A Sign of TRUST

Q01

AUSTRIAN POST

Interim Report for the First Quarter of 2023

Knowing what matters.

Q1 2023 Highlights

Revenue

- Revenue up by 10.5 % to EUR 664.7m
- Increase in all divisions: Mail +3.3 %, Parcel & Logistics +15.5 % and Retail & Bank +41.8 %

Earnings

- Earnings (EBIT) improvement from EUR 39.6m to EUR 47.0m (+18.7 %)
- Earnings per share at the prior-year level of EUR 0.46

Cash flow and balance sheet

- Operating free cash flow of EUR 75.1m (+4,1 %) and equity of EUR 739.7m

Outlook for 2023

- Target of Group revenue growth in the mid-single-digit range
- Ongoing aim to achieve earnings (EBIT) at about the prior year level

Key Figures

EUR m	Q1 2022	Q1 2023	Change
EARNINGS FIGURES			
Revenue	**601.4**	**664.7**	**10.5 %**
EBITDA	**81.2**	**95.1**	**17.1 %**
EBITDA margin	13.5 %	14.3 %	–
EBIT	**39.6**	**47.0**	**18.7 %**
EBIT margin	6.6 %	7.1 %	–
Profit for the period	30.5	32.0	4.9 %
Earnings per share (EUR)[1]	**0.46**	**0.46**	**0.4 %**
Employees (average for the period, full-time equivalents)	27,239	27,095	–0.5 %
CASH FLOW AND CAPEX			
Gross cash flow	77.9	79.8	2.4 %
Cash flow from operating activities	–20.6	–50.9	<–100 %
Cash flow from financing activities	–85.2	–30.1	64.6 %
Operating free cash flow[2]	**72.1**	**75.1**	**4.1 %**
CAPEX	23.6	24.1	2.2 %

EUR m	31 December 2022	31 March 2023	Change
BALANCE SHEET FIGURES			
Total assets	5,383.9	5,376.0	–0.1 %
Equity	710.4	739.7	4.1 %
Equity ratio	13.2 %	13.8 %	–
Net debt[3]	835.4	801.1	–4.1 %
Capital employed[3]	1,310.9	1,315.7	0.4 %

[1] Undiluted earnings per share in relation to 67,552,638 shares
[2] Free cash flow before acquisitions/securities/money market investments, Growth CAPEX and core banking assets
[3] 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,

Macroeconomic conditions from the previous year continued impacting Austrian Post during the first quarter of 2023. The current inflation is evident in higher costs of energy and purchased services but also increasingly rising personnel costs. In order to counteract these developments, the company needs to implement revenue but also cost-related measures. Against the backdrop of rising costs, the first quarter went well, as reflected in the higher revenue and earnings. In particular, the Retail & Bank Division benefits from higher interest rates and could significantly improve revenue as well as earnings. Group revenue increased by 10.5% to EUR 664.7m in the first quarter of 2023, showing improvements in all divisions: revenue equalled EUR 308.6m in the Mail Division (+3.3%) and were impacted by the structural decline of addressed letter mail volumes and the reduced direct mailing business, but also benefits from postal rate adjustments implemented in the previous year. The Parcel & Logistics Division accounted for revenues of EUR 327.1m (+15.5% or +4.6% excluding Parcel Türkiye) with a very positive parcel business in all regions. Revenue of the Retail & Bank Division climbed to EUR 37.5m (+41.8%), recent interest rate developments made a positive impact on the division's revenue.

Earnings have also improved in the first quarter. EBITDA rose by 17.1% to EUR 95.1m, and earnings before interest and taxes (EBIT) was up by 18.7% to EUR 47.0m. In this regard, it is important to highlight the earnings increase in the Retail & Bank Division of EUR 11.6m year-on-year, which now made a slightly positive contribution of EUR 0.9m to Group earnings. Accordingly, the slight EBIT decrease in the Mail Division (–0.3% to EUR 41.0m) and Parcel & Logistics Division (–4.4% to EUR 16.7m) could be more than offset. Austrian Posts' net profit for the period amounted to EUR 32.0m compared to EUR 30.5m (+4.9%) in the previous year, implying earnings per share of EUR 0.46 in the first quarter of 2023.

Further cost pressure is expected for the entire 2023 and, from mid-2023, higher staff costs due to salary and wage adjustments in Austria as stipulated in collective labour agreement. On top of that, economic developments and the purchasing behaviour of consumers are becoming harder to predict. Nevertheless, Austrian Post is aiming to maintain or increase revenue in all divisions and targets Group revenue growth in the mid-single-digit range. In the Mail Division, a slight drop in revenue is forecasted. The structural trend of a volume decline in conventional letter mail will continue, but an adapted and up-to-date offering providing value for money should ensure availability and delivery quality at a high level and will cover cost increases. Revenue growth in the upper single-digit range is expected in the Parcel & Logistics Division. However, the increase will heavily depend on the exchange rate development of the Turkish Lira as well as consumer behaviour in an inflationary environment. Revenue of the Retail & Bank Division in 2023 will be supported by the improved interest rate environment and is expected to show a significant increase. With respect to its earnings development, Austrian Post will continue to target EBIT in 2023 at about the same level as last year. Following a good start in the first quarter, higher costs are expected from the third quarter of 2023.

The planned investment programme is a top priority in 2023 alongside revenue generation and cost discipline. This primarily refers to finalising capacity expansion of parcel logistics in Austria and expanding the sustainable vehicle fleet towards enhanced e-mobility. As a result, investments in the range of EUR 160m to EUR 180m to ensure sustainability and secure growth are expected.

Vienna, 4 May 2023

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 Quarter of 2023

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 quarter of 2023.

1.2 Revenue and Earnings

1.2.1 REVENUE DEVELOPMENT

In the first quarter of 2023, Austrian Post's Group revenue increased by 10.5% year-on-year to EUR 664.7m. Revenue improved in all operating divisions in the first three months. The Mail Division reported a revenue increase of 3.3%, whereas revenue of the Parcel & Logistics Division went up by 15.5% and the Retail & Bank Division produced a revenue increase of 41.8%.

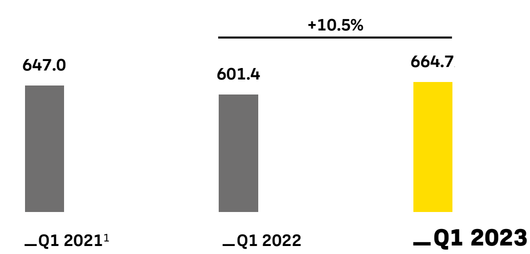
The share of the Mail Division as a proportion of the total revenue generated by Austrian Post in the first quarter of 2023 amounted to 45.8%. The division's revenue of EUR 308.6m is negatively impacted by the structural decline of addressed letter mail volumes as a result of electronic substitution, however, also benefits from postal rate adjustments implemented in the previous year. In addition, the direct mailing business is in decline, in general, and currently faces considerable cost pressure.

The Parcel & Logistics Division accounted for 48.6% of Group revenue or EUR 327.1m in the reporting period. The parcel business developed very positively in all regions. Only the Logistics Solutions business area faced a revenue decline due to the lack of special pandemic-related logistics services in previous years.

The Retail & Bank Division accounted for 5.6% of Group revenue or EUR 37.5m in the first three months of 2023. Recent interest rate developments made a positive impact on the division's revenue.

Revenue Development

EUR m



[1] Adjusted presentation

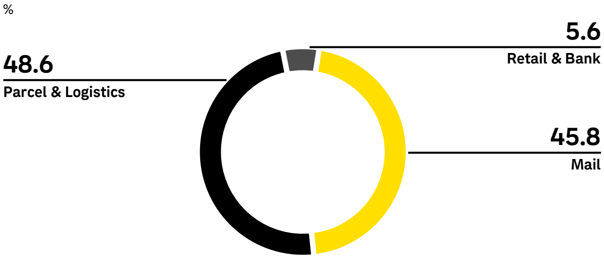
Revenue by Division

EUR m	Q1 2022	Q1 2023	Change %	Change EUR m
REVENUE	**601.4**	**664.7**	**10.5%**	**63.3**
Mail	298.9	308.6	3.3%	9.7
Parcel & Logistics	283.1	327.1	15.5%	44.0
Retail & Bank	26.4	37.5	41.8%	11.1
Corporate/Consolidation	–7.0	–8.5	–21.1%	–1.5
Working days in Austria	63	64	–	–

From a regional perspective, Austrian Post generated 79.3% of its Group revenue in Austria in the first quarter of 2023. Its international business accounted for 20.7% of the total Group revenue in the first quarter of 2023. Thereof, Türkiye accounted for 12.6%, whereas the region of Southeast and Eastern Europe contributed 6.4% of the Group revenue. 1.7% of the revenue was generated in Germany.

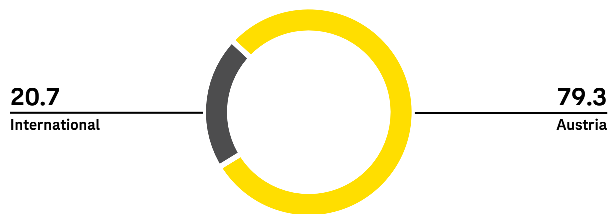
Revenue by Division **Q1 2023**

%



Revenue by Region **Q1 2023**

%



Revenue Development of the Mail Division

EUR m	Q1 2022	Q1 2023	Change %	Change EUR m
REVENUE	**298.9**	**308.6**	**3.3%**	**9.7**
Letter Mail & Business Solutions	187.6	198.2	5.6%	10.6
Direct Mail	81.5	79.2	-2.8%	-2.3
Media Post	29.8	31.2	4.9%	1.5
Revenue intra-Group	0.9	1.1	14.3%	0.1
TOTAL REVENUE	**299.8**	**309.6**	**3.3%**	**9.8**
thereof revenue with third parties	295.8	305.0	3.1%	9.2

Revenue of the Mail Division totalled EUR 308.6m in the first quarter of 2023, 64.2% of which can be attributed to the Letter Mail & Business Solutions area. Direct Mail accounted for 25.7% of the total divisional revenue, and Media Post had a 10.1% share.

In the first quarter of 2023, Letter Mail & Business Solutions revenue amounted to EUR 198.2m, implying a year-on-year increase of 5.6%. Letter mail volumes continue to show a downward trend resulting from the substitution of letters by electronic forms of communication. Conventional letter mail volumes in Austria fell by a further 4% in the first quarter of 2023. Postal rate adjustments implemented in the previous year had a positive effect on revenue. Inflationary pressures on all types of costs led to adjustments in the product and pricing structure as well as necessary efficiency increases in internal processes. International letter mail showed a stable revenue development against the backdrop of a volume decline, whereas the Business Solutions area developed positively.

Direct Mail revenue fell by 2.8% in the first quarter of 2023 to EUR 79.2m. The current restrained advertising behaviour could be partially offset by adjustments to the price structure. Pressure in the advertising market can also be attributed to higher prices of energy and paper.

Revenue from Media Post, i.e., the delivery of newspapers and magazines, rose by 4.9% year-on-year to EUR 31.2m. This increase is mainly related to adjustments in the product and pricing structure.

Revenue Development of the Parcel & Logistics Division

EUR m	Q1 2022	Q1 2023	Change %	Change EUR m
REVENUE	**283.1**	**327.1**	**15.5%**	**44.0**
Parcel Austria	170.9	185.0	8.3%	14.2
Parcel Türkiye	50.4	83.6	65.9%	33.2
Parcel CEE/SEE	42.4	43.4	2.3%	1.0
Logistics Solutions/Consolidation	19.5	15.1	–22.4%	–4.4
Revenue intra-Group	0.2	0.2	11.6%	0.0
TOTAL REVENUE	**283.3**	**327.3**	**15.5%**	**44.0**
thereof revenue with third parties	278.7	321.8	15.4%	43.1

Revenue of the Parcel & Logistics Division increased by 15.5% in the first quarter of 2023 to EUR 327.1m. The parcel business developed very favourably in all regions.

Parcel Austria generated a revenue growth of 8.3% reaching EUR 185.0m. Parcel volumes showed an upward trend of 5% following the normalisation of volumes in the previous year.

Revenue in Türkiye (Parcel Türkiye) rose by 65.9% to EUR 83.6m compared to the first three months of 2022. This high level of growth is due to increasing volumes (+8%) as well as inflation in Türkiye.

The parcel business in Southeast and Eastern Europe (Parcel CEE/SEE) continues to generate positive growth rates, with revenue up by 2.3% to EUR 43.4m in the first three months of 2023.

Revenue of the Logistics Solutions area (including Consolidation) fell by 22.4% in the reporting period to EUR 15.1m. This decline is related to the lack of special pandemic-related logistics services provided in previous years.

Revenue Development of the Retail & Bank Division

EUR m	Q1 2022	Q1 2023	Change %	Change EUR m
REVENUE	**26.4**	**37.5**	**41.8%**	**11.1**
Income from Financial Services	17.4	27.6	58.5%	10.2
Branch Services	9.0	9.9	9.7%	0.9
Revenue intra-Group	46.6	47.4	1.8%	0.8
TOTAL REVENUE	**73.0**	**84.9**	**16.3%**	**11.9**
thereof revenue with third parties	26.3	37.4	42.0%	11.0

Revenue of the Retail & Bank Division improved by 41.8% in the first quarter of 2023, increasing to EUR 37.5m from EUR 26.4m in the prior-year period. Income from Financial Services climbed from EUR 17.4m to EUR 27.6m in the current reporting period. This is mainly attributable to the improved interest rate environment in Europe. Branch Services revenue increased by 9.7% to EUR 9.9m in the first quarter of 2023.

Financial Performance of the Group

EUR m	Q1 2022	Q1 2023	Change %	Change EUR m
REVENUE	**601.4**	**664.7**	**10.5%**	**63.3**
Other operating income	28.4	18.6	–34.5%	–9.8
Raw materials, consumables and services used	–175.6	–197.6	–12.5%	–22.0
Expenses for financial services	–3.2	–1.9	40.0%	1.3
Staff costs	–288.0	–299.8	–4.1%	–11.8
Other operating expenses	–81.9	–91.3	–11.5%	–9.4
Results from financial assets accounted for using the equity method	0.2	0.1	–62.8%	–0.1
Net monetary gain	0.0	2.4	>100%	2.4
EBITDA	**81.2**	**95.1**	**17.1%**	**13.9**
Depreciation, amortisation and impairment losses	–41.6	–48.1	–15.6%	–6.5
EBIT	**39.6**	**47.0**	**18.7%**	**7.4**
Financial result	1.1	–3.4	<-100%	–4.5
PROFIT BEFORE TAX	**40.7**	**43.6**	**7.2%**	**2.9**
Income tax	–10.2	–11.6	–14.0%	–1.4
PROFIT FOR THE PERIOD	**30.5**	**32.0**	**4.9%**	**1.5**
ATTRIBUTABLE TO:				
Shareholders of the parent company	30.8	31.0	0.4%	0.1
Non-controlling interests	–0.3	1.0	>100%	1.4
EARNINGS PER SHARE (EUR)[1]	**0.46**	**0.46**	**0.4%**	**0.00**

[1] 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 (45.1%), raw materials, consumables and services used (29.7%) and other operating expenses (13.7%). 7.2% can be attributed to depreciation, amortisation and impairment losses and 0.3% to expenses for financial services.

Staff costs in the first quarter of 2023 totalled EUR 299.8m, implying a year-on-year increase of 4.1% or EUR 11.8m. The change results from salary adjustments in operational staff costs under collective labour agreements. The Austrian Post Group employed an average of 27,095 people (full-time equivalents) in the first three months of 2023 compared to the average of 27,239 employees in the prior-year period (–0.5%).

Non-operating staff costs refer to severance payments and changes in provisions, which are primarily related to the specific employment situation of civil servant employees at Austrian Post. No significant additional expenses were incurred in the first quarter of 2023.

Raw materials, consumables and services used rose by 12.5% to EUR 197.6m. Fuel and energy costs as well as transport costs for external freight companies had an increasing effect.

Other operating income decreased by 34.5% in the first quarter of 2023 to EUR 18.6m. This development can be attributed to the lack of COVID-19 related reimbursements paid in the previous year. Other operating expenses increased by 11.5% to EUR 91.3m, particularly for IT services and maintenance costs.

EBITDA equalled EUR 95.1m in the first quarter of 2023, implying an increase of 17.1% from the prior-year figure of EUR 81.2m. This implies an EBITDA margin of 14.3%.

Depreciation, amortisation and impairment losses amounted to EUR 48.1m in the first three months of 2023, comprising a year-on-year rise of 15.6% or EUR 6.5m. The increase is mainly due to investments in new parcel logistics infrastructure locations.

For the Turkish subsidiary, the accouting standard IAS 29 (Financial Reporting in Hyperinflationary Economies) has to be applied. Accordingly, all items in the income statement as well as the non-monetary items were adjusted using a general price index (refer to the Annual

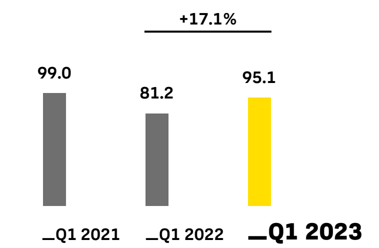
Report 2022, Consolidated Financial Statements, Note 3.3). The profit or loss from net monetary items is presented as a separate item in the income statement. In the first quarter of 2023, the net monetary gain amounted to EUR 2.4m.

Group EBIT totalled EUR 47.0m in the first quarter of 2023, up from EUR 39.6m in the previous year. The EBIT margin equalled 7.1%.

The Group's financial result amounted to minus EUR 3.4m, down from the prior-year figure of EUR 1.1m. As a consequence, after deducting the income tax of EUR 11.6m, the profit for the period for the first three months of 2023 equalled EUR 32.0m compared to EUR 30.5m in the first quarter of 2022. This implies unchanged undiluted earnings per share of EUR 0.46.

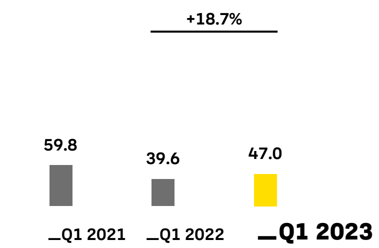
EBITDA

EUR m



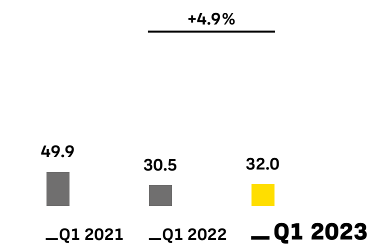
EBIT

EUR m



Profit for the Period

EUR m



EBIT by Division

			Change		
EUR m	Q1 2022	Q1 2023	%	EUR m	Margin Q1 2023[1]
EBIT	**39.6**	**47.0**	**18.7%**	**7.4**	**7.1%**
Mail	41.1	41.0	–0.3%	–0.1	13.2%
Parcel & Logistics	17.4	16.7	–4.4%	–0.8	5.1%
Retail & Bank	-10.7	0.9	>100%	11.6	1.0%
Corporate/Consolidation[2]	-8.2	-11.5	-40.3%	-3.3	–

[1] Margins of the division in relation to total revenue
[2] Also includes the intra-Group apportionment procedure

From a divisional perspective, the Mail Division achieved an EBIT of EUR 41.0m in the first quarter of 2023 compared to EUR 41.1m in the prior-year quarter (–0.3%). This stability in the current reporting period resulted from the combination of volume declines, postal rate effects alongside a focus on efficient work processes.

The Parcel & Logistics Division generated an EBIT of EUR 16.7m in the first quarter of 2023, down by 4.4% from EUR 17.4m in the prior-year period. The parcel business in Austria and Türkiye developed favourably, whereas earnings declined at several Southeast and Eastern European subsidiaries. The lack of special pandemic-related logistics services also negatively impacted the division's earnings.

The Retail & Bank Division recorded an EBIT of EUR 0.9m in the first quarter of 2023, compared to minus EUR 10.7m in the previous year. Accordingly, the earnings improvement equalled EUR 11.6m. The positive development in the financial services business based on higher net interest income made a significant contribution to earnings.

The EBIT of the Corporate Division (including Consolidation and the intra-Group cost apportionment procedure) changed from minus EUR 8.2m to minus EUR 11.5m. The Corporate Division provides non-operating services which are typically essential for the purpose of the 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 provision of IT services, the development of new business models and the administration of the Internal Labour Market of Austrian Post.

1.3 Assets and Financial Position

Balance Sheet Structure by Item

EUR m	31 December 2022	31 March 2023	Structure 31 March 2023
ASSETS			
Property, plant and equipment, intangible assets and goodwill	1,495.1	1,499.9	27.9 %
Investment property	84.2	83.8	1.6 %
Financial assets accounted for using the equity method	7.2	28.1	0.5 %
Inventories, trade and other receivables	545.9	558.8	10.4 %
Other financial assets	71.6	91.7	1.7 %
thereof securities/money market investments	65.3	85.4	–
Financial assets from financial services	3,125.1	3,057.2	56.9 %
Cash and cash equivalents	54.8	56.5	1.1 %
	5,383.9	**5,376.0**	**100 %**
EQUITY AND LIABILITIES			
Equity	710.4	739.7	13.8 %
Provisions	627.5	631.6	11.7 %
Other financial liabilities	580.1	584.4	10.9 %
Trade and other payables	500.3	519.2	9.7 %
Financial liabilities from financial services	2,965.6	2,901.1	54.0 %
	5,383.9	**5,376.0**	**100 %**

1.3.1 BALANCE SHEET STRUCTURE

Austrian Post's total assets of EUR 5.4bn as at 31 March 2023 have expanded significantly since the inclusion of bank99 in 2020. On the assets side, the consolidated balance sheet as at 31 March 2023 showed cash and cash equivalents of bank99 amounting to EUR 0.7bn and loans of bank99 amounting to EUR 1.6bn, while on the liabilities side, the consolidated balance sheet includes customer deposits of bank99 amounting to EUR 2.8bn.

Including bank99, the balance sheet is as follows: property, plant and equipment of EUR 1,339.0m was one of the largest balance sheet items and included right-of-use assets under leases of EUR 417.8m. In addition, there were intangible assets and goodwill from business combinations, which are reported in the amount of EUR 160.8m as at 31 March 2023. The balance sheet shows receivables of EUR 403.0m, which include current trade receivables of EUR 304.6m. Other financial assets amounted to EUR 91.7m as at 31 March 2023. Financial assets from financial services amounted to EUR 3,057.2m at the end of the first quarter of 2023 and result mainly from the business activities of bank99.

Austrian Post held securities and money market investments that are included in other financial assets in the amount of EUR 85.4m as at 31 March 2023 (excluding bank99). Securities and money market investments held by Austrian Post carry an investment grade rating or comparable credit rating, therefore it can be assumed that these assets can be liquidated in the short term. The balance sheet shows that Austrian Post had cash and cash equivalents equalling EUR 56.5m as at 31 March 2023. Cash and cash equivalents including money market and securities investments and excluding cash and cash equivalents of bank99 amounted to EUR 142.0m as at 31 March 2023. bank99's cash and cash equivalents amounted to EUR 734.7m as at 31 March 2023. Including bank99, cash and cash equivalents totalled EUR 876.6m as at 31 March 2023.

On the equity and liabilities side of the balance sheet, the equity of the Austrian Post Group amounted to EUR 739.7m as at 31 March 2023 (equity ratio of 13.8%). The pro forma equity ratio, taking into account bank99 using the equity method, came to 30% at the end of March 2023. Furthermore, provisions of EUR 631.6m are shown on the equity and liabilities side as at 31 March 2023. Close to 75% of the provisions are staff-related provisions, with EUR 167.7m attributable to provisions for underutilisation. A further EUR 178.7m relates to legally and contractually required provisions for social capital (severance payments and anniversary bonuses) and EUR 108.9m to other staff-related provisions. Other provisions amounted to EUR 176.3m and include 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 584.4m and mainly include lease liabilities of EUR 415.5m. Trade and other payables of EUR 519.2m include current trade payables of EUR 216.4m. Financial liabilities from financial services amounting to EUR 2,901.1m result primarily from the business activities of bank99 (deposit and investment business of bank99's customers).

Cash Flow

EUR m	Q1 2022	Q1 2023
Gross cash flow	77.9	79.8
CASH FLOW FROM OPERATING ACTIVITIES	**–20.6**	**–50.9**
thereof core banking assets from financial services (CBA)	–104.2	–138.4
CASH FLOW FROM OPERATING ACTIVITIES EXCLUDING CBA	**83.6**	**87.5**
Cash flow from investing activities	–17.8	–56.0
thereof maintenance CAPEX	–11.8	–13.4
thereof growth CAPEX	–11.9	–10.7
thereof cash flow from acquisitions/divestments	2.6	–12.9
thereof acquisition/disposal of securities/money market investments	2.9	–20.0
thereof other cash flow from investing activities	0.3	1.0
Free cash flow	–38.4	–106.8
OPERATING FREE CASH FLOW[1]	**72.1**	**75.1**
Cash flow from financing activities	–85.2	–30.1
Change in cash and cash equivalents	–123.8	–139.4

[1] Free cash flow before acquisitions/securities/money market investments, Growth CAPEX and core banking assets

1.3.2 CASH FLOW

The gross cash flow in the first quarter of 2023 equalled EUR 79.8m, compared to EUR 77.9m in the first quarter of 2022 (+2.4%). The cash flow from operating activities amounted to minus EUR 50.9m in the reporting period, compared to the prior-year figure of minus EUR 20.6m. In this regard, the biggest effect is attributable to changes in the core banking assets of bank99 totalling minus EUR 138.4m compared to minus EUR 104.2m in the previous year. 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. The cash flow from operating activities excluding core banking assets totalled EUR 87.5m in the first quarter of 2023.

The cash flow from investing activities was minus EUR 56.0m in the first three months of 2023, compared to minus EUR 17.8m in the prior-year period.

Austrian Post relies on operating free cash flow as a key metric 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 75.1m in the current reporting period compared to EUR 72.1m in the first quarter of 2022.

The cash flow from financing activities came to minus EUR 30.1m in the first three months of 2023, compared to minus EUR 85.2m in the previous year.

1.3.3 CAPITAL EXPENDITURE

The Austrian Post Group's capital expenditure equalled EUR 49.6m in total in the first quarter of 2023, of which EUR 34.5m was attributable to rights of use (IFRS 16 Leases) and EUR 15.2m to traditional core investments.

Viewed by category, the investment total is distributed as follows: EUR 47.4m of the investments related to property, plant and equipment and investment property, whereas EUR 2.3m was for investments in intangible assets.

The lion's share of capital expenditure was made in connection with the capacity programme designed to expand the logistics infrastructure in the parcel business.

Employees by Division

Average for the period, full-time equivalents	Q1 2022	Q1 2023	Share Q1 2023
Mail	888	857	3.2 %
Parcel & Logistics	9,066	9,382	34.6 %
Retail & Bank	2,100	2,026	7.5 %
Corporate	2,119	2,247	8.3 %
OPERATING DIVISIONS	**14,172**	**14,511**	**53.6 %**
Logistics Network	13,067	12,584	46.4 %
GROUP	**27,239**	**27,095**	**100 %**

1.4 Employees

The average number of employees in the Austrian Post Group totalled 27,095 full-time equivalents in the first quarter of 2023. The decline in the total headcount amounts to 144 full-time equivalents. The majority of the Group's employees work for the parent company Österreichische Post AG (16,664 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 31 March 2023 are included in the current consolidated interim financial statements.

1.6 Main Risks and Uncertainties

As an international postal and logistics services provider, the Austrian Post Group is subject to risks in running its business operations. Austrian Post deals with these risks responsibly. A detailed presentation of the opportunity and risk situation can be found in the Annual Report 2022 of Austrian Post starting on page 70.

There were no major changes in the overall opportunity and risk portfolio of Austrian Post since reporting in the Annual Report 2022.

On the whole, from today's perspective the continued existence of the company is not endangered.

1.7 Related Party Transactions

No major changes to related party transactions took place in the first quarter of 2023. Information on business relationships with related companies and persons can be found in the Annual Report 2022 of Austrian Post (refer to the Annual Report 2022, Consolidated Financial Statements, Note 30.2).

1.8 Outlook for 2023

The economic environment in Europe will continue to be impacted by the macroeconomic developments that prevailed last year, first and foremost by entrenched inflation driven by the intensifying wage-price spiral. This development also relates to energy costs which are currently at a higher level than before the war in Ukraine. The upward pressure on staff costs will lead to significantly higher wages and salaries in Austria as of July 2023 as stipulated by collective agreements. For this reason, it is necessary to take the unavoidable cost increases into account when developing products and setting prices.

REVENUE GROWTH IN 2023

Similar to other companies, Austrian Post will have to address these challenging overall conditions both in terms of revenue and costs. Inflationary pressure on staff costs will lead to price adjustments in all areas and will require efficiency improvements in internal processes. The company is striving to maintain or increase its revenue in all areas. Based on the Group revenue 2022 of EUR 2.5bn, the company is aiming for growth in the mid-single-digit range.

In the Mail Division, a modest revenue decrease is forecasted for 2023. The structural trend of declining volumes of conventional letters will continue in the order of about 5% p.a. Direct mail and media post volumes are also under pressure. Increased gas and paper prices have a negative impact on the cost structures of many customers. Austrian Post is responding to rises in external energy and transport costs as well as internal staff costs by implementing efficiency and portfolio improvements. The underlying objective is to introduce an adapted letter mail product portfolio and pricing structure before the end of 2023. An up-to-date offering that provides value for money should ensure availability and delivery quality at a high level but also cover cost increases.

The Parcel & Logistics Division expected to resume growth after declining slightly in 2022. Assuming a stable economic environment in the countries in which Austrian Post operates, revenue growth in the upper single-digit range is expected. However, growth will heavily depend on the exchange rate development of the Turkish Lira. In addition, unpredictable consumer behaviour due to the inflationary environment leads to uncertainty in planning.

Revenue in the Retail & Bank Division is also expected to increase significantly in 2023. The improved interest rate environment is favourable to the business model of conventional retail banks. The objective of bank99 is to further expand its financial services business in 2023 and accelerate IT-integration. This should serve as the basis for reaching the break-even point at bank99 in 2024.

GROUP EARNINGS IN 2023

On balance, the current overall conditions remain challenging for Group earnings in 2023. Inflation will lead to a steady increase in costs, which applies particularly to staff costs in the second half of 2023. Accordingly, sequential quarterly developments will proceed differently than in the previous year. Following a good start in the first quarter of 2023, higher costs are anticipated as of the third quarter. Austrian Post still aims to generate earnings (EBIT) in 2023 at about the same level as last year.

INVESTMENT PROGRAMME IN 2023

Austrian Post will continue to offer a combination of growth and strong dividends. The investment programme mainly consists of finalising the capacity expansion for the parcel logistics in Austria to achieve a sorting capacity of almost 140,000 parcels per hour. Furthermore, the expansion of the sustainable vehicle fleet towards greater e-mobility is set to continue. Investment activities in 2023 will be based on maintenance CAPEX in Austria, Southeast and Eastern Europe as well as in Türkiye on a scale of EUR 100m. In addition, growth CAPEX of EUR 60m to EUR 80m is planned in Austria.

Vienna, 4 May 2023

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 Income Statement for the First Quarter of 2023

EUR m	Q1 2022	Q1 2023
Revenue	601.4	664.7
thereof results from financial services	17.3	27.5
thereof results from effective interest	7.0	15.1
Other operating income	28.4	18.6
TOTAL OPERATING INCOME	**629.8**	**683.3**
Raw materials, consumables and services used	–175.6	–197.6
Expenses for financial services	–3.2	–1.9
Staff costs	–288.0	–299.8
Depreciation, amortisation and impairment losses	–41.6	–48.1
Other operating expenses	–81.9	–91.3
thereof impairment losses in accordance with IFRS 9	–2.0	–1.6
TOTAL OPERATING EXPENSES	**–590.3**	**–638.7**
Results from financial assets accounted for using the equity method	0.2	0.1
Net monetary gain	0.0	2.4
EARNINGS BEFORE FINANCIAL RESULT AND INCOME TAX (EBIT)	**39.6**	**47.0**
Financial income	5.5	3.3
Financial expenses	–4.4	–6.7
FINANCIAL RESULT	**1.1**	**–3.4**
PROFIT BEFORE TAX	**40.7**	**43.6**
Income tax	–10.2	–11.6
PROFIT FOR THE PERIOD	**30.5**	**32.0**
ATTRIBUTABLE TO:		
Shareholders of the parent company	30.8	31.0
Non-controlling interests	–0.3	1.0

EARNINGS PER SHARE (EUR)

	Q1 2022	Q1 2023
BASIC EARNINGS PER SHARE	**0.46**	**0.46**
DILUTED EARNINGS PER SHARE	**0.46**	**0.46**

Consolidated Statement of Comprehensive Income for the First Quarter of 2023

EUR m	Q1 2022	Q1 2023
PROFIT FOR THE PERIOD	**30.5**	**32.0**
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:		
Currency translation differences and hyperinflation adjustment – investments in foreign businesses	–4.1	5.8
TOTAL ITEMS THAT MAY BE RECLASSIFIED	**–4.1**	**5.8**
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:		
Revaluation of defined benefit obligations	–2.0	–10.6
Tax effect of revaluation	–0.5	2.1
TOTAL ITEMS THAT WILL NOT BE RECLASSIFIED	**–2.5**	**–8.5**
OTHER COMPREHENSIVE INCOME	**–6.5**	**–2.7**
TOTAL COMPREHENSIVE INCOME	**24.0**	**29.2**
ATTRIBUTABLE TO:		
Shareholders of the parent company	25.3	28.9
Non-controlling interests	–1.3	0.4

Consolidated Balance Sheet as at 31 March 2023

EUR m	31 December 2022	31 March 2023
ASSETS		
NON-CURRENT ASSETS		
Goodwill	59.8	59.0
Intangible assets	101.7	101.8
Property, plant and equipment	1,333.6	1,339.0
Investment property	84.2	83.8
Financial assets accounted for using the equity method	7.2	28.1
Other financial assets	6.2	6.2
Other receivables	11.1	11.4
Deferred tax assets	26.5	24.8
	1,630.2	**1,654.2**
FINANCIAL ASSETS FROM FINANCIAL SERVICES		
Cash, cash euqivalents and central bank balances	875.8	734.7
Receivables from banks	30.3	30.4
Receivables from customers	1,596.1	1,639.4
Investments	553.4	598.2
Other	69.6	54.5
	3,125.1	**3,057.2**
CURRENT ASSETS		
Other financial assets	65.3	85.4
Inventories	21.2	22.2
Contract assets	3.6	4.2
Trade and other receivables	378.9	391.7
Tax assets	104.7	104.6
Cash and cash equivalents	54.8	56.5
	628.5	**664.6**
	5,383.9	**5,376.0**

Consolidated Balance Sheet as at 31. March 2023

EUR m	31 December 2022	31 March 2023
EQUITY AND LIABILITIES		
EQUITY		
Share capital	337.8	337.8
Capital reserves	91.0	91.0
Revenue reserves	275.7	306.7
Other reserves	–24.8	–26.9
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	**679.7**	**708.6**
NON-CONTROLLING INTERESTS	**30.7**	**31.1**
	710.4	**739.7**
NON-CURRENT LIABILITIES		
Provisions	329.9	327.4
Other financial liabilities	488.2	501.0
Other payables	60.4	65.4
Contract liabilities	2.2	1.8
Deferred tax liabilities	0.3	0.3
	881.1	**896.0**
FINANCIAL LIABILITIES FROM FINANCIAL SERVICES		
Borrowings from banks	99.6	85.5
Liabilities to customers	2,847.6	2,803.4
Other	18.4	12.2
	2,965.6	**2,901.1**
CURRENT LIABILITIES		
Provisions	297.6	304.2
Tax liabilities	2.8	0.8
Other financial liabilities	91.9	83.4
Trade and other payables	404.5	419.0
Contract liabilities	30.1	31.8
	826.8	**839.2**
	5,383.9	**5,376.0**

Consolidated Cash Flow Statement for the First Quarter of 2023

EUR m	Q1 2022	Q1 2023
OPERATING ACTIVITIES		
Profit before tax	40.7	43.6
Depreciation, amortisation and impairment losses	41.6	48.1
Results from financial assets accounted for using the equity method	−0.2	−0.1
Provisions non-cash	3.6	13.3
Net monetary position - non cash	0.0	0.9
Other non-cash transactions	−7.8	−26.1
GROSS CASH FLOW	**77.9**	**79.8**
Trade and other receivables	8.7	−15.8
Inventories	−1.5	−1.0
Contract assets	−0.9	−0.6
Provisions	−6.8	−6.6
Trade and other payables	16.6	24.9
Contract liabilities	3.5	1.4
Financial assets/liabilities from financial services	−104.2	−138.4
Interest received from financial services	6.8	15.2
Interest paid from financial services	−1.7	−0.4
Taxes paid	−19.0	−9.4
CASH FLOW FROM OPERATING ACTIVITIES	**−20.6**	**−50.9**
INVESTING ACTIVITIES		
Acquisition of intangible assets	−1.9	−2.5
Acquisition of property, plant and equipment/investment property	−23.6	−24.1
Sale of property, plant and equipment/investment property	0.8	2.8
Acquisition of financial assets accounted for using the equity method	0.0	−12.9
Sale of financial assets accounted for using the equity method	1.8	0.0
Payments for hedging foreign currency transactions	0.8	0.0
Acquisition of financial investments in securities/money market investments	−16.9	−20.0
Sale of financial investments in securities/money market investments	19.8	0.0
Loans granted	0.4	0.0
Interest received and income from securities	1.0	0.7
CASH FLOW FROM INVESTING ACTIVITIES	**−17.8**	**−56.0**
FREE CASH FLOW	**−38.4**	**−106.8**

Consolidated Cash Flow Statement for the First Quarter of 2023

EUR m	Q1 2022	Q1 2023
FINANCING ACTIVITIES		
Settlement of lease liabilities	–13.5	–16.1
Changes of short-term financial liabilities	–68.8	–11.9
Dividends paid	–1.7	0.0
Interest paid	–1.1	–2.0
CASH FLOW FROM FINANCING ACTIVITIES	**–85.2**	**–30.1**
Currency translation differences in cash and cash equivalents	–0.2	–0.5
Monetary loss on cash and cash equivalents	0.0	–1.9
CHANGE IN CASH AND CASH EQUIVALENTS	**–123.8**	**–139.4**
Cash and cash equivalents at 1 January	1,304.1	930.6
CASH AND CASH EQUIVALENTS AT 31 MARCH	**1,180.3**	**791.2**

Consolidated Statement of Changes in Equity for the First Quarter 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**
Profit for the period	0.0	0.0	30.8	0.0	0.0	0.0	30.8	−0.3	30.5
Other comprehensive income	0.0	0.0	0.0	−2.2	0.0	−3.5	−5.6	−0.9	−6.5
TOTAL COMPREHENSIVE INCOME	**0.0**	**0.0**	**30.8**	**−2.2**	**0.0**	**−3.5**	**25.3**	**−1.3**	**24.0**
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	−2.8	−2.8
TRANSACTIONS WITH OWNERS	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**−2.8**	**−2.8**
BALANCE AS AT 31 MARCH 2022	**337.8**	**91.0**	**309.0**	**−34.7**	**1.0**	**−34.5**	**669.6**	**23.9**	**693.5**

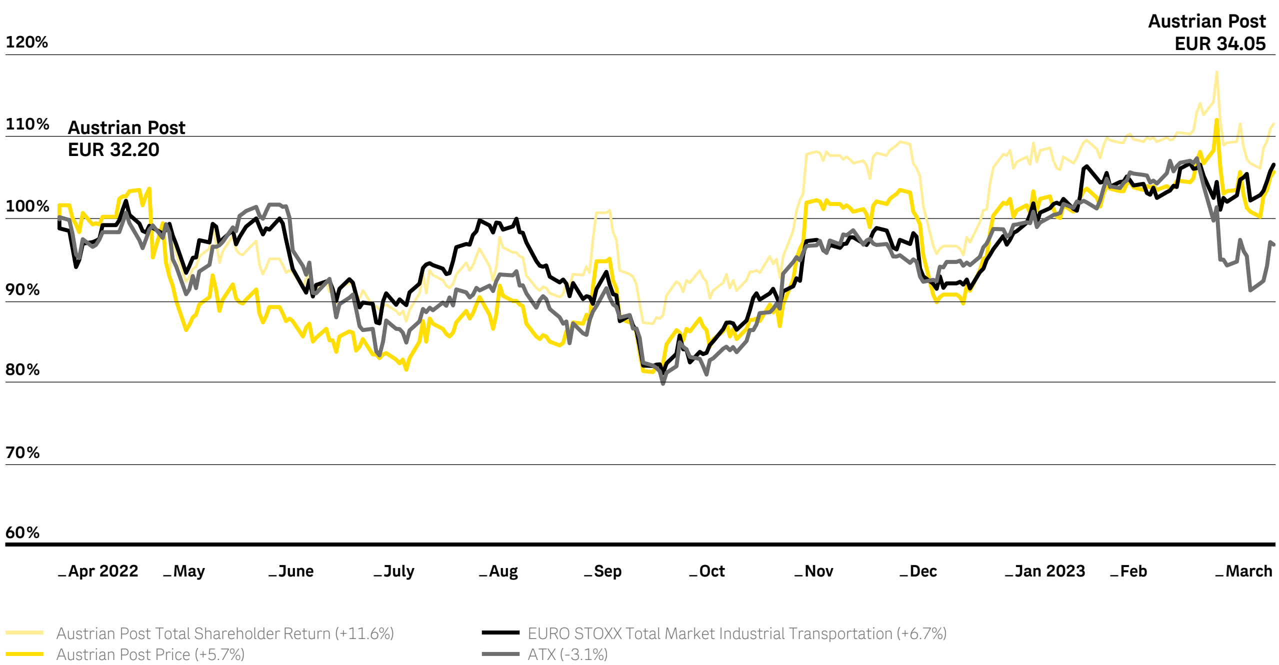
Consolidated Statement of Changes in Equity for the First Quarter of 2023

				Other reserves					
EUR m	Share capital	Capital reserves	Revenue reserves	IAS 19 reserve	FVOCI reserve	Currency translation reserve	Equity attributable to shareholders of the parent company	Non-controlling interests	Equity
BALANCE AS AT 1 JANUARY 2023	**337.8**	**91.0**	**275.7**	**–23.0**	**1.5**	**–3.3**	**679.7**	**30.7**	**710.4**
Profit for the period	0.0	0.0	31.0	0.0	0.0	0.0	31.0	1.0	32.0
Other comprehensive income	0.0	0.0	0.0	–6.8	0.0	4.7	–2.1	–0.7	–2.7
TOTAL COMPREHENSIVE INCOME	**0.0**	**0.0**	**31.0**	**–6.8**	**0.0**	**4.7**	**28.9**	**0.4**	**29.2**
BALANCE AS AT 31 MARCH 2023	**337.8**	**91.0**	**306.7**	**–29.8**	**1.5**	**1.4**	**708.6**	**31.1**	**739.7**

Financial Calendar 2023

10 August 2023	Half-year Report 2023, publication: 07.30-07.40 a.m. CET
14 November 2023	Interim report for the first three quarters 2023, publication: 07.30–07.40 a.m. CET

Development of the Share Price — 12 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: 11 Mai 2023

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