revenue, while expenses from financial services are reported separately (previously, income and expenses from financial services were presented net under revenue).

Revenue of the Retail & Bank Division improved by 49.3% in the first half of 2022 to EUR 54.2m from the prior-year level of EUR 36.3m. Branch Services revenue fell by 12.7%, from EUR 21.5m to EUR 18.7m, in the period under review. Income from Financial Services at the amount of EUR 35.4m in the first half of 2022 showed strong growth due to the acquisition of the retail business of ING at the end of 2021. As of the beginning of August 2022, bank99 already has 250,000 customers.

Financial Performance of the Group

EUR m	H1 2021[1]	**H1 2022**	Change %	Change EUR m	Q2 2021[1]	**Q2 2022**
REVENUE	**1,262.6**	**1,211.8**	**–4.0 %**	**–50.9**	**615.6**	**610.4**
Other operating income	43.1	59.2	37.4 %	16.1	20.9	30.8
Raw materials, consumables and services used	–355.0	–349.4	1.6 %	5.6	–169.5	–173.8
Expenses for financial services	–2.3	–6.4	<-100 %	–4.1	–1.3	–3.2
Staff costs	–587.6	–571.8	2.7 %	15.7	–284.1	–283.9
Other operating expenses	–176.8	–165.1	6.6 %	11.7	–96.3	–83.2
Results from financial assets accounted for using the equity method	0.4	0.1	–81.7 %	–0.3	0.1	–0.1
Net monetary gain	0.0	1.1	>100 %	1.1	0.0	1.1
EBITDA	**184.5**	**179.4**	**–2.7 %**	**–5.0**	**85.5**	**98.2**
Depreciation, amortisation and impairment losses	–81.1	–88.4	–9.1 %	–7.4	–41.8	–46.8
EBIT	**103.4**	**91.0**	**–12.0 %**	**–12.4**	**43.7**	**51.4**
Financial result	4.7	–13.5	<-100 %	–18.2	2.3	–14.6
PROFIT BEFORE TAX	**108.1**	**77.5**	**–28.3 %**	**–30.6**	**45.9**	**36.8**
Income tax	–23.9	–22.7	5.2 %	1.2	–11.7	–12.5
PROFIT FOR THE PERIOD	**84.2**	**54.8**	**–34.9 %**	**–29.4**	**34.3**	**24.3**
ATTRIBUTABLE TO:						
Shareholders of the parent company	79.7	56.3	–29.4 %	–23.5	31.6	25.4
Non-controlling interests	4.4	–1.5	<-100 %	–5.9	2.6	–1.1
EARNINGS PER SHARE (EUR)[2]	**1.18**	**0.83**	**–29.4 %**	**–0.35**	**0.47**	**0.38**

[1] The presentation of financial services in the consolidated income statement has been adjusted. Income from financial services is recognised under revenue, while expenses from financial services are reported separately (previously, income and expenses from financial services were presented net under revenue).
[2] Undiluted earnings per share in relation to 67,552,638 shares

1.2.2 EARNINGS DEVELOPMENT

The largest expense items in relation to Austrian Post's Group revenue are staff costs (47.2 %), raw materials, consumables and services used (28.8 %) and other operating expenses (13.6 %). 7.3 % can be attributed to depreciation, amortisation and impairment losses and 0.5 % to expenses for financial services.

Staff costs in the first half of 2022 totalled EUR 571.8m, implying a decline of 2.7 % or EUR 15.7m.

Operational staff costs remained stable compared to the prior-year period. The Austrian Post Group employed an average of 27,144 people (full-time equivalents) in the first six months of 2022 compared to the average of 27,489 employees in the prior-year period (–1.3 %).

In addition to operational staff costs, staff costs of Austrian Post also include various non-operating staff-related expenses such as severance payments and changes in provisions, which are primarily related to the specific employment situation of civil servant employees at Austrian Post. The net effect from the allocation or reversal of provisions in non-operating staff costs in the first half of 2022 was marginal.

Raw materials, consumables and services used were down by 1.6 % to EUR 349.4m. This decline is mainly due to the currency translation of the Turkish lira, which resulted in lower expenses in euro year-on-year. At the same time, higher fuel and energy costs as well as transport services performed by external service providers had the opposite effect.

Other operating income increased by 37.4 % in the first half of 2022 to EUR 59.2m and is mainly attributed to COVID-19 related reimbursements from the Austrian Federal Government in connection with sick leaves of employees as well as a positive valuation effect from the put option liability for the remaining 20 % stake in Aras Kargo. Other operating expenses fell by 6.6 % to EUR 165.1m.

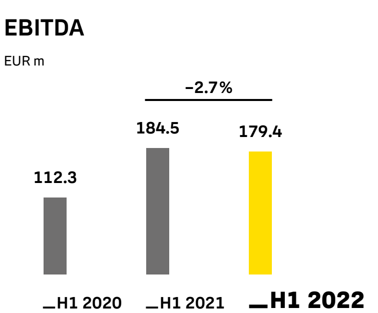
EBITDA amounted to EUR 179.4m in the first half of 2022, comprising a decrease of 2.7 % from the prior-year level of EUR 184.5m. This implies an EBITDA margin of 14.8 %.

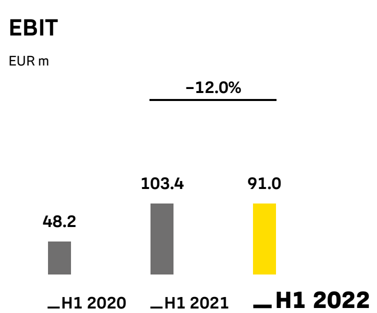
Depreciation, amortisation and impairment losses amounted to EUR 88.4m in the first six months of 2022, implying an increase of 9.1% year-on-year or EUR 7.4m. This increase is attributable mainly to investments in new sites for the parcel logistics infrastructure.

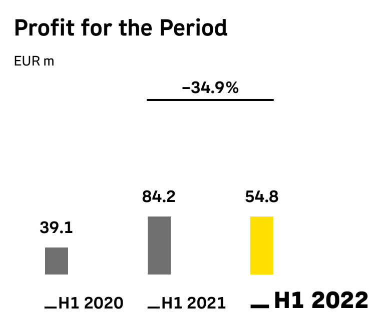
Due to the application of the financial reporting standard IAS 29 (Financial Reporting in Hyperinflationary Economies), all items of the income statement were adjusted on the basis of a general price index starting at the point in time in which they were initially recorded (thus from 1 January 2022). The net monetary gain or loss is shown as a separate item in the consolidated income statement. For detailed information, refer to Note 5.1 in the Consolidated Interim Financial Statements. The net monetary gain equalled EUR 1.1m at the end of the second quarter of 2022.

Group EBIT amounted to EUR 91.0m in the first half of 2022, compared to EUR 103.4m in the prior-year period. The EBIT margin amounted to 7.5%. The EBIT of the first half of 2022 included special effects of EUR +10.9m in connection with the Turkish subsidiary Aras Kargo (valuation option of remaining 20%, IAS 29 hyperinflation, goodwill impairment).

The Group's financial result, which equalled minus EUR 13.5m compared to EUR 4.7m in the first half of 2021, included negative valuation effects of the option obligation for the remaining 20% stake in Aras Kargo amounting to EUR 12.3m. After deducting the income tax of EUR 22.7m, the profit for the period for the first six months of 2022 amounted to EUR 54.8m, down from EUR 84.2m in the prior-year period. This implies undiluted earnings per share of EUR 0.83 compared to EUR 1.18 in the prior-year period.







EBIT by Division

EUR m	H1 2021	H1 2022	Change %	Change EUR m	Margin H1 2022[1]	Q2 2021	Q2 2022
EBIT	**103.4**	**91.0**	**-12.0%**	**-12.4**	**7.5%**	**43.7**	**51.4**
Mail	82.4	82.9	0.6%	0.5	13.8%	36.9	41.8
Parcel & Logistics	59.7	45.5	-23.9%	-14.2	7.9%	23.8	28.0
Retail & Bank	-27.0	-20.4	24.4%	6.6	–	-8.5	-9.7
Corporate/Consolidation[2]	-11.7	-16.9	-44.6%	-5.2	–	-8.6	-8.7

[1] Margin of the divisions in relation to total revenue
[2] Includes the intra-Group cost allocation procedure

Group EBIT in the first half of 2022 declined from EUR 103.4m to EUR 91.0m and was impacted by the current difficult market environment. In particular, the earnings contribution of the Turkish parcel business was reduced in the first half of 2022 due to inflation and currency pressure after an extraordinarily successful year 2021.

From a divisional perspective, the Mail Division achieved an EBIT of EUR 82.9m in the first half of 2022, compared to EUR 82.4m in the previous year. The good revenue development reinforced by special effects from one-off mailings led to a positive earnings contribution in the division.

The Parcel & Logistics Division generated an EBIT of EUR 45.5m in the first half of 2022, down from EUR 59.7m in the prior-year period. This corresponds to a year-on-year decrease of EUR 14.2m and is primarily attributable to the difficult business environment in the Turkish market. As a result, the earnings contribution of the Turkish subsidiary was positive but lower than in the previous year.

The Retail & Bank Division recorded an EBIT of minus EUR 20.4m in the first half of 2022, compared to minus EUR 27.0m in the first half of 2021. Accordingly, earnings improved by 24.4% or EUR 6.6m. The ramp-up of the financial services business boosted by the acquisition of the retail business of ING at the end of 2021 had a positive effect, whereas higher integration and IT costs negatively impacted earnings.

EBIT of the Corporate Division (incl. Consolidation and intra-Group cost allocation procedure) moved from minus EUR 11.7m to minus EUR 16.9m. The Corporate Division provides non-operating services which are essential for the purpose of administration and financial control of the company. In addition to conventional corporate governance tasks, these services include the management and development of commercial properties not required for operations, the management of significant financial investments, the rendering of IT services, the development of new business models and the administration of the Internal Labour Market of Austrian Post.

1.3 Financial Position and Cash Flows

Balance Sheet Structure by Item

EUR m	31 December 2021	30 June 2022	Structure 30 June 2022
ASSETS			
Property, plant and equipment, intangible assets and goodwill	1,350.3	1,440.9	27.9%
Investment property	76.3	78.9	1.5%
Financial assets accounted for using the equity method	8.2	7.6	0.1%
Inventories, trade and other receivables	519.1	503.7	9.8%
Other financial assets	37.0	79.0	1.5%
thereof securities/money market investments	31.4	73.5	–
Financial assets from financial services	2,715.8	2,994.3	58.1%
Cash and cash equivalents	85.8	53.4	1.0%
Assets held for sale	0.1	0.0	0.0%
	4,792.6	**5,157.8**	**100%**
EQUITY AND LIABILITIES			
Equity	672.2	640.7	12.4%
Provisions	687.9	638.7	12.4%
Other financial liabilities	404.4	558.4	10.8%
Trade and other payables	484.6	487.1	9.4%
Financial liabilities from financial services	2,543.5	2,833.0	54.9%
	4,792.6	**5,157.8**	**100%**

1.3.1 BALANCE SHEET STRUCTURE

Austrian Post relies on a solid balance sheet and financing structure. Total assets amounted to EUR 5,157.8m as at 30 June 2022. On the asset side, property, plant and equipment at EUR 1,280.3m constitute one of the largest balance sheet items and included right-of-use assets in connection with leases of EUR 395.5m. In addition, there were intangible assets and goodwill from company acquisitions, which were reported at EUR 160.6m as at 30 June 2022. The balance sheet showed receivables totalling EUR 368.9m, including current trade receivables of EUR 281.7m. Other financial assets amounted to EUR 79.0m as at 30 June 2022. Financial assets from financial services totalled EUR 2,994.3m at the end of the second quarter of 2022 and result primarily from the business activities of bank99.

As at 30 June 2022, Austrian Post held securities and money market investments amounting to EUR 73.5m (excl. bank99) that are included into other financial assets. The securities and money market investments held by Austrian Post carry an investment grade or comparable rating. For this reason, it can be assumed that these assets can be liquidated at short notice. The balance sheet shows that Austrian Post had cash and cash equivalents of EUR 53.4m as at 30 June 2022. Cash and cash equivalents including money market and securities investments and excluding the cash and cash equivalents of bank99 equalled EUR 126.9m as at 30 June 2022. bank99's cash and cash equivalents amounted to EUR 1,120.6m at the balance sheet date of 30 June 2022. Including bank99, cash and cash equivalents amounted to EUR 1,247.5m as at 30 June 2022.

On the equity and liabilities side of the balance sheet, equity of Austrian Post Group amounted to EUR 640.7m as at 30 June 2022 (implying an equity ratio of 12.4%). The pro forma equity ratio (bank99 accounted for using the equity method) equalled 28% at the end of June 2022. Furthermore, provisions of EUR 638.7m are shown on the equity and liabilities side at the end of June 2022. Nearly 75% of provisions were staff-related, with a total of EUR 193.2m attributable to provisions for employee under-utilisation. A further EUR 174.4m relates to legally and contractually stipulated provisions for social capital (severance payments and anniversary bonuses) along with EUR 93.5m for other staff-related provisions. Other provisions amounted to EUR 177.7m and included obligations for possible compensation payments in connection with credited recovery claims from non-wage labour costs paid in previous periods. Other financial liabilities amounted to EUR 558.4m and included primarily lease liabilities of EUR 391.6m. Trade and other payables totalling EUR 487.1m included current trade payables of EUR 206.9m. Financial liabilities from financial services of EUR 2,833.0m result from business activities of bank99 (deposit and investment business of bank99 customers).

Cash flow

EUR m	H1 2021[1]	**H1 2022**
Gross cash flow	227.4	161.9
CASH FLOW FROM OPERATING ACTIVITIES	**281.5**	**45.0**
thereof core banking assets from the financial business (CBA)	119.3	–89.2
CASH FLOW FROM OPERATING ACTIVITIES EXCL. CBA	**162.2**	**134.3**
Cash flow from investing activities	–14.4	–99.2
thereof maintenance CAPEX	–25.9	–26.1
thereof growth CAPEX	–21.0	–32.5
thereof cash flow from acquisitions/divestments	–0.2	2.3
thereof acquisition/disposal of securities/money market investments	30.0	–40.5
thereof other cash flow from investing activities	2.8	–2.3
Free cash flow	267.1	–54.2
OPERATING FREE CASH FLOW[2]	**139.1**	**105.8**
Cash flow from financing activities	–144.6	–66.2
Change in cash and cash equivalents	120.2	–130.0

[1] The presentation of the provision of financial services has been adjusted. Interest from financial services were reported separately as part of cash flow from operating activities.
[2] Free cash flow before acquisitions/securities/money market investments, growth CAPEX and core banking assets

1.3.2 CASH FLOW

Gross cash flow in the first half of 2022 amounted to EUR 161.9m compared to EUR 227.4m in the first half of 2021 (–28.8%). Cash flow from operating activities amounted to EUR 45.0m, below the prior-year comparable of EUR 281.5m. In this regard, the biggest effect included the changes in the core banking assets of bank99 totalling minus EUR 89.2m compared to EUR 119.3m in the prior-year period. The change in core banking assets in the current reporting period included, amongst others, the purchase of government bonds in the amount of EUR 284m. Core banking assets include the change in the balance sheet items financial assets from financial services and financial liabilities from financial services excluding cash, cash equivalents and balances with central banks, and thus encompass the deposit and investment business of bank99. Cash flow from operating activities exclusive core banking assets totalled EUR 134.3m in the first half of 2022.

Cash flow from investing activities was minus EUR 99.2m in the first six months of 2022, compared to minus EUR 14.4m in the prior-year period. Expenditure for the acquisition of property, plant and equipment and investment property (CAPEX) amounted to EUR 58.7m in the reporting period.

Austrian Post relies on operating free cash flow as a key indicator to assess the financial strength of its operating business and to cover the dividend for the financial year. Excluding the change in core banking assets, the operating free cash flow totalled EUR 105.8m in the current reporting period compared to EUR 139.1m in the first half of 2021.

Cash flow from financing activities came to minus EUR 66.2m in the first six months of 2022, compared to minus EUR 144.6m in the previous year.

1.3.3 CAPITAL EXPENDITURES

Austrian Post Group's capital expenditures including leases amounted to EUR 148.2m in total in the first half of 2022. Investments in the period under review included EUR 140.8m for property, plant and equipment and investment property and EUR 7.4m for intangible assets, whereas EUR 90.9m was attributable to the addition of right-of-use assets pursuant to IFRS 16. The main share of investments was made within the context of the capacity expansion programme designed to expand the parcel logistics infrastructure as well as in the expansion of the sustainable vehicle fleet.

Employees by Division

Average for the period, full-time equivalents	H1 2021	H1 2022	Share H1 2022
Mail	888	885	3.3 %
Parcel & Logistics	9,186	9,030	33.3 %
Retail & Bank	1,980	2,077	7.7 %
Corporate	1,995	2,119	7.8 %
OPERATING DIVISIONS	**14,049**	**14,112**	**52.0 %**
Logistics Network	13,440	13,033	48.0 %
GROUP	**27,489**	**27,144**	**100 %**

1.4 Employees

The average number of employees in the Austrian Post Group totalled 27,144 full-time equivalents in the first half of 2022. The decrease in the total number of staff amounts to 345 full-time equivalents. Most of Austrian Post's staff are employed by the parent company Österreichische Post AG (17,396 full-time equivalents in total).

1.5 Events After the Reporting Period

Events after the reporting period that are material for accounting and assessment on the balance sheet date as at 30 June 2022 are included in the current consolidated interim financial statements.

1.6 Opportunities and Risks

1.6.1 RISK MANAGEMENT SYSTEM

Austrian Post's risk policy focuses on safeguarding and sustainably increasing enterprise value and is incorporated into the corporate and sustainability strategy. Austrian Post is exposed to numerous risks.

As a result, Austrian Post is prepared to take risks provided that the resulting portfolio of opportunities and risks is well-balanced and that they remain in line with the company's legal circumstances and fundamental ethical values. The goals of safeguarding and achieving a sustainable increase in enterprise value must not be jeopardised.

With respect to inevitable risks, control measures are taken to safeguard the company's assets and achieve a sustainable increase in shareholder value.

1.6.2 MATERIAL RISKS

Austrian Post's risks and opportunities result from the overall risk environment and from the trends and changes that the company faces or is exposed to.

Geopolitical and Macroeconomic Risks

There is a risk that the geopolitical and macroeconomic environment will aggravate existing trends, even if the Austrian Post Group is only indirectly affected by the war in Ukraine. This means that intensified inflation, price increases for energy and raw materials as well as problems in the delivery chain directly and indirectly via a changed consumer behaviour could negatively impact the risk situation. Increases in staff and energy costs are expected.

An imminent shortage on the energy market or a stop to gas deliveries pose additional risks. In this case Austrian Post would be indirectly impacted in light of the fact that a gas shortage could lead to production and economic difficulties for Austrian Post customers. In particular, delivery bottlenecks or price rises in paper production could lead to market distortions and thus to a reduction in letter mail and direct mail volumes. Moreover, there is a risk that consumer behaviour will change and thus result in declining parcel volumes.

Environmental, Social and Governance (ESG) Risks

Austrian Post has been pursuing sustainability objectives for more than ten years now. This is reflected in the integrated group & sustainability strategy. ESG issues are a top priority; the CO_2 NEUTRAL DELIVERY initiative is a good example. As a result, Austrian Post welcomes and supports climate and environmental protection measures. However, certain environmental protection efforts could exert mounting regulatory pressure on unaddressed products or intensify the trend towards digitalisation. Both could lead to declining letter mail and direct mail volumes. As a result, Austrian Post is striving to prevent this risk by engaging in a dialogue with stakeholders to raise awareness regarding the actual environmental impact of printed products. Related life cycle assessments are being performed for each product group.

ESG efforts and climate change could have an impact on staff and work processes and lead to cost increases.

While increased awareness of supply chain responsibility translates into increased due diligence, there is still a risk that any misconduct in the supply chain could result in a loss of reputation.

A detailed list of further ESG risks and the measures designed to reduce them can be found in the Sustainability Report, chapter ESG Risk Management, starting on page 31.

Mail and Direct Mail Market

Traditional letter mail is being increasingly replaced by electronic media. The trend towards the electronic substitution of letters and especially towards electronic delivery will continue in the future. This development, which is being facilitated by legislation, could lead to a significant decline in mail volumes and may thus negatively impact earnings. A one-percentage-point revenue decrease in the letter mail business implies a negative revenue effect of about EUR 6m per annum, which in turn reduces earnings in the short and medium term for the most part due to the fixed cost structure of the company's operations. There is a possibility that a change in legal regulations with regard to the delivery of governmental mail would mean that some of these mail items will no longer be delivered by Austrian Post. Further acceleration in the substitution of letter mail by electronic media is expected as a result of the entry into force of the e-Government Act and further digitisation measures implemented by the federal government. Austrian Post counteracts the volume decline resulting from this substitution by developing new products and services. Diversification of business operations helps to minimise or spread risks in individual sectors.

The direct mail items business is influenced by the overall economic development and strongly depends on the intensity of advertising activities by companies. However, high-street retailers, the most important customer group for direct mail items, will continue to be confronted with structural trends. An increasing market consolidation is perceptible, whereas high-street retailers continue to suffer due to the strong growth of the e-commerce market. In turn, this could result in a reduction in advertising materials and direct mail volumes which would have a negative impact on earnings. In addition, rising paper prices could have a negative impact. Furthermore, digital advertising and uncertainties regarding the General Data Protection Regulation may reduce physical mailings.

Turkey/Aras Kargo

Austrian Post holds an 80% stake in the Turkish parcel services provider Aras Kargo a.s. Due to the current difficult political situation in Turkey, there is a risk that primarily economic parameters could develop to the detriment of Austrian Post. The exchange rate and recently the intensified inflationary development are the most important economic parameters. While the exchange rate is reflected in Austrian Post's result due to currency translation, inflationary developments can have an impact on the local business. Another risk relates to the development in staff costs. Like the core business in Austria, Aras Kargo's business is staff intensive. This means that adverse developments in staff costs could have a negative impact on earnings. There is also a risk that the trend towards increased competition or increased internal delivery by large mail order companies will continue.

Parcel Market

The trend towards increased own delivery by large mail order companies is also being observed in the Austrian parcel market. Competition remains intense due to continued dynamic growth in the parcel market driven by the ongoing e-commerce boom. This gives rise to price and volume risks and could lead to shifts in market share. Furthermore, strong parcel growth is driven by large online mail order companies that are still growing at a disproportionately high rate compared to the market itself. Significant volume losses and the accompanying effects on revenue and earnings may arise due to the internal delivery service established by a major customer along with the associated potential for further increases in activities carried out by this customer itself.

Staff Costs and Structure of Employment Contracts

The business model of Austrian Post is characterised by a high staff cost structure. A one-percentage-point change in wages and salaries corresponds to average costs of EUR 9m per annum and potential provision requirements. Furthermore, a proportion of the Austrian Post Group employees have the status of civil servants, which means that they are subject to public sector employment laws, amendments to which could have an additional negative impact. This leads to peculiarities with respect to the way these employees are deployed in line with existing labour regulations. Due to prevailing legal regulations, the company is not allowed to make capacity adjustments for a part of its staff in the event of volume decreases. Similarly, no adjustments in wage or salary levels are permitted in case of less favourable market conditions. Therefore, on balance, public sector employment regulations result in less cost flexibility. Against the backdrop of a liberalised market, Austrian Post Group increasingly faces limited flexibility in making a good usage of the civil servants it employs.

Logistics and Infrastructure Costs

The shift in mail volumes from letter mail to parcels is resulting in adjustments in the logistics process. There is a risk that the efficiency/productivity increases that the company is striving to achieve will be delayed. Furthermore, in addition to delivery by Austrian Post itself, parcel delivery also involves cooperation with freight companies. Due to the increase in parcel volumes and the associated rise in demand for freight services, the company is exposed to the risk of cost increases.

bank99

Going forward, the development of bank99's revenue and earnings will depend on two main factors i.e., the development of customer business as well as interest rates. With regard to the development of the customer business, there is a risk that the product range offered will not be as popular among customers as expected. Adverse interest rate developments could also have a negative impact on earnings. All of these risk aspects could lead to the earnings reported by bank99 not developing in line with Austrian Post's expectations.

The currently prevailing global uncertainties could impact the financial sector and thus give rise to the risk that in processing transactions with a member of the Einlagensicherung Austria (ESA – compulsory membership for deposit protection), the protection scheme for customer deposits, bank99 would have to contribute its share.

Austrian Post issued a letter of comfort to secure bank99's capital resources. There is a risk that, in the event of a crisis, Austrian Post will have to provide additional capital to restore the overall capital ratio.

Financial Risks

Detailed information on financial instruments and the associated financial risks can be found in the Annual

Report 2021, Consolidated Financial Statements, Note 30.2.

Technical and Cyber Risks

To a significant degree, Austrian Post Group is dependent upon the use of complex technical systems. Its postal services rely heavily on the support provided by data processing systems, modern communications media, and other technical equipment. Against this backdrop, Austrian Post Group has made extensive investments in recent years designed to modernise its distribution and delivery network. In this regard, the performance of the company is closely linked with the functioning of a small number of key sites. A temporary or permanent technical system failure or occurrence of temporary or permanent technical system failure, unauthorised data access or data manipulation – for instance, as a result of cybercrime – could potentially lead to disruptions in Austrian Post's business operations, a loss of reputation and customer defections and cause additional expenses. Safety and security measures and guidelines aiming to reduce technical and cyber risks have been defined as a means of ensuring smooth business operations. Austrian Post Group pursues an outsourcing strategy to fulfil its computing and data processing requirements. Austrian Post ensures the availability of outsourcing resources by concluding appropriate contractual agreements and through its targeted service level management. Contractual partners are required to show proof of relevant and valid certificates.

Regulatory and Legal Risks

Austrian Post Group operates with a large number of products and services in a highly complex legal and regulatory environment, which is characterised, for example, by the Postal Market Act, data protection provisions, tax regulations, capital market and competition law.

As a result, despite Austrian Post exercising the greatest possible care, it is impossible to rule out a scenario in which other authorities, e.g. tax authorities, supervisory authorities or courts, take a different legal view and this results in a need for back-payments, penalties or compensation payments.

1.6.3 SIGNIFICANT OPPORTUNITIES

The risk management system aims to identify, analyse, and evaluate opportunities as well as risks early on, and to exploit the corresponding opportunities by taking appropriate measures. Significant opportunities for Austrian Post are presented below. They are allocated to specific strategic areas based on the new integrated corporate and sustainability strategy, which was updated in 2020. The strategy consists of three cornerstones: "Defending Market Leadership and Profitability in the Core Business," "Profitable Growth in Near Markets" and "Development of Retail and Digital Offerings for Private Customers and SMEs." Sustainability is at the core of the new integrated corporate and sustainability strategy, flanked by the three cornerstones referred to above.

In the first strategic pillar – **Defending Market Leadership and Profitability in the Core Business** – the expansion and adaptation of Austrian Post's product portfolio in the Mail and Parcel Divisions in accordance with customer requirements is an opportunity. Various value-added physical and electronic services are continuously expanding the range of services offered by Austrian Post. Ongoing e-substitution has already been taken into account within Austrian Post's planning, in which case the more moderate decline in mail volumes in Austria compared to original expectations is seen as an opportunity. Opportunities predominantly arise as a result of the growth of e-commerce. In this respect, Austrian Post stands out due to its new, quick, and lean solutions for online orders. Austrian Post has clear competitive advantages with respect to its quality and cost structure. Furthermore, measures to optimise staff and logistics costs could provide positive impetus:

In the second strategic pillar – **Profitable Growth in Near Markets** – opportunities arise primarily from Austrian Post's equity investment portfolio. The foreign investees operate primarily in the parcel sector and are also benefiting from increasing e-commerce. The subsidiary Aras Kargo offers particularly substantial potential due to the size and development potential of the Turkish market.

In the third strategic pillar – **Development of Retail and Digital Offerings for Private Customers and SMEs** – there is potential, by way of example, in the development of online and self-service offerings as well as in new business models in the area of e-commerce; in particular, Austrian Post has an opportunity to participate in the dynamic online retail trend through its subsidiary Post E-Commerce.

For information on ESG-related opportunities, refer to the Sustainability Report, chapter on ESG Risk Management, starting on page 31.

1.6.4 OVERALL ASSESSMENT OF THE GROUP'S RISK SITUATION

The company continuously monitors the risks and opportunities described above. In response, appropriate measures are carried out and initiatives launched. Overall, the instability created by the pandemic as well as the geopolitical and macroeconomic environment is expected to increase in both a positive and a negative sense. A look at the company's main opportunities and risks shows that, while the issues faced by Austrian Post are changing and shifting, the company's opportunities and risks are stable overall. As a result, there is no threat to the company's duration from today's perspective.

1.7 Related Party Transactions

No major changes to related party transactions took place in the first half of 2022. Information on business relationships with related companies and persons can be found in the Annual Report 2021 of Austrian Post (refer to the Annual Report 2021, Consolidated Financial Statements, Note 31.2).

1.8 Outlook 2022

The first six months of 2022 posed major challenges to companies, particularly in Europe. The COVID-19 pandemic, countermeasures and the related delays in the global value chain where at the origin of the global inflation trend. The war in Ukraine is now intensifying price pressures on important raw materials and energy sources. These conditions will continue to prevail in the second half of the year. There is also the risk that the energy market will remain unpredictable and that the gas supply in parts of Europe may not be secured.

TARGETED REVENUE STABILITY IN 2022

Austrian Post aims to counteract these unfavourable conditions with respect to both revenue and costs. For this reason, price adjustments are just as necessary as efficiency increases in internal processes. Assuming a continuation of energy and gas supplies in Europe, the company continues to strive to generate 2022 revenue which is as close as possible to the 2021 level. Developments in the past months confirm this assumption.

Stable or slightly lower revenue is forecasted for the Mail Division in 2022. The basic volume development for traditional letter mail will continue to show a downward trend of about 5% p.a. Positive or negative special effects based on one-off mailings are possible on a quarterly basis. Direct mail and media post volumes will remain volatile. Gas and paper prices negatively impact the cost structure of many customers.

Necessary price rises will be continuously implemented due to international pressure on factor costs such as fuel, energy, and staff costs. Accordingly, within the context of the company's universal service obligation, postage rates for Economy Letters featuring delivery within 2–3 days were raised effective 1 July 2022. A further step is the upward adjustment of postal rates for Priority Letters as of 1 October 2022.

Revenue in the Parcel & Logistics Division is expected to decline slightly in 2022. The crucial factor in this respect is the challenging development in Turkey. High inflation and currency depreciation against the euro have already led to a decline in Turkish parcel revenue by 32.6% in euro terms in the first half-year. In contrast, the parcel business in Austria as well as in Southeast and Eastern Europe developed more favourably. The situation should stabilise now following the substantial volume declines in the first quarter of 2022 in relation to the very high comparable figures in 2021. Parcel volumes in Austria could come close to the prior-year figures against the backdrop of difficult market conditions.

Revenue of the Retail & Bank Division will increase significantly in 2022 due to the acquisition of ING's retail business. The priority at present is the integration of the new unit in bank99 as well as the further ramp-up of customers and expansion of the product portfolio.

GROUP EARNINGS 2022

The earnings outlook for 2022 remains highly uncertain due to the risks in the European energy market. At the same time, further supply chain constraints, entrenched inflation and more subdued consumer behaviour are to be expected.

From today's perspective, Group EBIT should be in the range of the results reported in the last two years, namely EUR 205m in 2021 and EUR 161m in 2020. The ambition of the company is to get as close as possible to the level of 2021. The underlying prerequisite is predictability of the gas and energy supply in Austrian Post's markets.

CONTINUATION OF INVESTMENT PROGRAMME

The planned investment programme to expand the logistics infrastructure and to ensure a sustainable vehicle fleet will be fundamentally maintained. Individual investments are being assessed to ensure meeting all profitability targets.

Maintenance CAPEX in Austria, Southeast and Eastern Europe and Turkey totalling about EUR 100m, comprise the basis of the company's investment activities in 2022. Furthermore, growth CAPEX of about EUR 80m is planned in Austria in 2022, assuming the availability of vehicles and construction services. The conversion of logistics processes to enable climate-free delivery plays a key role in all investment projects.

Vienna, 2 August 2022

The Management Board

GEORG PÖLZL
CEO
Chairman of the
Management Board

WALTER OBLIN
Deputy CEO
Mail & Finance (CFO)

PETER UMUNDUM
Member of the
Management Board
Parcel & Logistics (COO)

Consolidated Interim Financial Statements

Consolidated Income Statement for the first half of 2022

EUR m	H1 2021 adjusted[1]	H1 2022	Q2 2021 adjusted[1]	Q2 2022
Revenue	1,262.6	1,211.8	615.6	610.4
thereof results from financial services	14.6	35.2	7.6	17.9
thereof results from effective interest	0.1	13.9	0.1	7.0
Other operating income	43.1	59.2	20.9	30.8
TOTAL OPERATING INCOME	**1,305.7**	**1,271.0**	**636.5**	**641.2**
Raw materials, consumables and services used	–355.0	–349.4	–169.5	–173.8
Expenses for financial services	–2.3	–6.4	–1.3	–3.2
Staff costs	–587.6	–571.8	–284.1	–283.9
Depreciation, amortisation and impairment losses	–81.1	–88.4	–41.8	–46.8
Other operating expenses	–176.8	–165.1	–96.3	–83.2
thereof impairment losses in accordance with IFRS 9	–0.5	–2.9	–0.3	–0.9
TOTAL OPERATING EXPENSES	**–1,202.7**	**–1,181.2**	**–592.9**	**–590.9**
Results from financial assets accounted for using the equity method	0.4	0.1	0.1	–0.1
Net monetary gain	0.0	1.1	0.0	1.1
EARNINGS BEFORE FINANCIAL RESULT AND INCOME TAX (EBIT)	**103.4**	**91.0**	**43.7**	**51.4**
Financial income	13.0	8.5	8.2	3.0
Financial expenses	–8.3	–22.0	–5.9	–17.6
FINANCIAL RESULT	**4.7**	**–13.5**	**2.3**	**–14.6**
PROFIT BEFORE TAX	**108.1**	**77.5**	**45.9**	**36.8**
Income tax	–23.9	–22.7	–11.7	–12.5
PROFIT FOR THE PERIOD	**84.2**	**54.8**	**34.3**	**24.3**
ATTRIBUTABLE TO:				
Shareholders of the parent company	79.7	56.3	31.6	25.4
Non-controlling interests	4.4	–1.5	2.6	–1.1
EARNINGS PER SHARE (EUR)				
BASIC EARNINGS PER SHARE	**1.18**	**0.83**	**0.47**	**0.38**
DILUTED EARNINGS PER SHARE	**1.18**	**0.83**	**0.47**	**0.38**

[1] Adjustments see Note 2.2 change in presentation of financial services

Consolidated Statement of Comprehensive Income for the first half of 2022

EUR m	H1 2021	H1 2022	Q2 2021	Q2 2022
PROFIT FOR THE PERIOD	**84.2**	**54.8**	**34.3**	**24.3**
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:				
Currency translation differences and hyperinflation adjustment – investments in foreign businesses	–9.6	17.8	–3.4	21.9
TOTAL ITEMS THAT MAY BE RECLASSIFIED	**–9.6**	**17.8**	**–3.4**	**21.9**
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:				
Revaluation of defined benefit obligations	4.2	16.7	4.2	18.7
Tax effect of revaluation	–1.1	–4.8	–1.1	–4.4
TOTAL ITEMS THAT WILL NOT BE RECLASSIFIED	**3.1**	**11.9**	**3.1**	**14.3**
OTHER COMPREHENSIVE INCOME	**–6.5**	**29.7**	**–0.4**	**36.2**
TOTAL COMPREHENSIVE INCOME	**77.6**	**84.5**	**33.9**	**60.5**
ATTRIBUTABLE TO:				
Shareholders of the parent company	75.4	83.0	32.2	57.8
Non-controlling interests	2.2	1.5	1.6	2.8

Consolidated Balance Sheet as at 30 June 2022

EUR m	31 December 2021	30 June 2022
ASSETS		
NON-CURRENT ASSETS		
Goodwill	62.0	60.5
Intangible assets	81.8	100.2
Property, plant and equipment	1,206.5	1,280.3
Investment property	76.3	78.9
Financial assets accounted for using the equity method	8.2	7.6
Other financial assets	5.6	5.6
Other receivables	14.3	12.4
Deferred tax assets	46.6	37.0
	1,501.3	**1,582.4**
FINANCIAL ASSETS FROM FINANCIAL SERVICES		
Cash, cash equivalents and central bank balances	1,218.2	1,120.6
Receivables from banks	0.0	30.0
Receivables from customers	1,402.3	1,440.2
Investments	73.5	357.8
Other	21.9	45.6
	2,715.8	**2,994.3**
CURRENT ASSETS		
Other financial assets	31.4	73.5
Inventories	16.5	18.8
Contract assets	3.1	1.4
Trade and other receivables	376.7	356.5
Tax assets	62.0	77.5
Cash and cash equivalents	85.8	53.4
	575.4	**581.1**
ASSETS HELD FOR SALE	**0.1**	**0.0**
	4,792.6	**5,157.8**

Consolidated Balance Sheet as at 30 June 2022

EUR m	31 December 2021	30 June 2022
EQUITY AND LIABILITIES		
EQUITY		
Share capital	337.8	337.8
Capital reserves	91.0	91.0
Revenue reserves	278.2	206.5
Other reserves	–62.6	–22.1
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	**644.3**	**613.1**
NON-CONTROLLING INTERESTS	**27.9**	**27.5**
	672.2	**640.7**
NON-CURRENT LIABILITIES		
Provisions	379.8	339.2
Other financial liabilities	281.4	485.2
Other payables	59.4	56.9
Contract liabilities	3.8	3.0
Deferred tax liabilities	0.1	6.2
	724.5	**890.4**
FINANCIAL LIABILITIES FROM FINANCIAL SERVICES		
Borrowings from banks	2.3	77.6
Liabilities to customers	2,532.9	2,740.1
Other	8.3	15.3
	2,543.5	**2,833.0**
CURRENT LIABILITIES		
Provisions	308.2	299.6
Tax liabilities	6.5	2.4
Other financial liabilities	123.0	73.2
Trade and other payables	386.1	388.5
Contract liabilities	28.6	30.1
	852.4	**793.8**
	4,792.6	**5,157.8**

Consolidated Cash Flow Statement for the first half of 2022

EUR m	H1 2021 adjusted[1]	H1 2022
OPERATING ACTIVITIES		
Profit before tax	108.1	77.5
Depreciation, amortisation and impairment losses	81.1	88.4
Results from financial assets accounted for using the equity method	–0.4	–0.1
Provisions non-cash	24.0	–15.4
Net monetary position - non cash	0.0	7.9
Other non-cash transactions	14.6	3.6
GROSS CASH FLOW	**227.4**	**161.9**
Trade and other receivables	–3.8	17.7
Inventories	–0.3	–2.6
Contract assets	3.1	1.7
Provisions	–18.1	–30.4
Trade and other payables	–10.5	10.5
Contract liabilities	2.5	0.8
Financial assets/liabilities from financial services	119.3	–89.2
Interest received from financial services	0.1	13.6
Interest paid from financial services	–1.4	–3.3
Taxes paid	–36.9	–35.6
CASH FLOW FROM OPERATING ACTIVITIES	**281.5**	**45.0**
INVESTING ACTIVITIES		
Acquisition of intangible assets	–8.0	–8.0
Acquisition of property, plant and equipment/investment property	–47.0	–58.7
Sale of property, plant and equipment/investment property	8.7	3.6
Acquisition of subsidiaries/non-controlling interests/business units	–1.1	–0.3
Sale of financial assets accounted for using the equity method	0.0	1.8
Sale of other financial instruments	0.9	0.8
Acquisition of financial investments in securities/money market investments	–10.0	–70.2
Sale of financial investments in securities/money market investments	40.0	29.6
Loans granted	0.1	0.4
Interest received and income from securities	2.1	1.7
CASH FLOW FROM INVESTING ACTIVITIES	**–14.4**	**–99.2**
FREE CASH FLOW	**267.1**	**–54.2**

[1] Adjustments see Note 2.2 change in presentation of financial services

Consolidated Cash Flow Statement for the first half of 2022

EUR m	H1 2021 adjusted[1]	H1 2022
FINANCING ACTIVITIES		
Issuance of long-term financing	0.0	150.0
Repayment of long-term financial liabilities (incl. current maturities of long-term debt)	–25.2	–28.7
Changes of short-term financial liabilities	–5.7	–53.9
Dividends paid	–115.7	–132.1
Interest paid	–2.7	–2.9
Payments from non-controlling interests	4.5	1.4
CASH FLOW FROM FINANCING ACTIVITIES	**–144.6**	**–66.2**
Currency translation differences in cash and cash equivalents	–2.3	–1.9
Monetary loss on cash and cash equivalents	0.0	–7.6
CHANGE IN CASH AND CASH EQUIVALENTS	**120.2**	**–130.0**
Cash and cash equivalents at 1 January	687.1	1,304.1
CASH AND CASH EQUIVALENTS AT 30 JUNE	**807.3**	**1,174.1**

[1] Adjustments see Note 2.2 change in presentation of financial services

Consolidated Statement of Changes in Equity for the first half of 2021

EUR m	Share capital	Capital reserves	Revenue reserves	Other reserves: IAS 19 reserve	Other reserves: FVOCI reserve	Other reserves: Currency translation reserve	Equity attributable to shareholders of the parent company	Non-controlling interests	Equity
BALANCE AS AT 1 JANUARY 2021	**337.8**	**91.0**	**231.4**	**–28.0**	**0.6**	**–5.4**	**627.4**	**27.6**	**655.0**
Profit for the period	0.0	0.0	79.7	0.0	0.0	0.0	79.7	4.4	84.2
Other comprehensive income	0.0	0.0	0.0	3.3	0.0	–7.6	–4.3	–2.2	–6.5
TOTAL COMPREHENSIVE INCOME	**0.0**	**0.0**	**79.7**	**3.3**	**0.0**	**–7.6**	**75.4**	**2.2**	**77.6**
Dividends paid	0.0	0.0	–108.1	0.0	0.0	0.0	–108.1	–6.3	–114.4
Payments to subsidiaries with non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.5	4.5
TRANSACTIONS WITH OWNERS	**0.0**	**0.0**	**–108.1**	**0.0**	**0.0**	**0.0**	**–108.1**	**–1.8**	**–109.9**
Disposal of financial assets	0.0	0.0	–0.2	0.0	0.2	0.0	0.0	0.0	0.0
OTHER CHANGES	**0.0**	**0.0**	**–0.2**	**0.0**	**0.2**	**0.0**	**0.0**	**0.0**	**0.0**
BALANCE AS AT 30 JUNE 2021	**337.8**	**91.0**	**202.8**	**–24.7**	**0.8**	**–13.0**	**594.7**	**28.0**	**622.7**

Consolidated Statement of Changes in Equity for the first half of 2022

EUR m	Share capital	Capital reserves	Revenue reserves	Other reserves: IAS 19 reserve	Other reserves: FVOCI reserve	Other reserves: Currency translation reserve	Equity attributable to shareholders of the parent company	Non-controlling interests	Equity
BALANCE AS AT 1 JANUARY 2022	**337.8**	**91.0**	**278.2**	**–32.6**	**0.9**	**–31.0**	**644.3**	**27.9**	**672.2**
Adjustment first-time application hyperinflation	0.0	0.0	–0.2	0.2	0.0	13.8	13.8	3.4	17.2
BALANCE AS AT 1 JANUARY 2022 ADJUSTED	**337.8**	**91.0**	**278.0**	**–32.4**	**0.9**	**–17.2**	**658.1**	**31.4**	**689.5**
Profit for the period	0.0	0.0	56.3	0.0	0.0	0.0	56.3	–1.5	54.8
Other comprehensive income	0.0	0.0	0.0	12.6	0.0	14.1	26.8	2.9	29.7
TOTAL COMPREHENSIVE INCOME	**0.0**	**0.0**	**56.3**	**12.6**	**0.0**	**14.1**	**83.0**	**1.5**	**84.5**
Dividends paid	0.0	0.0	–128.4	0.0	0.0	0.0	–128.4	–6.2	–134.5
Acquisition of non-controlling interests	0.0	0.0	0.4	0.0	0.0	0.0	0.4	–0.5	–0.1
Payments to subsidiaries with non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4	1.4
TRANSACTIONS WITH OWNERS	**0.0**	**0.0**	**–128.0**	**0.0**	**0.0**	**0.0**	**–128.0**	**–5.3**	**–133.3**
BALANCE AS AT 30 JUNE 2022	**337.8**	**91.0**	**206.3**	**–19.8**	**0.9**	**–3.1**	**613.1**	**27.5**	**640.7**

Notes to the Consolidated Interim Financial Statements for the first half of 2022

1. Summary of Accounting Principles

The consolidated interim financial statements of Austrian Post as at 30 June 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRS) valid as at 30 June 2022, as issued by the International Accounting Standards Board (IASB) and adopted by the European Union, and the additional requirements of Section 245a of the Austrian Commercial Code (UGB).

These consolidated interim financial statements have been prepared on the basis of IAS 34 Interim Financial Reporting. The consolidated interim financial statements do not include all the notes usually contained in the financial statements for the entire financial year. Accordingly, these consolidated interim financial statements should be read in connection with the consolidated financial statements for the 2021 financial year. The accounting and valuation methods as well as the explanations and notes to the financial statements are fundamentally based on the same accounting and valuation methods underlying the consolidated financial statements for the 2021 financial year with the exception of the initial application of new and revised standards or accounting policies as explained below.

The consolidated interim financial statements are presented in Euros. All amounts are listed in millions of euros (EUR m) unless stated otherwise. When aggregating rounded amounts and percentages, rounding differences may occur due to the use of automated calculation aids.

These consolidated interim financial statements were neither subject to a complete audit nor to an audit review by an auditor.

2. Changes in Accounting and Valuation Methods and Adjustment of Prior-Year Figures

2.1 Mandatory and early application of new and revised IFRS

There were no new standards which had to be applied on a mandatory basis for the first time during the first half of 2022. The following revised standards had to be applied for the first time:

Mandatory application of revised standards		Effective date[1]
IFRS 3	Business combinations	01/01/2022
IAS 16	Property, plant and equipment	01/01/2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	01/01/2022
Miscellaneous	Improvements to IFRS (2018-2020)	01/01/2022

[1] To be applied in the financial year beginning on or after the effective date.

Application of the revised standards did not have any material impact on the Austrian Post Group.

2.2 Change in the Presentation of financial services

As a result of the change in the presentation of financial services as at 31 December 2021, the following adjustments in the prior-year figures were carried out for the consolidated interim financial statements as at 30 June 2022:

Adjustments to the Consolidated Income Statement for the first half of 2021

EUR m	H1 2021	Adjustment	H1 2021 adjusted
Revenue	1,260.4	2.3	1,262.6
thereof income from financial services	12.4	–12.4	0.0
thereof results from financial services	0.0	14.6	14.6
Other operating income	43.1	0.0	43.1
TOTAL OPERATING INCOME	**1,303.5**	**2.3**	**1,305.7**
Raw materials, consumables and services used	–355.0	0.0	–355.0
Expenses for financial services	0.0	–2.3	–2.3
Staff costs	–587.6	0.0	–587.6
Depreciation, amortisation and write-downs	–81.1	0.0	–81.1
Other operating expenses	–176.8	0.0	–176.8
TOTAL OPERATING EXPENSES	**–1,200.4**	**–2.3**	**–1,202.7**

Adjustments to the Consolidated Cash Flow Statement for the first half of 2021

EUR m	H1 2021	Adjustment	H1 2021 adjusted
OPERATING ACTIVITIES			
Profit before tax	108.1	0.0	108.1
Depreciation, amortisation and write-downs	81.1	0.0	81.1
Results from financial assets accounted for using the equity method	–0.4	0.0	–0.4
Provisions non-cash	24.0	0.0	24.0
Other non-cash transactions	13.4	1.3	14.6
GROSS CASH FLOW	**226.1**	**1.3**	**227.4**
Trade receivables and other receivables	–3.8	0.0	–3.8
Inventories	–0.3	0.0	–0.3
Contract assets	3.1	0.0	3.1
Provisions	–18.1	0.0	–18.1
Trade and other payables	–10.5	0.0	–10.5
Contract liabilities	2.5	0.0	2.5
Financial assets/liabilities from financial services	119.3	0.0	119.3
Interest received from financial services	0.0	0.1	0.1
Interest paid from financial services	0.0	–1.4	–1.4
Taxes paid	–36.9	0.0	–36.9
CASH FLOW FROM OPERATING ACTIVITIES	**281.5**	**0.0**	**281.5**

3. Scope of Consolidation

In addition to Österreichische Post AG, a total of 25 domestic subsidiaries (31 December 2021: 28) and 14 foreign subsidiaries (31 December 2021: 13) are included in the consolidated interim financial statements. Furthermore, no domestic (31 December 2021: one) and one foreign company (31 December 2021: one) are accounted for using the equity method.

3.1 Changes in Scope of Consolidation

The following changes in scope of consolidation and transactions with non-controlling interests took place in the first half of 2022:

	Interest			
Company name	**from**	**to**	**Date of transaction**	**Comment**
MAIL				
Post 102 Beteiligungs GmbH, Vienna (Österreichische Post AG, Vienna)[1]	100 %	0.00 %	28 Apr. 2022	Merger
Scanpoint GmbH, Vienna (Post Business Solutions GmbH, Vienna, formerly D2D - direct to document GmbH)[1]	100 %	0.00 %	31 May 2022	Merger
EMD - Elektronische- u. Mikrofilm-Dokumentationssysteme Ges.m.b.H., Haid bei Ansfelden (Post Business Solutions GmbH, Vienna, formerly D2D - direct to document GmbH)[1]	100 %	0.00 %	31 May 2022	Merger
Operational unit 'Poststellenmanagement' der Österreichische Post AG (Post Business Solutions GmbH, Vienna, formerly D2D - direct to document GmbH)[2]	0.00 %	0.00 %	31 May 2022	Contribution of operational unit
sendhybrid ÖPBD GmbH, Graz	51.00 %	100 %	1 Jun. 2022	Acquisition
PARCEL & LOGISTICS				
PHS Logistiktechnik GmbH, Graz	48.36 %	0.00 %	11 Mar. 2022	Sale
Express One SI d.o.o., Ljubljana	0.00 %	100 %	1 Apr. 2022	Foundation

[1] The subsidiary listed first was merged with the Group company listed in paranthesis and is therefore no longer included in the scope of consolidation.
[2] The mentioned operational unit was transferred to the susidiary listed in parenthesis.

MAIL

sendhybrid ÖPBD GmbH

As at 1 June 2022 Austrian Post acquired the remaining 49 % of the shares in sendhybrid ÖPBD GmbH, Graz, which has been fully consolidated since 2018. The acquisition, recognised with no impact on profit and loss, led to a reclassification of non-controlling interests amounting to EUR 0.5m in the share capital attributable to shareholders of the parent company.

PARCEL & LOGISTICS

PHS Logistiktechnik GmbH

As at 11 March 2022, Austrian Post disposed of the 48.36 % stake it held in the associated company PHS Logistiktechnik GmbH, Graz. The end of the significant influence on the company and therefore, the end of the application of the equity method resulted in a gain of EUR 1.3m recognised under other operating income.

RETAIL & BANK

bank99 AG

In June 2022, the purchase price allocation for the acquisition of the retail banking business of the Austrian branch of ING DiBa AG, Frankfurt, with the closing date of

1 December 2021, was concluded. The final purchase price allocation only resulted in immaterial shifts. For this reason, a retrospective adjustment of the values recognised in the consolidated financial statements as at 31 December 2021 was not carried out.

4. Currency Translation

Financial statements of subsidiaries whose functional currency is the currency of a hyperinflationary economy, are translated with the reference exchange rate of the European Central Bank applicable on the balance sheet date.

5. Accounting and Valuation Methods

5.1 Hyperinflation

Pursuant to IAS 29 Financial Reporting in Hyperinflationary Economies, the financial statements of subsidiaries operating in a hyperinflationary economy are restated before translation into the Group currency. Non-monetary items on the balance sheet carried at cost or cost less depreciation, are restated by applying a general price index from the dates of their acquisition or production. Monetary items on the balance sheet are not restated. Equity components are restated using a general price index from the time of their addition. All items in the consolidated income statement and in the consolidated statement of comprehensive income are restated by applying a general price index starting at the time in which the respective income and expenses are initially recognised in the financial statements. The net monetary gain or loss is presented as a separate item in the consolidated income statement in "Earnings before financial result and income tax (EBIT)." Differences between the carrying amount of individual assets and liabilities reported on the balance sheet and their tax bases are accounted for pursuant to IAS 12 Income Taxes. In line with IAS 21.42(b), no restatement is made of comparative amounts for previous periods. The effect of the inflation adjustment derived from the translation of the financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy is presented as part of the currency translation difference in the currency translation reserve.

The financial statements of the Turkish subsidiary are based on a historical cost approach. Due to the changes in the general purchasing power of the functional currency in Turkey (Turkish Lira, TRY), the financial statements of the Turkish subsidiary had to be restated as at 30 June 2022 and are now stated in terms of the measuring unit current at the end of the reporting period. The consumer price index published by the Turkish Statistical Institute is used as the basis for the restatement. The cumulative inflation over the last three years amounted to 136,42 % as at 30. June 2022. The consumer price index as at 30 June 2022 equalled TRY 977.90. The change in the consumer price index is as follows:

Monthly Change in the Consumer Price Index:

in %	2022
January	11.10
February	4.81
March	5.46
April	7.25
May	2.98
June	4.95

5.2 Hedge Accounting

In order to hedge its exposure to interest rate risks related to assets from financial services held at fixed interest rates, part of the derivative financial instruments of the Austrian Post Group are designated as hedging instruments. These hedges are accounted in accordance with IFRS 9 and correspond to a fair value hedge in line with IFRS 9.6.5.2a.

Derivative financial instruments designated as fair value hedges in the Austrian Post Group hedge financial assets or liabilities against the risk of a change in fair value. The change in the fair value of the hedging instrument and the change in the fair value of the hedged item, as this applies to the hedged risk, are recognised in the consolidated income statement. Value fluctuations of the hedged item are basically compensated by value fluctuations of the hedging instrument. Any resulting deviations (ineffectiveness) are recognised in other operating income (in case of a positive surplus value) or in other operating expenses (in case of a negative surplus value).

The derivative designated as a hedging instrument is accounted for at fair value through profit or loss. Positive fair values from the hedging instrument are reported under other financial assets from financial service, whereas negative fair values are recognised under other liabilities from financial services. The hedged items of the Austrian Post Group are financial assets from financial services which are measured at amortised cost and are adjusted by the change in fair value of the hedged risk within the context of the hedge relationship (basis adjustments).

At the beginning of the hedge, the hedge relationship and the risk management objectives and strategies are formally specified and documented. The documentation encompasses the identification of the hedging instrument, the hedged item and the type of hedged risk. The way in which an assessment is made on whether the hedge relationship fulfils the hedge effectiveness requirements is also presented.

A hedge relationship only qualifies for hedge accounting if the following criteria are fulfilled pursuant to IFRS 9.6.4.1:

- There is an economic relationship between the hedged item and hedging instrument.
- The effect of the credit risk cannot dominate the value changes resulting from the economic relationship.
- The hedge ratio of the hedge relationship correspondents to the relationship of the quantity of the hedged item and the quantity of the hedging instrument that the entity actually uses to hedge the quantity of the hedged item.

The hedge relationship is ceased if a hedging instrument expires, is disposed of or terminated or the criteria for hedge accounting are no longer fulfilled. In this case the fair value adjustment (basis adjustment) of the financial assets designated as the hedged items are dissolved over their remaining term to maturity and recognised as income from financial services in the consolidated income statement.

6. Future-related Assumptions and Estimation Uncertainties

6.1 Impacts of COVID-19 and Climate Change

Within the context of preparing the consolidated interim financial statements, current developments relating to COVID-19 as well as climate change are taken into account and potential effects on the Austrian Post Group are evaluated.

Restrictions triggered by COVID-19 were lifted in the first half of 2022, which led to an economic upturn.

With respect to trade and other receivables, there were still no perceived payment defaults or other significant adverse effects related to COVID-19 observed. Austrian Post no longer assumes the existence of an increased credit risk. For this reason, no additional COVID-19-related factors are taken into account in the 2022 financial year when calculating expected loss rates.

With regard to receivables from customers, future expectations including increased risks are already considered within the context of granting loans and measuring the credit risk. Accordingly, an enhanced risk relating to COVID-19 is already priced into the loan in determining the extent of default probabilities in the various rating classes. In this connection, no COVID-19-related deterioration in the credit portfolio was observed as at 30 June 2022.

Concerning the COVID-19 bonus for new investments, the Austrian Post Group continues to expect investment funding to the amount of EUR 6.8m applying to an investment volume of EUR 49.6m. As at 30 June 2022, receivables in the amount of EUR 5.3m (31 December 2021: EUR 3.3m) for the first partial settlement was recognised, for which payment is expected in the course of the 2023 financial year.

Furthermore, in the first half of 2022, social insurance institutions made a total of EUR 13.1m (H1 2021: EUR 0.7m) in compensatory payments to Austrian Post, which was recognised as other operating income. These payments relate to employees from COVID-19 risk groups who had to be released from their duties with continued remuneration for that period as well as employees who were granted special care leave.

There were no significant changes in the first half of the 2022 financial year in connection with climate change. For this reason, no material impacts on the consolidated interim financial statements as at 30 June 2022 were observed.

6.2 Impacts of the Russia-Ukraine War

Since the invasion of Ukraine by Russian forces at the end of February 2022, the Russian Federation has been at war with Ukraine. Within the context of this invasion, in particular the European Union and the United States of America have imposed comprehensive sanctions against Russia and Belarus.

Potential effects of the war were analysed separately and in depth in preparing the consolidated interim financial statements. The evaluation particularly focused on impairment of assets pursuant to IAS 36, the recognition and valuation of assets in line with IFRS 9 and IFRS 13, the recognition and valuation of liabilities as well as the recognition of deferred taxes.

The existing uncertainties and reduced expectations concerning macroeconomic developments were classified as possible indications for impairment pursuant to IAS 36. Updates of the impairment tests for selected cash generating units as well as investment properties were carried out in the first half of 2022. Therefore, the updated assumptions were reflected in the expected future cash flows as well as in the weighted average cost of capital (WACC). Assumptions with regard to the long-term earnings development of the company remained unchanged. The impairment tests did not lead to any impairment. Similarly, no material effects on the fair values of the properties were identified.

With regard to receivables from customers, trade and other receivables, no significant payment defaults were observed, and no customers were identified who were directly or indirectly subject to an increased risk as a result of the war. For this reason, no adjustments were made to the expected loss rates or to the risk parameters. Moreover, the impacts of rising interest rates and inflation rates on receivables from customers as a consequence of the war were analysed by doing stress tests. For this purpose, ad hoc stress tests were carried out on the internal capital adequacy assessment process (ICAAP) in order to enable impact assessments and to examine the company's own capital adequacy. Subject to stress testing were the main influencing factors of probability of default (PD) and interest rates. The stress test on the factor probability of default (PD) was derived with the help of a scoring model in which the income of the current customers was reduced by a pessimistic inflation rate. The results of the stress tests showed that there is no risk regarding the total limit of the risk-bearing capacity and thus no significant changes in the credit portfolio were identified.

No significant adjustments of provisions as well as deferred taxes were necessary due to the Russia-Ukraine war.

7. Segment Reporting

The following tables present segment disclosures for the reportable segments for the first half of 2021 and the first half of 2022:

H1 2021

EUR m	Mail	Parcel & Logistics	Retail & Bank	Corporate	Group Reconciliation	Group
Revenue (segments)	608.2	628.1	34.0	1.4	–11.4	1,260.4
Revenue intra-Group	1.4	0.5	90.4	0.0	–92.2	0.0
TOTAL REVENUE	**609.6**	**628.5**	**124.4**	**1.4**	**–103.5**	**1,260.4**
thereof revenue with third parties	603.8	621.3	33.9	1.4	0.0	1,260.4
thereof results from financial services	0.0	0.0	12.5	0.0	–0.2	12.4
EBIT	**82.4**	**59.7**	**–27.0**	**–11.7**	**0.0**	**103.4**
Financial result						4.7
PROFIT BEFORE TAX						**108.1**

H1 2022

EUR m	Mail	Parcel & Logistics	Retail & Bank	Corporate	Group Reconciliation	Group
Revenue (segments)	599.5	572.0	54.2	1.1	–15.1	1,211.8
Revenue intra-Group	1.9	0.3	93.7	0.0	–95.8	0.0
TOTAL REVENUE	**601.4**	**572.4**	**147.8**	**1.1**	**–110.9**	**1,211.8**
thereof revenue with third parties	594.0	562.7	54.0	1.1	0.0	1,211.8
thereof results from financial services	0.0	0.0	35.4	0.0	–0.2	35.2
EBIT	**82.9**	**45.5**	**–20.4**	**–16.7**	**–0.2**	**91.0**
Financial result						–13.5
PROFIT BEFORE TAX						**77.5**

8. Revenue from Contracts with Customers

The following table shows revenue from contracts with customers broken down according to reportable segments and type of products or services and regions:

EUR m	H1 2021	H1 2022
Letter Mail	367.0	350.0
Business Solutions	20.8	21.0
Direct Mail	157.3	160.5
Media Post	58.7	62.6
MAIL	**603.8**	**594.0**
Parcel Austria	346.7	341.5
Parcel Turkey	34.2	28.6
Parcel CEE/SEE	79.7	84.4
Logistics Solutions/Consolidation	160.7	108.2
PARCEL & LOGISTICS	**621.3**	**562.7**
Branch Services	21.5	18.7
Commission income from financial services[1]	14.5	21.3
RETAIL & BANK	**36.0**	**40.0**
Other revenue	1.4	1.1
CORPORATE	**1.4**	**1.1**
REVENUE FROM CONTRACTS WITH CUSTOMERS	**1,262.5**	**1,197.8**
thereof recognized in revenue	1,262.5	1,197.8

[1] see note 9.1 result from financial services

The presentation in the Parcel & Logistics segment was adjusted during the first half of 2022 to ensure a transparent and suitable breakdown of revenue from contracts with customers. The breakdown is now carried out in parcel logistics with a regional presentation as well as in logistics services. The comparative figures for the previous year were adjusted accordingly.

9. Result from Financial Services

Income derived from financial services is shown as part of revenue whereas expenses for financial services are presented as a separate item in the consolidated income statement:

EUR m	H1 2021	H1 2022
Interest income	0.1	13.9
Commission income	14.5	21.3
INCOME FROM FINANCIAL SERVICES	**14.6**	**35.2**

EUR m	H1 2021	H1 2022
Interest expense	–1.4	–3.4
Commission expense	–0.9	–2.9
EXPENSES FOR FINANCIAL SERVICES	**–2.3**	**–6.4**

Impairment losses pursuant to IFRS 9 which relate to financial assets from financial services are recognised under other operating expenses.

Negative interest amounting to EUR 2.1m (H1 2021: EUR 1.2m) are recognised in the interest expense.

The result from financial services is as follows:

EUR m	H1 2021	H1 2022
Interest income	0.1	13.9
thereof results of the effective interest method	0.1	13.9
Interest expense	–1.4	–3.4
NET INTEREST INCOME/EXPENSE	**–1.3**	**10.5**
Commission income	14.5	21.3
Commission expense	–0.9	–2.9
NET COMMISSION INCOME/EXPENSES	**13.7**	**18.3**
NET INTEREST AND COMMISSION INCOME/EXPENSES	**12.4**	**28.8**
Revaluation and derecognition income	0.0	0.6
Impairment loss IFRS 9	–0.1	–2.5
INCOME FROM FINANCIAL SERVICES	**12.3**	**26.9**

Interest income mainly results from receivables from customers. Commission income is derived from the current account business and payment transactions in an amount of EUR 8.8m (H1 2021: EUR 5.8m), from other services in an amount of EUR 8.5m (H1 2021: EUR 8.7m) and from the business with securities in an amount of EUR 3.8m (H1 2021: EUR 0.0m).

10. Financial Result

EUR m	H1 2021	H1 2022
FINANCIAL INCOME		
Interest income	1.9	1.9
Income from securities	0.3	0.3
Income from revaluation of financial assets and derivatives	0.1	2.1
Income from realized derivatives	0.9	0.0
Income from foreign currency valuation	9.7	4.2
	13.0	**8.5**
FINANCIAL EXPENSES		
Interest expense from lease liabilities	–2.6	–2.3
Interest expense for other financial liabilities	–0.1	–0.6
Interest expense for other liabilities	–4.0	–3.9
Interest expense (interest effects of provisions)	–1.3	–1.9
Expense from revaluation of financial assets	–0.3	–0.5
Expenses from foreign currency valuation	0.0	–12.8
	–8.3	**–22.0**
FINANCIAL RESULT	**4.7**	**–13.5**

The increase in income from the revaluation of financial assets and derivatives in the first half of 2022 mainly refers to income from money market investments totalling EUR 1.9m.

Income and expenses from foreign currency valuation in the first half of 2022 relate on the one hand to the income and expenses from foreign currency measurement and the inflation effects of liabilities resulting from purchase obligations of non-controlling interests and, on the other hand, to foreign currency gains and losses from cash and cash equivalents.

The interest expense for other liabilities comprises expenses from the interest cost of liabilities resulting from purchase obligations of non-controlling interests.

Impairment losses in accordance with IFRS 9 on debt instruments measured at amortised cost or fair value through other comprehensive income (FVOCI) are reported under expenses from the revaluation of financial assets. Due to the immaterial amounts involved, they are not disclosed as separate items in the income statement in accordance with IAS 1.82.

11. Income Tax

The Austria Eco-Social Tax Reform Act was resolved upon by the National Council after the third reading on 20 January 2022. It stipulates a phased reduction of the corporate income tax rate from 25% to 23% (2023: 24%, 2024: 23%), amongst other measures. As a result, deferred tax assets were reduced by EUR 2.9m.

The application of IAS 29 Financial Reporting in Hyperinflationary Economies had an effect of about EUR 8.0m on deferred tax assets and deferred tax liabilities.

12. Hyperinflation

12.1 Goodwill

The application of IAS 29 Financial Reporting in Hyperinflationary Economies on the financial statements of the Turkish subsidiary led to an increase in the carrying amount of the cash generating unit (CGU) Aras Kargo (Parcel & Logistics segment). An impairment test carried out pursuant to IAS 36, lead to an impairment loss of EUR 1.4m which was recognised on goodwill for the CGU Aras Kargo. This impairment results from the effects relating to the adjustment of the carrying amount in line with IAS 29 Financial Reporting in Hyperinflationary Economies as well as from operating risks in connection with hyperinflation in Turkey that were considered when calculating the value in use. The impairment loss was recognised under depreciation, amortisation and impairment losses in the consolidated income statement.

12.2 Intangible Assets

The application of IAS 29 Financial Reporting in Hyperinflationary Economies on the financial statements of the Turkish subsidiary led to a restatement of EUR 27.6m with respect to the historical costs of intangible assets as at 1 January 2022. Of this amount, EUR 8.9m related to customer relationships, EUR 13.0m to trademarks and EUR 5.7m to other intangible assets. The cumulative depreciation and impairment losses as at 1 January 2022 had to be restated by EUR 3.7m, of which EUR 1.7m involved customer relationships and EUR 2.0m other intangible assets.

12.3 Property, Plant and Equipment

The historical costs of property, plant and equipment as at 1 January 2022 were restated by the amount of EUR 24.1m due to the application of IAS 29 Financial Reporting in Hyperinflationary Economies on the financial statements of the Turkish subsidiary. Of this amount, EUR 13.7m related to property and buildings, EUR 6.3m to technical plant and machinery and EUR 4.1m to other equipment, furniture and fittings. The cumulative depreciation and impairment losses as at 1 January 2022 had to be restated by EUR 4.7m. Of this amount, EUR 2.2m was related to property and buildings, EUR 1.0m to technical plant and machinery and EUR 1.6m to other equipment, furniture and fittings.

The carrying amount of the right-of-use assets as at 1 January 2022 were restated by EUR 4.6m. Of this amount, EUR 4.1m related to property and buildings and EUR 0.5m to other equipment, furniture and fittings.

12.4 Investment Property

The historical costs of investment property as at 1 January 2022 were restated by the amount of EUR 1.1m due to the application of IAS 29 Financial Reporting in Hyperinflationary Economies for the financial statements of the Turkish subsidiary.

13. Leases

Right-of-use assets on the balance sheet are recognised in those balance sheet items in which the assets underlying the leases would also be presented.

Within the first half of 2022 there were additions to right-of-use assets for property and buildings in an amount of EUR 87.8m. These mainly relate to the Logistics Centre Tyrol amounting to EUR 54.0m. The lease liabilities also increased correspondingly.

14. Provisions

Austrian Post adjusted the parameters of salary increases and the discount rate for interest-bearing provisions against the backdrop of the general development of interest rates and the expected salary increases in the first half of 2022.

The provisions for severance pay were determined on the basis of a weighted discount rate of 5.06 % (31 December 2021: 2.29 %) and a weighed salary increase of 5,85 % (31 December 2021: 4.70 %). The weighted discount rate for provisions for anniversary bonuses now equals 3.18 % (31 December 2021: 1.00 %). The calculation was based on a weighted salary increase of 4,21 %–4,70 % (31 December 2021: 3.48 %–3.97 %).

The parameter adjustments including the effects from experience adjustments for provisions for severance pay and anniversary bonuses led to an actuarial gain of EUR 25,6m in the first half of 2022, of which EUR 17,9.m was recognised in other comprehensive income.

The range of the discount rates for provisions for underutilisation is now at 0.75 %–3.00 % (31 December 2021: 0.00 %–1.00 %). The range of salary increases for provisions for underutilisation equals 4.00 % (31 December 2021: 2,75 %–3,25 %). The parameter adjustments in the first half of 2022 resulted in a positive effect of EUR 15,5m, which was recognised under staff costs.

15. Financial instruments

This note contains an update of the assessments and estimates used by the Austrian Post Group in determining the fair value of financial instruments since the last consolidated annual financial statements.

15.1 Financial assets and liabilities

The following tables show the carrying amounts of financial assets and liabilities as at 31 December 2021 and 30 June 2022 in accordance with the classification categories stipulated in IFRS 9.

31 December 2021

EUR m	Recognised at amortised cost	At fair value through OCI (FVOCI) - recycling	At fair value through OCI (FVOCI) - no recycling	At fair value through profit or loss (FVTPL) mandatory	Total at fair value	Total
FINANCIAL ASSETS						
Financial assets from financial services	2,715.7	0.1	0.0	0.0	0.1	2,715.8
Cash, cash equivalents and central bank balances	1,218.2	0.0	0.0	0.0	0.0	1,218.2
Credits to clients	1,402.3	0.0	0.0	0.0	0.0	1,402.3
Mortgage loans	1,010.7	0.0	0.0	0.0	0.0	1,010.7
Consumer loans	385.4	0.0	0.0	0.0	0.0	385.4
Current accounts	6.2	0.0	0.0	0.0	0.0	6.2
Investments	73.4	0.1	0.0	0.0	0.1	73.5
Other clearing receivables	21.9	0.0	0.0	0.0	0.0	21.9
Other financial assets	10.0	0.4	5.6	20.9	27.0	37.0
Securities	0.0	0.4	0.0	19.9	20.4	20.4
Money market investments	10.0	0.0	0.0	0.0	0.0	10.0
Other stakes	0.0	0.0	5.6	0.0	5.6	5.6
Derivative financial assets	0.0	0.0	0.0	1.0	1.0	1.0
Trade receivables and other receivables	340.6	0.0	0.0	0.0	0.0	340.6
Trade receivables	303.8	0.0	0.0	0.0	0.0	303.8
Receivables from financial assets accounted for using the equity method	1.8	0.0	0.0	0.0	0.0	1.8
Other receivables[1]	34.9	0.0	0.0	0.0	0.0	34.9
Cash and cash equivalents	85.8	0.0	0.0	0.0	0.0	85.8
TOTAL	**3,152.1**	**0.5**	**5.6**	**20.9**	**27.1**	**3,179.2**
FINANCIAL LIABILITIES						
Financial liabilities from financial services	2,543.5	0.0	0.0	0.0	0.0	2,543.5
Borrowings from banks	2.3	0.0	0.0	0.0	0.0	2.3
Banking client's deposits	2,532.9	0.0	0.0	0.0	0.0	2,532.9
Other clearing liabilities	8.3	0.0	0.0	0.0	0.0	8.3
Other financial liabilities	404.4	0.0	0.0	0.0	0.0	404.4
Borrowings from banks	70.7	0.0	0.0	0.0	0.0	70.7
Lease liabilities	333.7	0.0	0.0	0.0	0.0	333.7
Trade and other payables	362.7	0.0	0.0	0.0	0.0	362.7
Trade payables	237.2	0.0	0.0	0.0	0.0	237.2
Liabilities from obligation to acquire non-controlling interests	45.9	0.0	0.0	0.0	0.0	45.9
Other liabilities[2]	79.6	0.0	0.0	0.0	0.0	79.6
TOTAL	**3,310.6**	**0.0**	**0.0**	**0.0**	**0.0**	**3,310.6**

[1] Exklusive geleisteter Vorauszahlungen und Forderungen gegenüber Steuerbehörden und Sozialversicherungsträger*innen
[2] Exklusive erhaltener Vorauszahlungen und Verbindlichkeiten gegenüber Steuerbehörden und Sozialversicherungsträger*innen sowie nicht konsumierte Urlaube

30 June 2022

EUR m	Recognised at amortised cost	At fair value through OCI (FVOCI) - recycling	At fair value through OCI (FVOCI) - no recycling	At fair value through profit or loss (FVTPL) mandatory	Total at fair value	Total
FINANCIAL ASSETS						
Financial assets from financial services	2,958.8	0.0	0.0	35.4	35.4	2,994.3
Cash, cash equivalents and central bank balances	1,120.6	0.0	0.0	0.0	0.0	1,120.6
Receivables against banks	30.0	0.0	0.0	0.0	0.0	30.0
Credits to clients	1,440.2	0.0	0.0	0.0	0.0	1,440.2
Mortgage loans	1,086.4	0.0	0.0	0.0	0.0	1,086.4
Consumer loans	345.1	0.0	0.0	0.0	0.0	345.1
Current accounts	8.7	0.0	0.0	0.0	0.0	8.7
Investments	357.8	0.0	0.0	0.0	0.0	357.8
Other receivables	10.2	0.0	0.0	35.4	35.4	45.6
Positive market values from hedge accounting	0.0	0.0	0.0	35.4	35.4	35.4
Other clearing receivables	10.2	0.0	0.0	0.0	0.0	10.2
Other financial assets	55.0	0.4	5.6	18.0	24.0	79.0
Securities	0.0	0.4	0.0	0.0	0.4	0.4
Money market investments	55.0	0.0	0.0	18.0	18.0	73.0
Other stakes	0.0	0.0	5.6	0.0	5.6	5.6
Trade receivables and other receivables	324.7	0.0	0.0	0.0	0.0	324.7
Trade receivables	281.7	0.0	0.0	0.0	0.0	281.7
Receivables from financial assets accounted for using the equity method	0.9	0.0	0.0	0.0	0.0	0.9
Other receivables[1]	42.1	0.0	0.0	0.0	0.0	42.1
Cash and cash equivalents	53.4	0.0	0.0	0.0	0.0	53.4
TOTAL	**3,392.0**	**0.4**	**5.6**	**53.5**	**59.5**	**3,451.5**
FINANCIAL LIABILITIES						
Financial liabilities from financial services	2,832.5	0.0	0.0	0.5	0.5	2,833.0
Borrowings from banks	77.6	0.0	0.0	0.0	0.0	77.6
Banking client's deposits	2,740.1	0.0	0.0	0.0	0.0	2,740.1
Other liabilities	14.8	0.0	0.0	0.5	0.5	15.3
Negative market values from hedge accounting	0.0	0.0	0.0	0.5	0.5	0.5
Other clearing liabilities	14.8	0.0	0.0	0.0	0.0	14.8
Other financial liabilities	558.4	0.0	0.0	0.0	0.0	558.4
Borrowings from banks	166.7	0.0	0.0	0.0	0.0	166.7
Lease liabilities	391.6	0.0	0.0	0.0	0.0	391.6
Trade and other payables	334.6	0.0	0.0	0.0	0.0	334.6
Trade payables	206.9	0.0	0.0	0.0	0.0	206.9
Liabilities from obligation to acquire non-controlling interests	44.6	0.0	0.0	0.0	0.0	44.6
Other liabilities[2]	83.0	0.0	0.0	0.0	0.0	83.0
TOTAL	**3,725.4**	**0.0**	**0.0**	**0.5**	**0.5**	**3,725.9**

[1] Excluding prepayments and receivables from tax authorities and social security carriers
[2] Excluding payments received in advance and liabilities to tax authorities and social security carriers as well as unused vacation

The result from the subsequent measurement of liabilities related to the obligation to acquire non-controlling interests amounted to plus EUR 1.2m in the first half of 2022, in which case income from the change in estimates for future results totalling EUR 13.4m is recognised in other operating income and the results from the foreign currency valuation of the liabilities, the inflation effects and the accrued interest effect of the liability to the amount of minus EUR 12.3m are recognised in the financial result.

15.2 Financial Assets and Liabilities Measured at Fair Value

The following tables show financial assets measured at fair value as at 31 December 2021 and 30 June 2022 in accordance with the levels of the fair value hierarchy of IFRS 13:

31 December 2021

EUR m	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS				
Financial assets from financial services	0.1	0.0	0.0	0.1
Investments	0.1	0.0	0.0	0.1
Other financial assets	20.4	6.5	0.1	27.0
Securities	20.4	0.0	0.0	20.4
Other stakes	0.0	5.5	0.1	5.6
Derivative financial assets	0.0	1.0	0.0	1.0
TOTAL	**20.5**	**6.5**	**0.1**	**27.1**

30 June 2022

EUR m	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS				
Financial assets from financial services	0.0	35.4	0.0	35.4
Other receivables	0.0	35.4	0.0	35.4
Positive market values from hedge accounting	0.0	35.4	0.0	35.4
Other financial assets	0.4	23.5	0.1	24.0
Securities	0.4	0.0	0.0	0.4
Money market investments	0.0	18.0	0.0	18.0
Other stakes	0.0	5.5	0.1	5.6
TOTAL	**0.4**	**59.0**	**0.1**	**59.5**
FINANCIAL LIABILITIES				
Other liabilities	0.0	0.5	0.0	0.5
Negative market values from hedge accounting	0.0	0.5	0.0	0.5
TOTAL	**0.0**	**0.5**	**0.0**	**0.5**

The fair value in Level 2 for other stakes relates to shares held in the Vienna Stock Exchange. The valuation of these shares is carried out by reference to the exit price on the basis of the existing syndicate agreement as well as regular index-based value adjustments.

The valuation of money markets investments classified as Level 2 took place on the basis of exchange rates and interest rate curves observable on the market.

The valuation of market values from hedge accounting takes place by means of the net present value method (income approach). Accordingly, future payment flows are discounted on the valuation date taking account of interest rate curves and valuation premiums for similar assets observable on the money market and capital market. In order to determine the fair value, an adjustment is made for counterparty default risk (credit value adjustment - CVA). This valuation adjustment is determined by the expected positive exposure and by the probability of default by the counterparty.

The Austrian Post Group recognises transfers among the various levels of the fair value hierarchy at the end of the reporting period in which the change took place. No transfers between Levels 1, 2 and 3 took place during the reporting period from 1 January 2022 to 30 June 2022.

The following table shows the reconciliation of Level 3 valuations at fair value of financial assets and liabilities for the periods between 1 January 2021 and 30 June 2021 as well as 1 January 2022 to 30 June 2022:

Financial Assets

EUR m	H1 2021	H1 2022
OPENING BALANCE AS AT 1 JANUARY	**5.4**	**0.1**
Transfers from Level 3	–5.3	0.0
CLOSING BALANCE AS AT 30 JUNE	**0.1**	**0.1**

15.3 Financial Assets and Liabilities Not Measured at Fair Value

The fair values of the following financial assets as at 31 December 2021 and 30 June 2022, taking account of the various levels in the fair value hierarchy of IFRS 13, are as follows:

31 December 2021

EUR m	Carrying amount	Fair value	Level 1	Level 3
FINANCIAL ASSETS				
Credits to clients				
Mortgage loans	1,010.7	1,003.3	0.0	1,003.3
Consumer loans	385.4	389.8	0.0	389.8
Investments	73.4	72.2	72.2	0.0
FINANCIAL LIABILITIES				
Liabilities from obligation to acquire non-controlling interests	45.9	37.2	0.0	37.2

30 June 2022

EUR m	Carrying amount	Fair value	Level 1	Level 3
FINANCIAL ASSETS				
Receivables against banks	30.0	30.3	0.0	30.3
Credits to clients				
Mortgage loans	1,086.4	1,111.0	0.0	1,111.0
Consumer loans	345.1	405.6	0.0	405.6
Investments	357.8	330.9	330.9	0.0
FINANCIAL LIABILITIES				
Liabilities from obligation to acquire non-controlling interests	44.6	30.7	0.0	30.7

The fair value of the financial assets listed in this table (Level 3) is determined using the present value method, taking into consideration credit risks and currently observable market data on interest rates.

The increase in the fair value of consumer loans is mainly attributable to the currently high projected interest rate curves used for determining the fair values.

The calculation of the fair value of the liabilities resulting from purchase obligations of non-controlling interests is based on current earnings projections, the current EUR/TRY exchange rate and an updated WACC as the discount rate.

In the case of all other financial assets and liabilities which are not measured at fair value, it is assumed that the fair values correspond to the carrying amounts due to the primarily short-term nature of these items.

15.4 Hedge Accounting

Starting in the 2022 financial year, credit risks relating to fixed-interest mortgage loans are hedged by Austrian Post with interest rate derivatives (interest swaps). The derivatives are concluded in EUR with Austrian financial institutions based on the Austrian Master Agreement for Financial Derivative Transactions (including the hedging attachment).

For fixed-interest financial instruments a market price risk arises from the change in the relevant reference interest curve. Within the context of managing the market risk the interest rate risk is monitored and controlled. With the use of interest rate derivatives as hedging instruments, the fixed interest of the hedged item is transformed into a variable interest rate linked to the reference interest rate.

The interest rate derivative designated as a hedging instrument thereby represents an economic relationship with the interest rate risk components of the hedged item. The risk components not related to the interest rate (such as credit spreads) are not part of the hedge relationship. The hedged item and the hedging instrument are so designed that the relevant valuation parameters are essentially the same. Opposing effects are only recognised to the extent that there is an economic relationship, without generating volatility in the income statement. Furthermore, the underlying risk of the derivative is identical to the hedged risk components.

The Austrian Post Group makes use of bottom layer hedges to hedge interest rate risks. The hedging ratio is 1:1. For fixed-interest mortgage loans, grouped into maturities and fixed interest rates, a bottom layer is designated as base amount in the hedge relationship, taking into account that there is a high probability that this base amount is still existing at the maturity of the hedging instrument considering expected and premature repayments. In applying this approach, premature repayments, derecognitions and impairment losses are always assigned to the unhedged amount, which is above the defined base amount. This means that these amounts do not affect the effectiveness of the hedge relationships unless they reach the defined bottom layer threshold.

To assess the effectiveness of the hedge relationship, the change in the fair value of the hedged risk of the hedged item is determined using hypothetical derivatives, which essentially correspond to the contractual conditions of the hedging instrument. The calculation of the present value for the effectiveness test takes place in accordance with internal Group guidelines on hedge accounting using the dollar offset method and regression analysis. Effectiveness is deemed to exist when the changes in the fair value of the hedged risk compensate for the changes in the fair value of the hedging instrument in a range of 80% to 125%.

The hedge relationship can turn out to be ineffective if the nominal value of the hedged item is below that of the derivative. If a hedge relationship is no longer effective, the effectiveness must be rebuilt with rebalancing. In the 2022 financial year no rebalancing has taken place.

The following table shows the nominal amounts of the hedging instruments grouped according to their remaining maturities:

30 June 2022

EUR m	<3 months	>3 months within 1 year	>1 year within 5 years	>5 years	Nominal
ASSETS					
Interest rate derivative – Mortgage loans	0.0	0.0	0.0	265.0	265.0

The positive market value of the hedging instruments amounts to EUR 35.4m as at 30 June 2022 and is recognized under the financial assets from financial services. The negative market value of the hedging instruments amounts to EUR 0.4m as at 30 June 2022 and is recognized under the financial liabilities from financial services.

The carrying amounts and the recognised adjustments (basis adjustments) of the hedged items are as follows:

30 June 2022

EUR m	Carrying amount of hedged item	Basis adjustments included in the carrying amount
ASSETS		
Mortgage loans	655.6	–35.0

The following table shows the effects of hedge relationships on the consolidated income statement:

30 June 2022

EUR m	Results of hedged items	Result of hedging instruments	Result of hedge relationship
ASSETS			
Hedge relationship – Mortgage loans	–35.0	35.0	0.0

The value fluctuations of the hedged items are essentially compensated by the value fluctuations of the hedging instruments. Accordingly, there is an insignificant ineffectiveness, which is recognised under other operating expenses.

15.5 Regulatory Risk Requirements

Due to its business operations in the field of banking, bank99 is also subject to additional requirements on the part of the banking supervisory authority concerning risk management. A separate risk management system was established for this purpose which correspondingly controls and monitors risks arising from the banking business.

Reference is made to the disclosures contained in the Annual Report 2021 in connection with the risk policy and strategy as well as the organisation of risk management. Updates are described below.

15.5.1 CREDIT RISK

Credit risk-relevant portfolio The credit risk-relevant portfolio encompasses all items which involve a credit risk in the narrower sense of the term. This includes both on-balance sheet and off-balance sheet items. The credit risk-relevant portfolio as at 30 June 2022 is as follows:

Credit Risk-Relevant Portfolio as at 31 December 2022

EUR m	Credit risk exposure	Impairment losses	Net carrying amount
CREDIT RISK-RELEVANT PORTFOLIO			
Central bank balances and other sight deposits	1,082.8	0.0	1,082.8
Credits to clients			
Mortgage loans	1,011.4	–0.7	1,010.7
Consumer loans	390.0	–4.6	385.4
Current accounts	6.5	–0.3	6.2
Investments			
Recognised at amortised cost	73.4	0.0	73.4
At fair value through OCI (FVOCI)	0.1	0.0	0.1
Other clearing receivables	13.9	0.0	13.9
SUBTOTAL	**2,578.1**	**–5.7**	**2,572.4**
OFF-BALANCE ITEMS			
Liabilities from financial guarantee contracts	2.1	0.0	2.1
Loan commitments	48.7	0.0	48.7
SUBTOTAL	**50.8**	**0.0**	**50.8**
CREDIT RISK-RELEVANT PORTFOLIO BANK99	**2,628.9**	**–5.7**	**2,623.2**

Credit Risk-Relevant Portfolio as at 30 June 2022

EUR m	Credit risk exposure	Impairment losses	Net carrying amount
CREDIT RISK-RELEVANT PORTFOLIO			
Central bank balances and other sight deposits	923.7	0.0	923.7
Receivables against banks	30.0	0.0	30.0
Credits to clients			
Mortgage loans	1,087.3	–1.0	1,086.4
Consumer loans	352.3	–7.2	345.1
Current accounts	9.4	–0.7	8.7
Investments			
Recognised at amortised cost	357.8	0.0	357.8
Other clearing receivables	1.5	0.0	1.5
SUBTOTAL	**2,762.1**	**–8.8**	**2,753.2**
OFF-BALANCE ITEMS			
Liabilities from financial guarantee contracts	1.9	0.0	1.9
Loan commitments	78.9	0.0	78.9
SUBTOTAL	**80.9**	**0.0**	**80.8**
CREDIT RISK-RELEVANT PORTFOLIO BANK99	**2,842.9**	**–8.9**	**2,834.0**

Other receivables from postal partners which are in connection with PSK bank transfers are not taken into account in the presentation of the credit risk-related portfolio. These receivables are recognised by the parent company Österreichische Post AG. For this reason, no disclosures are made within the context of regulatory risk requirements.

The investments are primarily for the purpose of controlling liquidity and consist of Austrian and European public sector bonds. Further investments were made in public sector bonds in the first half of 2022. In turn, this led to an increase in investments to EUR 357.8m (31 December 2021: EUR 73.5m) as at 30 June 2022. Furthermore, term deposits totalling EUR 30.0m (31 December 2021: EUR 0.0m) were made with Austrian financial institutions.

Off-balance sheet risk items mainly consist of credit commitments for mortgage loans. The credit risk-related portfolio by client segments is as follows:

Credit Risk Volume by Client Segment as at 31 December 2021

EUR m	Retail customers	Financial institutions	Public sector	Total credit risk exposure
CREDIT RISK-RELEVANT PORTFOLIO				
Central bank balances and other sight deposits	0.0	1,082.8	0.0	1,082.8
Credits to clients				
Mortgage loans	1,011.4	0.0	0.0	1,011.4
Consumer loans	390.0	0.0	0.0	390.0
Current accounts	6.5	0.0	0.0	6.5
Investments				
Recognised at amortised cost	0.0	0.0	73.4	73.4
At fair value through OCI (FVOCI)	0.0	0.1	0.0	0.1
Other clearing receivables	0.1	13.7	0.0	13.9
SUBTOTAL	**1,408.1**	**1,096.6**	**73.4**	**2,578.1**
OFF-BALANCE ITEMS				
Liabilities from financial guarantee contracts	2.1	0.0	0.0	2.1
Loan commitments	48.7	0.0	0.0	48.7
SUBTOTAL	**50.8**	**0.0**	**0.0**	**50.8**
TOTAL	**1,458.9**	**1,097.2**	**73.4**	**2,628.9**

Credit Risk Volume by Client Segment as at 30 June 2022

EUR m	Retail customers	Financial institutions	Public sector	Total credit risk exposure
CREDIT RISK-RELEVANT PORTFOLIO				
Central bank balances and other sight deposits	0.0	923.7	0.0	923.7
Receivables against banks	0.0	30.0	0.0	30.0
Credits to clients				
Mortgage loans	1,087.3	0.0	0.0	1,087.3
Consumer loans	352.3	0.0	0.0	352.3
Current accounts	9.4	0.0	0.0	9.4
Investments				
Recognised at amortised cost	0.0	0.0	357.8	357.8
Other clearing receivables	0.4	1.1	0.0	1.5
SUBTOTAL	**1,449.5**	**954.8**	**357.8**	**2,762.1**
OFF-BALANCE ITEMS				
Liabilities from financial guarantee contracts	1.9	0.0	0.0	1.9
Loan commitments	78.9	0.0	0.0	78.9
SUBTOTAL	**80.9**	**0.0**	**0.0**	**80.9**
TOTAL	**1,530.4**	**954.8**	**357.8**	**2,842.9**

An automated payment reminder process has been established for all banking transactions, which begins on the first day after the due date. In turn, this resulted in the following breakdown of credit volumes by days overdue:

Credit Risk Volume by Days Overdue as at 31 December 2021

EUR m	Not overdue	1–30 days	31–90 days	> 90 days	**Total credit risk exposure**
CREDIT RISK-RELEVANT PORTFOLIO					
Central bank balances and other sight deposits	1,082.8	0.0	0.0	0.0	1,082.8
Credits to clients					
Mortgage loans	1,011.4	0.0	0.0	0.0	1,011.4
Consumer loans	382.7	2.4	2.1	2.8	390.0
Current accounts	5.7	0.3	0.2	0.4	6.5
Investments					
Recognised at amortised cost	73.4	0.0	0.0	0.0	73.4
At fair value through OCI (FVOCI)	0.1	0.0	0.0	0.0	0.1
Other clearing receivables	13.9	0.0	0.0	0.0	13.9
SUBTOTAL	**2,569.9**	**2.7**	**2.3**	**3.2**	**2,578.1**
OFF-BALANCE ITEMS					
Liabilities from financial guarantee contracts	2.1	0.0	0.0	0.0	2.1
Loan commitments	48.7	0.0	0.0	0.0	48.7
SUBTOTAL	**50.8**	**0.0**	**0.0**	**0.0**	**50.8**
TOTAL	**2,620.7**	**2.7**	**2.3**	**3.2**	**2,628.9**

Credit risk Volume by Days Overdue as at 30 June 2022

EUR m	Not overdue	1–30 days	31–90 days	> 90 days	Total credit risk exposure
CREDIT RISK-RELEVANT PORTFOLIO					
Central bank balances and other sight deposits	923.7	0.0	0.0	0.0	923.7
Receivables against banks	30.0	0.0	0.0	0.0	30.0
Credits to clients					
Mortgage loans	1,087.0	0.0	0.1	0.2	1,087.3
Consumer loans	342.4	3.4	2.2	4.3	352.3
Current accounts	8.3	0.1	0.2	0.7	9.4
Investments					
Recognised at amortised cost	357.8	0.0	0.0	0.0	357.8
Other clearing receivables	1.5	0.0	0.0	0.0	1.5
SUBTOTAL	**2,750.8**	**3.5**	**2.6**	**5.2**	**2,762.1**
OFF-BALANCE ITEMS					
Liabilities from financial guarantee contracts	1.9	0.0	0.0	0.0	1.9
Loan commitments	78.9	0.0	0.0	0.0	78.9
SUBTOTAL	**80.9**	**0.0**	**0.0**	**0.0**	**80.9**
TOTAL	**2,831.6**	**3.5**	**2.6**	**5.2**	**2,842.9**

The client rating consists of five rating categories 1–5 which are shown in the tables below. The five rating categories are broken down further into five subcategories, A–E. This means that clients are assigned to a total of 25 rating categories. All transactions in rating category 5 are non-performing transactions. The watch-loan portfolio is assigned to category 4.

Credit Risk Volume by Rating Category as at 31 December 2021

EUR m	Rating 1	Rating 2	Rating 3	Rating 4	Rating 5	No Rating	Total credit risk exposure
CREDIT RISK-RELEVANT PORTFOLIO							
Central bank balances and other sight deposits	1,070.0	12.8	0.0	0.0	0.0	0.0	1,082.8
Credits to clients							
Mortgage loans	0.0	0.0	1,007.5	3.3	0.5	0.0	1,011.4
Consumer loans	0.0	0.0	363.0	22.3	4.6	0.0	390.0
Current accounts	0.0	0.0	4.9	1.1	0.5	0.1	6.5
Investments							
Recognised at amortised cost	73.4	0.0	0.0	0.0	0.0	0.0	73.4
At fair value through OCI (FVOCI)	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Other clearing receivables	0.0	13.4	0.0	0.0	0.0	0.5	13.9
SUBTOTAL	**1,143.4**	**26.2**	**1,375.5**	**26.8**	**5.6**	**0.6**	**2,578.1**
OFF-BALANCE ITEMS							
Liabilities from financial guarantee contracts	0.0	0.0	1.3	0.8	0.0	0.1	2.1
Loan commitments	0.0	0.0	48.0	0.7	0.0	0.0	48.7
SUBTOTAL	**0.0**	**0.0**	**49.3**	**1.4**	**0.0**	**0.1**	**50.8**
TOTAL	**1,143.4**	**26.2**	**1,424.8**	**28.2**	**5.6**	**0.6**	**2,628.9**

Credit Risk Volume by Rating Category as at 30 June 2022

EUR m	Rating 1	Rating 2	Rating 3	Rating 4	Rating 5	No Rating	Total credit risk exposure
CREDIT RISK-RELEVANT PORTFOLIO							
Central bank balances and other sight deposits	900.8	22.9	0.0	0.0	0.0	0.0	923.7
Receivables against banks	0.0	30.0	0.0	0.0	0.0	0.0	30.0
Credits to clients							
Mortgage loans	0.0	0.0	1,080.6	5.9	0.8	0.0	1,087.3
Consumer loans	0.0	0.0	324.7	21.1	6.5	0.0	352.3
Current accounts	0.0	0.0	7.1	1.4	0.8	0.1	9.4
Investments							
Recognised at amortised cost	337.3	20.5	0.0	0.0	0.0	0.0	357.8
Other clearing receivables	0.0	0.5	0.0	0.0	0.0	1.0	1.5
SUBTOTAL	**1,238.1**	**73.9**	**1,412.4**	**28.4**	**8.1**	**1.0**	**2,762.1**
OFF-BALANCE ITEMS							
Liabilities from financial guarantee contracts	0.0	0.0	1.6	0.3	0.0	0.0	1.9
Loan commitments	0.0	0.0	78.5	0.4	0.0	0.0	78.9
SUBTOTAL	**0.0**	**0.0**	**80.1**	**0.8**	**0.0**	**0.0**	**80.9**
TOTAL	**1,238.1**	**73.9**	**1,492.5**	**29.2**	**8.1**	**1.1**	**2,842.9**

A breakdown of the credit volume according to the stages stipulated in IFRS 9 is as follows:

Credit Risk Volume According to IFRS 9 Stage Allocation as at 31 December 2022

EUR m	Level 1	Level 2	Level 3	POCI	Gross carrying amount total
CREDIT RISK-RELEVANT PORTFOLIO					
Central bank balances and other sight deposits	1,082.8	0.0	0.0	0.0	1,082.8
Credits to clients					
Mortgage loans	1,009.6	1.3	0.0	0.5	1,011.4
Consumer loans	381.2	4.2	0.6	4.0	390.0
Current accounts	5.0	1.1	0.2	0.2	6.5
Investments					
Recognised at amortised cost	73.4	0.0	0.0	0.0	73.4
At fair value through OCI (FVOCI)	0.1	0.0	0.0	0.0	0.1
Other clearing receivables	13.9	0.0	0.0	0.0	13.9
SUBTOTAL	**2,565.9**	**6.6**	**0.9**	**4.8**	**2,578.1**
OFF-BALANCE ITEMS					
Liabilities from financial guarantee contracts	2.1	0.1	0.0	0.0	2.1
Loan commitments	48.2	0.4	0.0	0.0	48.7
SUBTOTAL	**50.3**	**0.5**	**0.0**	**0.0**	**50.8**
TOTAL	**2,616.2**	**7.1**	**0.9**	**4.8**	**2,628.9**

Credit Risk Volume According to IFRS 9 Stage Allocation as at 30 June 2022

EUR m	Level 1	Level 2	Level 3	POCI	Gross carrying amount total
CREDIT RISK-RELEVANT PORTFOLIO					
Central bank balances and other sight deposits	923.7	0.0	0.0	0.0	923.7
Receivables against banks	30.0	0.0	0.0	0.0	30.0
Credits to clients					
Mortgage loans	1,080.3	6.2	0.5	0.3	1,087.3
Consumer loans	330.7	15.0	4.0	2.6	352.3
Current accounts	6.8	1.8	0.7	0.2	9.4
Investments					
Recognised at amortised cost	357.8	0.0	0.0	0.0	357.8
Other clearing receivables	1.5	0.0	0.0	0.0	1.5
SUBTOTAL	**2,730.9**	**22.9**	**5.2**	**3.0**	**2,762.1**
OFF-BALANCE ITEMS					
Liabilities from financial guarantee contracts	1.9	0.0	0.0	0.0	1.9
Loan commitments	78.7	0.2	0.0	0.0	78.9
SUBTOTAL	**80.6**	**0.3**	**0.0**	**0.0**	**80.9**
TOTAL	**2,811.5**	**23.2**	**5.2**	**3.0**	**2,842.9**

Assets designated as purchased or originated credit impaired (POCI) represent financial assets which already show an impaired creditworthiness at the time of their addition.

The credit risk-relevant portfolio by rating category and default risk categories pursuant to IFRS 9 can be summarised as follows:

Credit Risk Volume by Rating Category and Default Risk Category as at 31 December 2021

EUR m	Level 1	Level 2	Level 3	POCI	Gross carrying amount total
CREDIT RISK-RELEVANT PORTFOLIO					
Rating 1	1,143.4	0.0	0.0	0.0	1,143.4
Rating 2	26.2	0.0	0.0	0.0	26.2
Rating 3	1,422.2	2.6	0.0	0.0	1,424.8
Rating 4	23.9	4.3	0.0	0.0	28.2
Rating 5	0.0	0.0	0.9	4.8	5.6
No Rating	0.5	0.1	0.0	0.0	0.6
TOTAL	**2,616.2**	**7.1**	**0.9**	**4.8**	**2,628.9**

Credit Risk Volume by Rating Category and Default Risk Category as at 30 June 2022

EUR m	Level 1	Level 2	Level 3	POCI	Gross carrying amount total
CREDIT RISK-RELEVANT PORTFOLIO					
Rating 1	1,238.1	0.0	0.0	0.0	1,238.1
Rating 2	73.9	0.0	0.0	0.0	73.9
Rating 3	1,486.5	5.9	0.1	0.0	1,492.5
Rating 4	12.0	17.2	0.0	0.0	29.2
Rating 5	0.0	0.0	5.1	3.0	8.1
No Rating	1.0	0.0	0.0	0.0	1.1
TOTAL	**2,811.5**	**23.2**	**5.2**	**3.0**	**2,842.9**

Collateral Collateral is only taken into account for mortgage loans as well as credit risks relating to loan commitments which have not yet been drawn on. The following collateral in the form of mortgages was taken into account in the assessment of the credit risk:

Collateral as at 31 December 2021

EUR m	Mortgage	Total
CREDIT RISK-RELEVANT PORTFOLIO		
Credits to clients		
Mortgage loans	989.7	989.7
SUBTOTAL	**989.7**	**989.7**
OFF-BALANCE ITEMS		
Loan commitments	47.9	47.9
SUBTOTAL	**47.9**	**47.9**
TOTAL	**1,037.6**	**1,037.6**

Collateral as at 30 June 2022

EUR m	Mortgage	Total
CREDIT RISK-RELEVANT PORTFOLIO		
Credits to clients		
Mortgage loans	1,093.9	1,093.9
SUBTOTAL	**1,093.9**	**1,093.9**
OFF-BALANCE ITEMS		
Loan commitments	77.1	77.1
SUBTOTAL	**77.1**	**77.1**
TOTAL	**1,171.0**	**1,171.0**

Contract modifications Deferrals of loan repayments as well as contract extensions were granted in the first half of 2022. The resulting changes in present value were immaterial.

Non-performing credit risk-relevant portfolio As at 30 June 2022, the non-performing credit risk-relevant portfolio equalled EUR 8.2m (31 December 2021: EUR 5.6m) and relates primarily to consumer loans. In turn, this results in a non-performing exposure (NPE) ratio defined as the share of the non-performing credit risk-relevant portfolio in relation to the total credit risk-relevant portfolio, which amounted to 0.3 % (31 December 2021: 0.2 %). The NPE collateralisation ratio, showing collateral for the non-performing credit risk-relevant portfolio as a percentage of the total non-performing credit risk-relevant portfolio, equalled 9.5 % as at 30 June 2022 (31 December 2021: 8.8 %). The NPE coverage ratio, which shows the impairment losses for the non-performing credit risk-relevant portfolio as a percentage of the total volume of the non-performing credit risk-relevant portfolio, equalled 26.1 % as at 30 June 2022 (31 December 2021: 8.7 %). The increase in the NPE coverage ratio results from an increase in risk provisions for the non-performing credit risk-relevant portfolio which can be attributed to the portfolio of ING DiBa acquired in December 2021.

Risk provisions The following table shows the development of risk provisions for the credit risk-relevant portfolio in the first half of 2022. There is no presentation for the comparable first half-year period in 2021 due to the immateriality of the corresponding amounts.

Development of Risk Provisions - Credit Risk-Relevant Portfolio as at 30 June 2022

EUR m	Level 1	Level 2	Level 3	POCI	Total
BALANCE AS AT 1. JAN. 2022	**3.7**	**1.5**	**0.7**	**–0.2**	**5.7**
Reclassification	0.1	–1.0	0.9	0.0	0.0
Additions new acquisitions	0.1	0.0	0.0	0.0	0.1
Revaluation	–1.2	3.5	2.0	–1.2	3.1
BALANCE AS AT 30. JUNE 2022	**2.7**	**4.0**	**3.6**	**–1.5**	**8.9**

For financial assets that are purchased or originated credit impaired (POCI), the expected credit losses over the term are initially recognised in the credit-adjusted effective interest rate. This is why no impairment loss is recognised to begin with. Changes in expected credit losses based on cash flow estimates are then recognised in either negative or positive terms in risk provisions through profit or loss.

The development in material risk provisions, divided in the individual classes of financial instruments, is as follows (there is also no presentation of the comparable figures in the first half of 2021 due to the immateriality of the amounts):

Development in Risk Provisions – Consumer Loans as at 30 June 2022

EUR m	Level 1	Level 2	Level 3	POCI	Total
BALANCE AS AT 1. JAN. 2022	**2.9**	**1.4**	**0.5**	**–0.2**	**4.6**
Reclassification	0.1	–0.9	0.9	0.0	0.0
Revaluation	–1.2	3.2	1.7	–1.2	2.6
BALANCE AS AT 30. JUNE 2022	**1.8**	**3.7**	**3.1**	**–1.4**	**7.2**

Development of Risk Provisions – Mortgage Loans as at 30 June 2022

EUR m	Level 1	Level 2	Total
BALANCE AS AT 1. JAN. 2022	**0.6**	**0.1**	**0.7**
Additions new acquisitions	0.1	0.0	0.1
Revaluation	0.0	0.2	0.2
BALANCE AS AT 30. JUNE 2022	**0.7**	**0.3**	**1.0**

15.5.2 LIQUIDITY RISK

The liquidity coverage ratio as well as the liquidity buffer of bank99 are as follows:

Liquidity Coverage Ratio

EUR m	31 December 2021	30 June 2022
Liquidity buffer	1,279.7	1,404.0
Net outflow of liquidity	142.0	185.5
LIQUIDITY COVERAGE RATIO	**901.4 %**	**756.9 %**

Composition of the Liquidity Buffer

EUR m	31 December 2021	30 June 2022
Central bank balances less minimum reserve	1,062.3	873.7
Cash	145.0	198.6
Eligible investments	72.5	331.7
LIQUIDITY BUFFER	**1,279.7**	**1,404.0**

15.5.3 MARKET RISK

In order to limit the risks relating to rising interest rates, a large proportion of the fixed-interest items were hedged by concluding interest rate swaps in the first half of 2022. There is no major risk derived from rising interest rates thanks to the ongoing hedging of new businesses. Reference is made to Note 15.4 Hedge Accounting.

16. Regulatory Capital Requirements

bank99 AG is subject to regulatory capital requirements on the part of the banking supervisory authority as stipulated in the Capital Requirements Regulation (CRR), EU 575/2013, taking account of several amendments.

The equity calculated according to the Capital Requirements Regulation is comprised of the following:

Own Funds Attributable to bank99 AG Pursuant to CRR

EUR m	31 December 2021	30 June 2022
Paid-in capital	100.9	100.9
Disclosed reserves	137.7	151.3
Retained earnings	–56.0	–73.5
Annual loss	–17.5	–19.9
Less deduction items	–15.0	–18.6
CORE CAPITAL	**150.1**	**140.2**
Eligible supplementary capital	0.0	0.0
TOTAL OWN FUNDS	**150.1**	**140.2**

Capital Requirements for bank99 AG Pursuant to CRR

EUR m	31 December 2021	30 June 2022
Credit risk	719.3	729.2
Adjustment of Credit value	0.0	7.4
Operational risk	19.4	19.4
TOTAL CAPITAL REQUIREMENT	**738.7**	**756.0**
Core capital ratio based on total risk	20.3 %	18.5 %
Total own funds ratio based on total risk	20.3 %	18.5 %

The capital ratios were significantly higher than the regulatory required throughout the entire first half of 2022. In measuring the total capital requirement for the first half of 2022, additional own funds totalling EUR 7.4m (31 December 2021: EUR 0.0m) had to be taken into consideration. This is attributable to the credit value adjustments (CVA) relating to the hedging derivatives.

17. Information on the Cash Flow Statement

The reconciliation of the cash and cash equivalents reported in the consolidated cash flow statement to the cash and cash equivalents as shown in the consolidated balance sheet can be carried out as follows:

EUR m	31 December 2021	30 June 2022
CASH AND CASH EQUIVALENTS (CONSOLIDATED CASH FLOW STATEMENT)	**1,304.1**	**1,174.1**
Financial assets from financial services	1,218.2	1,120.7
Cash, cash equivalents and central bank balances	1,218.2	1,120.7
Impairment losses on receivables due from banks	0.1	0.1
CASH AND CASH EQUIVALENTS (CONSOLIDATED BALANCE SHEET)	**85.8**	**53.4**

18. Other Disclosures

The Annual General Meeting of Austrian Post held on 21 April 2022 resolved to distribute a dividend equalling to EUR 128.4m, corresponding to EUR 1.90 per share. The dividend payment to shareholders in the amount of EUR 111.7m took place on 5 May 2022. The retained capital gains tax of EUR 16.6m was remitted in May 2022 to the tax authorities.

Furthermore, the Management Board was authorised, pursuant to Section 65 Para. 1 (4) and (8) as well as Para. 1a and 1b Austrian Stock Corporation Act, to acquire non-par value bearer or registered shares of the company in an amount up to 10% of the company's share capital during the period from 1 May 2022 to 31 October 2024, especially from Österreichische Beteiligungs AG. The shares to be acquired are to be at a lowest equivalent value of EUR 20.00 per share and the highest equivalent value of EUR 60.00 per share.

Österreichische Post AG has agreed in a letter of comfort to provide bank99 AG, under certain conditions, with equity capital in an amount up to EUR 74.5m by the end of 2026 (31 December 2021: EUR 88.1m).

19. Events After the Reporting Period

Events after the reporting period that are material for accounting and assessment on the balance sheet date as at 30 June 2022 are included in the consolidated interim financial statements. No reportable events occurred after the reporting period.

Vienna, 2 August 2022

The Management Board

GEORG PÖLZL
CEO
Chairman of the
Management Board

WALTER OBLIN
Deputy CEO
Mail & Finance (CFO)

PETER UMUNDUM
Member of the
Management Board
Parcel & Logistics (COO)

Statement of Legal Representatives Pursuant to Section 125 (1) Austrian Stock Exchange Act

As the legal representatives of Österreichische Post AG, we declare, to the best of our knowledge, that the condensed consolidated interim financial statements as at 30 June 2022, which were prepared in accordance with the applicable financial reporting standards, present a fair and accurate picture of the assets, financial and earnings position of the Group, and that the Group management report for the first half year 2022 presents the business performance, results and situation of the Group such that a fair and accurate picture of the assets, financial and earnings position of the Group with respect to the most important events occurring during the first six months of the financial year and its impacts on the condensed consolidated interim financial statements as at 30 June 2022 and also describes the fundamental risks and uncertainties to which the Group is exposed for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Vienna, 2 August 2022

The Management Board

GEORG PÖLZL
CEO
Chairman of the
Management Board

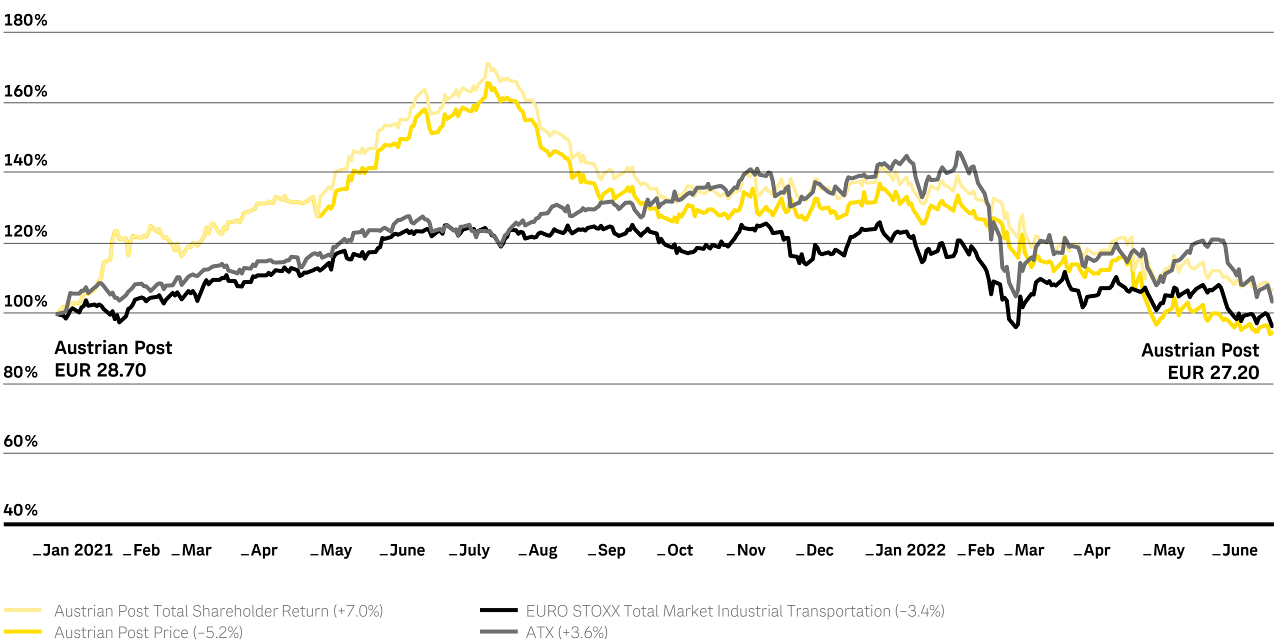
WALTER OBLIN
Deputy CEO
Mail & Finance (CFO)

PETER UMUNDUM
Member of the
Management Board
Parcel & Logistics (COO)

Financial Calendar 2022/2023

11 November 2022	Interim report for the first three quarters 2022, publication: 07.30–07.40 a.m. CET
15 March 2023	Annual Report 2022, publication: 07.30–07.40 a.m. CET
20 April 2023	Annual General Meeting 2023, Vienna
02 May 2023	Ex-date (dividend)
03 May 2023	Record date (determination of entitled stocks in connection with dividend payments)
04 May 2023	Dividend payment day
12 May 2023	Interim report for the first quarter 2023, publication: 07.30-07.40 a.m. CET
10 August 2023	Half-year Report 2023, publication: 07.30-07.40 a.m. CET
16 November 2023	Interim report for the first three quarters 2023, publication: 07.30–07.40 a.m. CET

Development of the Share Price — 18 Month Comparison



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We have prepared this report and checked the figures with the greatest possible care. Nevertheless, rounding, typographical and printing errors cannot be excluded. The aggregation of rounded amounts and percentages may result in rounding differences due to the use of automated computational aids.

This Financial Report also contains forward-looking statements based on the information currently available to us. These are usually indicated by expressions such as "expect", "anticipate", "estimate", "plan" or "calculate". We wish to note that a wide variety of factors could cause actual circumstances – and thus actual results – to deviate from the forecasts contained in this report.

This Financial Report is also available in German. In case of doubt, the German version takes precedence.

Editorial deadline: 10 August 2022

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