A Sign of TRUST

Q03

AUSTRIAN POST

Interim Report for the First Three Quarters of 2023

Knowing what matters.

Q1–3 2023 Highlights

Revenue

- Q1-3 revenue up by 8.5% from EUR 1,815.9m to EUR 1,969.3m
- Increase in Parcel & Logistics (+16.6%) and Retail & Bank (+39.3%), decline in Mail (–2.3%)

Earnings

- Q1-3 earnings increase (EBIT) by 4.4% from EUR 125.3m to EUR 130.8m
- Earnings per share from EUR 1.25 to EUR 1.30 (+4.4%)

Cash flow and balance sheet

- Operating free cash flow of EUR 177.2m and equity of EUR 674.9m

Outlook

- Outlook confirmed, growth in Group revenue in 2023 at least in the mid-single-digit range
- Group earnings (EBIT) in 2023 expected to remain at the prior-year level
- 2024: Aim to achieve revenue growth and maintain the track record of stability in earnings development

Key Figures

EUR m	Q1–3 2022	Q1–3 2023	Change
EARNINGS FIGURES			
Revenue	**1,815.9**	**1,969.3**	**8.5%**
EBITDA	**258.0**	**282.4**	**9.5%**
EBITDA margin	14.2%	14.3%	–
EBIT	**125.3**	**130.8**	**4.4%**
EBIT margin	6.9%	6.6%	–
Profit for the period	84.8	90.8	7.1%
Earnings per share (EUR)[1]	**1.25**	**1.30**	**4.4%**
Employees (average for the period, full-time equivalents)	27,156	27,119	–0.1%
CASH FLOW AND CAPEX			
Gross cash flow	233.9	216.1	–7.6%
Cash flow from operating activities	–145.5	73.4	>100%
Cash flow from financing activities	–87.0	–130.5	–49.9%
Operating free cash flow[2]	147.6	177.2	20.0%
CAPEX	99.5	97.9	–1.5%

EUR m	31 December 2022	30 September 2023	Change
BALANCE SHEET FIGURES			
Total assets	5,383.9	5,463.8	1.5%
Equity	710.4	674.9	–5.0%
Equity ratio	13.2%	12.4%	–
Financial debt	60.0	131.9	>100%
Financial debt incl. IFRS 16	459.9	533.0	15.9%
Capital employed[3]	1,310.9	1,331.3	1.6%

[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!

The year 2023 has been marked by challenging conditions. The high inflation accompanied by a weakening economic output has a negative impact on the investment behaviour of consumers and institutions. In particular, stationary trade and e-commerce businesses face declining demand. This development also applies to Austrian Post's mail order and advertising customers. Against this backdrop, we are very satisfied with the development of Austrian Post. Growth in the parcel business as well as the increase in financial services managed to offset the decline in letter mail and direct mail items.

Group revenue improved by 8.5% in the first three quarters of 2023 to EUR 1,969.3m. The Parcel & Logistics Division showed a revenue increase of 16.6% to EUR 1,009.1m based on volume growth in all of Austrian Post's regions: +11% in Austria, +25% in Southeast and Eastern Europe and +11% in Türkiye in the first nine months of 2023. The market but also growth in Türkiye continue to be negatively impacted by high inflation and exchange rate developments. The Mail Division reported a revenue decline of 2.3% in the first three quarters of 2023 to EUR 866.7m, which is related to further decline in the conventional letter mail business as well as to volume decrease in direct mail. The Retail & Bank Division generated strong revenue growth of 39.3% to EUR 118.6m due to the improved interest rate environment for banks.

Despite the ongoing challenges and cost-related inflationary trends, Austrian Post achieved an improvement in its earnings indicators for the first three quarters of 2023. EBITDA climbed by 9.5% to EUR 282.4m, and earnings before interest and taxes (EBIT) rose by 4.4% to EUR 130.8m. Profit for the period of the Austrian Post Group rose from EUR 84.8m to EUR 90.8m in the first nine months of 2023, resulting in improved earnings per share of EUR 1.30 compared to EUR 1.25 in the prior-year period (+4.4%).

Inflation, consumer behaviour and retail sector developments in the retail sector will continue to be the main challenges in Austrian Post's markets in the upcoming quarters. Leveraging growth opportunities and, at the same time, implementing efficiency enhancement measures will remain the top priority. Accordingly, the company confirmed its outlook and expects growth in Group revenue in 2023 at least in the mid-single-digit range. Forecast fluctuations are particularly due to the inflationary environment in Türkiye as well as the volatile exchange rate of the Turkish Lira. Austrian Post aims to generate earnings (EBIT) in 2023 at last year's level. The target for 2024 is also to achieve revenue growth, especially in the parcel business, to offset cost increases and maintain the track record of stability in earnings development.

The massive investment programme implemented in recent years that allowed the soring capacity of Austrian parcel logistics by nearly threefold is currently in its final phase, with the new Parcel Logistics Centre Vienna being put into operation. Furthermore, Austrian Post will go ahead with expanding e-mobility to ensure a CO_2-free delivery in Austria by 2030. The company strives not only to offer outstanding quality, but also want to be in the lead in terms of green logistics.

Vienna, 6 November 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 Three Quarters 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 three quarters of 2023.

1.2 Revenue and Earnings

1.2.1 REVENUE DEVELOPMENT

In the first three quarters of 2023, Austrian Post's Group revenue increased by 8.5% year-on-year to EUR 1,969.3m. The Parcel & Logistics Division with its Turkish business operations generated strong revenue growth of 16.6% in the first nine months of 2023 and 29.8% in the third quarter. Excluding Parcel Türkiye, the division produced a 9.1% revenue increase in the first three quarters and 14.0% in the third quarter.

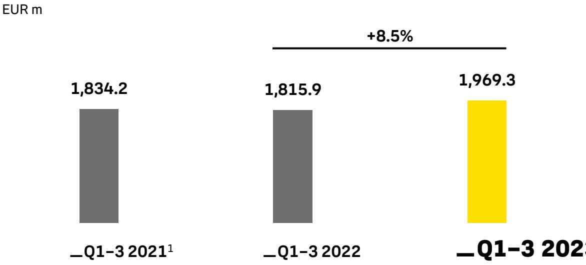
The share of the Mail Division as a proportion of the total revenue generated by Austrian Post in the first three quarters of 2023 amounted to 43.5%. While division's revenue of EUR 866.7m is negatively impacted by the structural decline of addressed letter mail volumes as a result of electronic substitution, it benefits from the latest postal rate adjustments. In addition, the advertising environment is subdued in certain sectors.

The Parcel & Logistics Division produced 50.6% (EUR 1,009.1m) of Group revenue in the reporting period. The parcel business developed very positively in all regions. The Logistics Solution business showed a revenue decrease due to the lack of special pandemic-related logistics services.

The Retail & Bank Division accounted for 5.9% of Group revenue or EUR 118.6m in the first three quarters of 2023. Interest rate developments over the past months made a positive contribution to the division's revenue.

Revenue Development

EUR m



[1] Adjusted presentation

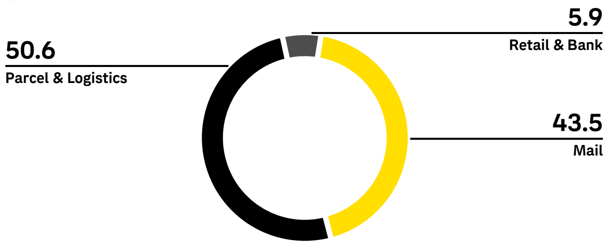
Revenue by Division

EUR m	Q1–3 2022	Q1–3 2023	Change %	Change EUR m	Q3 2022	Q3 2023
REVENUE	**1,815.9**	**1,969.3**	**8.5%**	**153.5**	**604.1**	**684.5**
Mail	886.9	866.7	–2.3%	–20.2	287.4	268.6
Parcel & Logistics	865.3	1,009.1	16.6%	143.9	293.2	380.7
Retail & Bank	85.2	118.6	39.3%	33.4	31.0	42.1
Corporate/Consolidation	–21.5	–25.2	–16.9%	–3.6	–7.6	–6.9
Working days in Austria	189	188	–	–	65	64

From a regional perspective, Austrian Post generated 78.5% of its Group revenue in Austria in the first three quarters of 2023. Its international business accounted for 21.5% of the total Group revenue in the first three quarters of 2023. Thereof, Türkiye accounted for 13.2%, whereas the region of Southeast and Eastern Europe contributed 6.9% to the Group revenue. 1.4% of the revenue was generated in Germany.

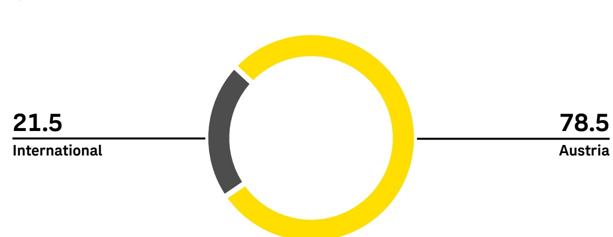
Revenue by Division — Q1–3 2023

%



Revenue by Region — Q1–3 2023

%



Revenue Development of the Mail Division

EUR m	Q1–3 2022	Q1–3 2023	Change %	Change EUR m	Q3 2022	Q3 2023
REVENUE	**886.9**	**866.7**	**–2.3%**	**–20.2**	**287.4**	**268.6**
Letter Mail & Business Solutions	557.5	550.6	–1.2%	–6.8	182.2	171.9
Direct Mail	239.1	224.0	–6.3%	–15.1	77.4	68.7
Media Post	90.3	92.1	1.9%	1.8	27.8	28.0
Revenue intra-Group	2.6	3.5	35.0%	0.9	0.7	1.2
TOTAL REVENUE	**889.5**	**870.2**	**–2.2%**	**–19.3**	**288.1**	**269.8**
thereof revenue with third parties	878.4	856.3	–2.5%	–22.1	284.4	266.5

Revenue of the Mail Division totalled EUR 866.7m in the first three quarters of 2023, of which 63.5% can be attributed to the Letter Mail & Business Solutions area, Direct Mail accounted for 25.9% of the total divisional revenue, and Media Post had a 10.6% share.

In the first three quarters of 2023, Letter Mail & Business Solutions revenue equalled EUR 550.6m, implying a year-on-year decline of 1.2%. 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 adjusted for one-off and special effects showed a decline of 5% in the first three quarters of 2023. Inflationary pressure on all types of costs led to adjustments in the product and pricing structure as well as to necessary efficiency enhancements of internal processes. International letter mail was impacted by a reduction and/or volume shift to parcel products, whereas the Business Solutions area developed positively.

Direct Mail revenue fell by 6.3% in the first nine months of 2023 to EUR 224.0m. The restrained advertising environment and the structural decline in certain customer segments (e.g., mail order business) could only be partially compensated by price structure adjustments. In addition, there are signs of consolidation in the stationary trade sector (furniture).

Revenue from Media Post, i.e., the delivery of newspapers and magazines, rose by 1.9% year-on-year to EUR 92.1m. This increase is related mainly to adjustments in the product and pricing structure.

Revenue of the Parcel & Logistics Division

EUR m	Q1–3 2022	Q1–3 2023	Change %	Change EUR m	Q3 2022	Q3 2023
REVENUE	**865.3**	**1,009.1**	**16.6%**	**143.9**	**293.2**	**380.7**
Parcel Austria	512.7	565.6	10.3%	52.9	169.0	191.7
Parcel Türkiye	178.6	259.8	45.5%	81.2	70.4	126.7
Parcel CEE/SEE	124.9	140.0	12.0%	15.0	39.4	48.3
Logistics Solutions/Consolidation	49.0	43.8	–10.7%	–5.2	14.5	14.0
Revenue intra-Group	0.5	0.6	18.8%	0.1	0.2	0.2
TOTAL REVENUE	**865.7**	**1,009.7**	**16.6%**	**144.0**	**293.4**	**381.0**
thereof revenue with third parties	850.9	993.4	16.7%	142.4	288.2	375.7

Revenue of the Parcel & Logistics Division increased by 16.6% in the first three quarters of 2023 to EUR 1,009.1m. The parcel business developed very positively in all regions.

Parcel Austria generated 10.3% revenue growth to EUR 565.6m in the reporting period. Parcel volumes showed an upward trend of 11%, influenced by high customer confidence in the quality leadership of Austrian Post and rising volumes from Asia.

Revenue in Türkiye (Parcel Türkiye) increased by 45.5% to EUR 259.8m compared to the first nine months of 2022. On the one hand, this high level of growth is due to increasing volumes (+11%). On the other hand, the fluctuations in the increase in the first three quarters of 2023 are strongly influenced by high inflation and the exchange rate (accounting in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies).

The parcel business in Southeast and Eastern Europe (Parcel CEE/SEE) continues to generate positive growth rates, with revenue up by 12.0% to EUR 140.0m in the first three quarters of 2023. This region also saw a strong increase in parcel volumes from Asia.

Revenue of the Logistics Solutions area (including Consolidation) fell by 10.7% in the reporting period to EUR 43.8m. This decline is mainly related to the discontinuation of special pandemic-related logistics services.

Revenue Development of the Retail & Bank Division

EUR m	Q1–3 2022	Q1–3 2023	Change %	Change EUR m	Q3 2022	Q3 2023
REVENUE	**85.2**	**118.6**	**39.3%**	**33.4**	**31.0**	**42.1**
Income from Financial Services	56.4	89.5	58.5%	33.0	21.0	32.9
Branch Services	28.7	29.1	1.4%	0.4	10.0	9.2
Revenue intra-Group	140.4	140.7	0.2%	0.3	46.7	46.2
TOTAL REVENUE	**225.6**	**259.3**	**15.0%**	**33.8**	**77.8**	**88.3**
thereof revenue with third parties	84.9	118.3	39.4%	33.4	30.9	42.0

Revenue of the Retail & Bank Division increased by 39.3% in the first three quarters of 2023 from EUR 85.2m to EUR 118.6m. Income from Financial Services climbed from EUR 56.4m to EUR 89.5m (+58.5%) in the current reporting period. This is mainly attributable to the improved interest rate environment in Europe. Branch Services revenue increased by 1.4% to EUR 29.1m in the first three quarters of 2023 as a result of inflation-related price adjustments in the field of retail products/merchandise.

Financial Performance of the Group

EUR m	Q1–3 2022	Q1–3 2023	Change %	Change EUR m	Q3 2022	Q3 2023
REVENUE	**1,815.9**	**1,969.3**	**8.5%**	**153.5**	**604.1**	**684.5**
Other operating income	78.9	77.0	–2.5%	–2.0	19.7	39.0
Raw materials, consumables and services used	–531.2	–597.0	–12.4%	–65.9	–181.7	–222.4
Expenses for financial services	–9.5	–12.0	–25.6%	–2.4	–3.1	–6.1
Staff costs	–845.4	–886.7	–4.9%	–41.3	–273.6	–307.5
Other operating expenses	–250.0	–274.5	–9.8%	–24.5	–84.9	–96.5
Results from financial assets accounted for using the equity method	–0.2	1.5	>100%	1.8	–0.3	0.7
Net monetary gain/loss	–0.4	4.8	>100%	5.2	–1.6	1.7
EBITDA	**258.0**	**282.4**	**9.5%**	**24.4**	**78.6**	**93.4**
Depreciation, amortisation and impairment losses	–132.7	–151.7	–14.3%	–19.0	–44.2	–57.8
EBIT	**125.3**	**130.8**	**4.4%**	**5.5**	**34.3**	**35.6**
Financial result	–21.1	–3.5	83.3%	17.6	–7.6	–9.2
PROFIT BEFORE TAX	**104.2**	**127.2**	**22.1%**	**23.0**	**26.7**	**26.3**
Income tax	–19.5	–36.5	–87.2%	–17.0	3.2	–14.2
PROFIT FOR THE PERIOD	**84.8**	**90.8**	**7.1%**	**6.0**	**30.0**	**12.2**
ATTRIBUTABLE TO:						
Shareholders of the parent company	84.3	87.9	4.4%	3.7	28.0	11.4
Non-controlling interests	0.5	2.9	>100%	2.4	2.0	0.7
EARNINGS PER SHARE (EUR)[1]	**1.25**	**1.30**	**4.4%**	**0.05**	**0.41**	**0.17**

[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 (45.0%), raw materials, consumables and services used (30.3%) and other operating expenses (13.9%). 7.7% can be attributed to depreciation, amortisation and impairment losses and 0.6% to expenses for financial services.

Staff costs in the first three quarters of 2023 totalled EUR 886.7m, implying a year-on-year increase of 4.9% or EUR 41.3m. The change includes collective wage salary adjustments in operational staff costs, which are countered by a high level of cost discipline. Austrian Post Group employed an average of 27,119 people (full-time equivalents) in the first nine months of 2023 compared to the average of 27,156 employees in the prior-year period (–0.1%).

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. In contrast to the previous year's period, no significant costs were incurred in the first three quarters of 2023.

Raw materials, consumables and services used rose by 12.4% to EUR 597.0m. This development mainly relates to increased transport costs for external freight companies due to higher volumes in all parcel regions.

Other operating income decreased by 2.5% to EUR 77.0m in the first three quarters of 2023. While the current reporting period included a capital gain of EUR 19.3m from the sale of a property, the previous year included COVID-19 reimbursements from the federal government totalling EUR 13.2m and a positive one-off effect in connection with Aras Kargo amounting to EUR 8.8m (option valuation, hyperinflation, goodwill impairment). Other operating expenses rose by 9.8% to EUR 274.5m, related in particular to IT services and maintenance costs.

Accounting standard IAS 29 (Financial Reporting in Hyperinflationary Economies) needs to be applied for the Turkish subsidiary. 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 three quarters of 2023, the net monetary gain amounted to EUR 4.8m.

EBITDA equalled EUR 282.4m in the first three quarters of 2023, a year-on-year increase of 9.5% from EUR 258.0m. This implies an EBITDA margin of 14.3%.

Depreciation, amortisation and impairment losses amounted to EUR 151.7m in the first nine months of 2023 (+14.3%). The increase is due on the one hand to investments in new parcel logistics infrastructure locations and on the other hand to impairment losses amounting to EUR 10.8m in connection with software and rights of use properties.

Group EBIT increased by 4.4% to EUR 130.8m in the first three quarters of 2023 after EUR 125.3m in the same period of the previous year, despite higher depreciation and amortisation. The EBIT margin in the first three quarters of 2023 equalled 6.6%.

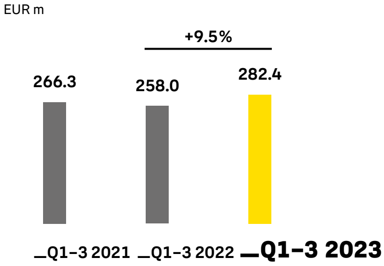
The Group's financial result amounted to minus EUR 3.5m compared to minus EUR 21.1m the previous year. The change is due to the fact that the previous year included a valuation effect of minus EUR 16.6m from financial parameters relating to the option liability for the remaining 20% stake in Aras Kargo.

Income taxes increased from minus EUR 19.5m to minus EUR 36.5m in the first three quarters of. The current reporting period included a deferred tax expense of EUR 8.5m, mainly due to the hyperinflation valuation.

This resulted in a profit for the period for the first nine months of 2023 of EUR 90.8m, up from EUR 84.8m in the first three quarters of the previous year. Undiluted earnings per share were EUR 1.30, up by 4.4% from the comparable prior-year figure of EUR 1.25.

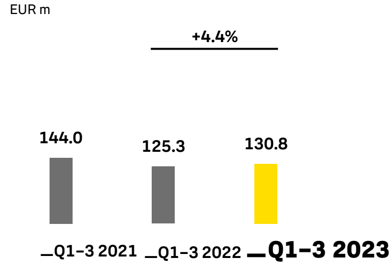
EBITDA

EUR m



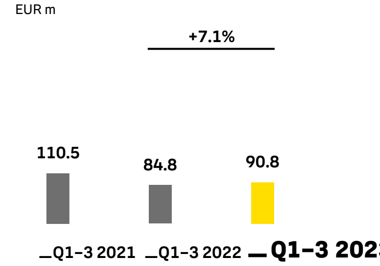
EBIT

EUR m



Profit for the Period

EUR m



EBIT by Division

EUR m	Q1–3 2022	**Q1–3 2023**	Change %	Change EUR m	Margin Q1–3 2023[1]	Q3 2022	**Q3 2023**
EBIT	**125.3**	**130.8**	**4.4%**	**5.5**	**6.6%**	**34.3**	**35.6**
Mail	110.7	102.1	–7.8%	–8.6	11.7%	27.8	24.5
Parcel & Logistics	58.6	60.7	3.5%	2.0	6.0%	13.2	24.3
Retail & Bank	–24.8	–5.6	77.5%	19.3	–2.2%	–4.4	–6.7
Corporate/Consolidation[2]	–19.2	–26.5	–37.7%	–7.3	–	–2.3	–6.6

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

From a divisional perspective, the Mail Division achieved an EBIT of EUR 102.1m in the first nine months of 2023 compared to EUR 110.7m in the prior-year period (–7.8%). This decrease resulted from the ongoing volume decline and cost increases in all areas which could only be partially offset by postal rate adjustments.

The Parcel & Logistics Division generated an EBIT of EUR 60.7m in the first three quarters of 2023 compared to EUR 58.6m in the prior-year period (+3.5%), which included a positive special effect of EUR 8.9m in the income statement relating to Aras Kargo (mainly option valuation of share increase). From a regional perspective, the operating parcel business in Austria and Türkiye developed well whereas in Southeast and Eastern Europe there have been reduced earnings due to market pressure in some countries. The Türkiye business was positively impacted by inflation and currency translation, especially in the third quarter. The lack of special pandemic-related logistics services also negatively impacted the division's earnings in the current reporting period.

The Retail & Bank Division recorded an EBIT of EUR minus 5.6m in the first three quarters of 2023, compared to minus EUR 24.8m in the previous year, thus showing a strong earnings improvement of EUR 19.3m. The positive development in the financial services business based on higher net interest income made a significant contribution to earnings. IT integration costs of around EUR 7m in connection with the core banking system of bank99 had a negative impact.

The EBIT of the Corporate Division (including Consolidation and the intra-Group cost apportionment procedure) changed from minus EUR 19.2m to minus EUR 26.5m, particularly as the result of higher energy costs. The Corporate Division provides non-operating services which are 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	30 September 2023	Structure 30 September 2023
ASSETS			
Property, plant and equipment, intangible assets and goodwill	1,495.1	1,483.6	27.2 %
Investment property	84.2	93.8	1.7 %
Financial assets accounted for using the equity method	7.2	27.7	0.5 %
Inventories, trade and other receivables	545.9	563.3	10.3 %
Other financial assets	71.6	37.1	0.7 %
thereof securities/money market investments	65.3	30.4	–
Financial assets from financial services	3,125.1	3,192.8	58.4 %
Cash and cash equivalents	54.8	65.5	1.2 %
	5,383.9	**5,463.8**	**100 %**
EQUITY AND LIABILITIES			
Equity	710.4	674.9	12.4 %
Provisions	627.5	591.7	10.8 %
Other financial liabilities	580.1	628.9	11.5 %
Trade and other payables	500.3	538.5	9.9 %
Financial liabilities from financial services	2,965.6	3,029.8	55.5 %
	5,383.9	**5,463.8**	**100 %**

1.3.1 BALANCE SHEET STRUCTURE

Austrian Post's total assets of EUR 5.5bn as at 30 September 2023 grew significantly after incorporation of bank99 in 2020. On the assets side, the consolidated balance sheet as at 30 September 2023 showed cash and cash equivalents of bank99 amounting to EUR 0.7bn and loans of bank99 amounting to EUR 1.7bn, while on the liabilities side, the consolidated balance sheet includes customer deposits of bank99 amounting to EUR 2.9bn.

Including bank99, the balance sheet is as follows: property, plant and equipment of EUR 1,334.6m is one of the largest balance sheet items and includes right-of-use assets under leases of EUR 384.7m. In addition, there are intangible assets and goodwill from business combinations, which are reported at the amount of EUR 149.1m as at 30 September 2023. The balance sheet shows receivables of EUR 409.9m, which include current trade receivables of EUR 307.4m. Other financial assets amounted to EUR 37.1m as at 30 September 2023. Financial assets from financial services amounted to EUR 3,192.8m at the end of the third 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 at the amount of EUR 30.4m as at 30 September 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 sold at short notice. The balance sheet shows that Austrian Post had cash and cash equivalents equalling EUR 65.5m as at 30 September 2023. Cash and cash equivalents including money market and securities investments and excluding cash and cash equivalents of bank99 amounted to EUR 95.9m as at 30 September 2023. bank99's cash and cash equivalents amounted to EUR 746.3m as at 30 September 2023. Including bank99, cash and cash equivalents totalled EUR 842.2m as at 30 September 2023.

On the equity and liabilities side of the balance sheet, the equity of the Austrian Post Group amounted to EUR 674.9m as at 30 September 2023 (equity ratio of 12.4%). The pro forma equity ratio, taking into account bank99 using the equity method, came to 28% at the end of September 2023. Furthermore, provisions of EUR 591.7m are shown on the equity and liabilities side as at 30 September 2023. About 70% of the provisions are staff-related, with EUR 155.7m attributable to provisions for underutilisation. A further EUR 174.6m relates to legally and contractually required provisions for social capital (severance payments and anniversary bonuses) and EUR 88.3m to other staff-related provisions. Other provisions amounted to EUR 173.2m 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 628.9m and include mainly lease liabilities of EUR 401.1m. Trade and other payables of EUR 538.5m include current trade payables of EUR 249.8m. Financial liabilities from financial services amounting to EUR 3,029.8m result primarily from the business activities of bank99 (deposit and investment business of bank99's customers).

Cash flow

EUR m	Q1–3 2022	**Q1–3 2023**
Gross cash flow	233.9	216.1
CASH FLOW FROM OPERATING ACTIVITIES	**–145.5**	**73.4**
thereof core banking assets from financial services (CBA)	–340.4	–138.6
CASH FLOW FROM OPERATING ACTIVITIES EXCL. CBA	**194.8**	**212.0**
Cash flow from investing activities	–134.4	–51.3
thereof maintenance CAPEX	–42.9	–60.8
thereof growth CAPEX	–56.6	–37.1
thereof cash flow from acquisitions/divestments	2.3	–14.3
thereof acquisition/disposal of securities/money market investments	–33.0	35.0
thereof other cash flow from investing activities	–4.3	26.0
Free cash flow	–279.9	22.1
OPERATING FREE CASH FLOW[1]	**147.6**	**177.2**
Cash flow from financing activities	–87.0	–130.5
Change in cash and cash equivalents	–378.4	–118.8

[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 three quarters of 2023 equalled EUR 216.1m, compared to EUR 233.9m in the first three quarters of 2022 (–7.6%). The cash flow from operating activities amounted to EUR 73.4m in the reporting period, compared to the prior-year amount of minus EUR 145.5m. In this regard, the largest effect is attributable to changes in the core banking assets of bank99 totalling minus EUR 138.6m in the first three quarters of 2023, which consist mainly of an increase in receivables from customers (lending) and a higher portfolio of investments (purchase of government bonds). 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 212.0m in the first three quarters of 2023, up by 8.8 % year-on-year from EUR 194.8m.

The cash flow from investing activities was minus EUR 51.3m in the first nine months of 2023, compared to minus EUR 134.4m 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 177.2m in the current reporting period compared to EUR 147.6m in the previous year (+20,0 %). The increase also includes the proceeds from the sale of a property.

The cash flow from financing activities came to minus EUR 130.5m in the first nine months of 2023, compared to minus EUR 87.0m in the previous year. This included the dividend payment of EUR 120.6m as well as a 3- year loan of EUR 75m.

1.3.3 CAPITAL EXPENDITURE

The Austrian Post Group's capital expenditure was EUR 160.5m in total in the first three quarters of 2023, of which EUR 59.2m was attributable to rights of use (IFRS 16 Leases) and EUR 101.3m to traditional core investments.

Viewed by category, total investments are distributed as follows: EUR 154.2m of the investments related to property, plant and equipment and investment property, whereas EUR 6.3m was invested in intangible assets.

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

Employees by Division

Average for the period, full-time equivalents	Q1–3 2022	Q1–3 2023	Share Q1–3 2023
Mail	884	859	3.2 %
Parcel & Logistics	9,020	9,291	34.3 %
Retail & Bank	2,058	2,034	7.5 %
Corporate	2,133	2,267	8.4 %
OPERATING DIVISIONS	**14,095**	**14,451**	**53.3 %**
Logistics Network	13,061	12,668	46.7 %
GROUP	**27,156**	**27,119**	**100 %**

1.4 Employees

The average number of employees in the Austrian Post Group totalled 27,119 full-time equivalents in the first three quarters of 2023. The decline in the total headcount amounts to 37 full-time equivalents. The majority of the Group's employees work for the parent company Österreichische Post AG (17,009 full-time equivalents in total).

1.5 Events After the Reporting Period

Events after the reporting period that are material for accounting and valuation on the balance sheet date as at 30 September 2023 are included in the current consolidated interim financial statements.

1.6 Main Opportunities and Risks

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 opportunities and risks can be found in the Annual Report 2022 of Austrian Post starting on page 70 as well as in the Half-year Financial Report 2023 starting on page 12.

There were no major changes in the overall opportunities and risks portfolio of Austrian Post since reporting in the Half-year Financial Report 2023.

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 three quarters 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

The macroeconomic environment is currently impacted by high inflation accompanied by reduced economic output. The purchasing power of consumers and companies' propensity to invest are, therefore, adversely affected. Austrian Post faces these challenges, including the upcoming wages increase in its core Austrian business as of 1 July, and will address it by optimising its processes, cost structure and price adjustments.

REVENUE GROWTH IN 2023

The company confirmed its outlook and expects growth – based on the Group revenue 2022 of EUR 2.5bn – at least in the mid-single digit range in 2023. Variations in projections are specifically due to the inflationary environment in Türkiye as well as to the Turkish Lira exchange rate.

The Mail Division is confronted with both structural volume decline in conventional letter mail and reduced direct mail and media post volumes. The adapted product portfolio and pricing structure effective from 1 September 2023 comprises an important measure in this regard. All customers will be able to choose between the more favourably priced Economy Letter with delivery times of two to three working days and the faster Priority Letter with next working day delivery. On balance, the Mail Division expects a slight decrease in revenue in 2023.

The Parcel & Logistics Division continues to expect growth in the 2023 financial year. Further growth is expected in Austrian Post's markets despite changing consumer behaviour. Divisional revenue is expected to increase by more than 10%. A more precise assessment, particularly related to the Turkish market, depends on inflation rates as well as exchange rate developments of the Turkish Lira.

Positive development is forecasted for the Retail & Bank Division. Revenue is expected to increase in 2023 against the backdrop of an improved interest rate environment. The company maintains its objective of further expanding its financial services business, pressing ahead with IT integration and reaching the operating break-even level at bank99 in 2024 (before special effects).

GROUP EARNINGS IN 2023 AND 2024

Inflation, consumer behaviour and developments in the retail sector will remain a major challenge in Austrian Post's markets in the upcoming quarters. Leveraging growth opportunities and implementing efficiency enhancement measures at the same time will continue to be the top priority. Accordingly, Austrian Post continues to aim to generate the same level of Group earnings in 2023 as last year (EBIT 2022: EUR 188m).

The target for 2024 is also to achieve revenue growth, especially in the parcel business, to offset cost increases and maintain the track record of stability in earnings development.

CAPITAL EXPENDITURE IN 2023

The massive investment programme implemented in recent years aimed to increase the sorting capacity of Austrian parcel logistics by nearly threefold is in its final phase, with the Logistics Centre Vienna being currently put into operation. Furthermore, Austrian Post will move ahead with expanding e-mobility aiming to ensure a CO_2-free delivery in Austria by 2030. For this reason, maintenance CAPEX in Austria and the international subsidiaries will be at the range of EUR 100m in 2023. In addition, growth CAPEX of EUR 60-80m is planned for Austria.

Vienna, 6 November 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 Three Quarters of 2023

EUR m	Q1–3 2022	Q1–3 2023	Q3 2022	Q3 2023
Revenue	1,815.9	1,969.3	604.1	684.5
thereof income from financial services	56.1	89.2	20.9	32.8
thereof income from effective interest	21.9	51.1	7.9	19.1
Other operating income	78.9	77.0	19.7	39.0
TOTAL OPERATING INCOME	**1,894.8**	**2,046.3**	**623.8**	**723.5**
Raw materials, consumables and services used	–531.2	–597.0	–181.7	–222.4
Expenses for financial services	–9.5	–12.0	–3.1	–6.1
Staff costs	–845.4	–886.7	–273.6	–307.5
Depreciation, amortisation and impairment losses	–132.7	–151.7	–44.2	–57.8
Other operating expenses	–250.0	–274.5	–84.9	–96.5
thereof impairment losses in accordance with IFRS 9	–5.2	–6.3	–2.4	–2.7
TOTAL OPERATING EXPENSES	**–1,768.8**	**–1,921.8**	**–587.6**	**–690.4**
Results from financial assets accounted for using the equity method	–0.2	1.5	–0.3	0.7
Net monetary gain/loss	–0.4	4.8	–1.6	1.7
EARNINGS BEFORE FINANCIAL RESULT AND INCOME TAX (EBIT)	**125.3**	**130.8**	**34.3**	**35.6**
Financial income	6.9	21.1	1.4	3.2
Financial expenses	–28.0	–24.6	–8.9	–12.4
FINANCIAL RESULT	**–21.1**	**–3.5**	**–7.6**	**–9.2**
PROFIT BEFORE TAX	**104.2**	**127.2**	**26.7**	**26.3**
Income tax	–19.5	–36.5	3.2	–14.2
PROFIT FOR THE PERIOD	**84.8**	**90.8**	**30.0**	**12.2**
ATTRIBUTABLE TO:				
Shareholders of the parent company	84.3	87.9	28.0	11.4
Non-controlling interests	0.5	2.9	2.0	0.7

EARNINGS PER SHARE (EUR)

BASIC EARNINGS PER SHARE	**1.25**	**1.30**	**0.41**	**0.17**
DILUTED EARNINGS PER SHARE	**1.25**	**1.30**	**0.41**	**0.17**

Consolidated Statement of Comprehensive Income for the First Three Quarters of 2023

EUR m	Q1–3 2022	Q1–3 2023	Q3 2022	Q3 2023
PROFIT FOR THE PERIOD	**84.8**	**90.8**	**30.0**	**12.2**
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:				
Currency translation differences and hyperinflation adjustment – investments in foreign businesses	18.3	1.1	0.5	9.3
TOTAL ITEMS THAT MAY BE RECLASSIFIED	**18.3**	**1.1**	**0.5**	**9.3**
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:				
Revaluation of defined benefit obligations	15.3	–9.9	–1.4	–0.6
Tax effect of revaluation	–4.6	2.8	0.3	0.9
TOTAL ITEMS THAT WILL NOT BE RECLASSIFIED	**10.8**	**–7.1**	**–1.1**	**0.3**
OTHER COMPREHENSIVE INCOME	**29.1**	**–6.0**	**–0.6**	**9.6**
TOTAL COMPREHENSIVE INCOME	**113.8**	**84.8**	**29.3**	**21.8**
ATTRIBUTABLE TO:				
Shareholders of the parent company	110.4	83.0	27.4	19.1
Non-controlling interests	3.4	1.7	1.9	2.6

Consolidated Balance Sheet as at 30 September 2023

EUR m	31 December 2022	30 September 2023
ASSETS		
NON-CURRENT ASSETS		
Goodwill	59.8	59.7
Intangible assets	101.7	89.4
Property, plant and equipment	1,333.6	1,334.6
Investment property	84.2	93.8
Financial assets accounted for using the equity method	7.2	27.7
Other financial assets	6.2	6.7
Other receivables	11.1	10.3
Deferred tax assets	26.5	21.0
	1,630.2	**1,643.1**
FINANCIAL ASSETS FROM FINANCIAL SERVICES		
Cash, cash equivalents and central bank balances	875.8	746.3
Receivables from banks	30.3	30.6
Receivables from customers	1,596.1	1,713.7
Investments	553.4	625.0
Other	69.6	77.2
	3,125.1	**3,192.8**
CURRENT ASSETS		
Other financial assets	65.3	30.4
Inventories	21.2	23.2
Contract assets	3.6	0.6
Trade and other receivables	378.9	399.5
Tax assets	104.7	108.7
Cash and cash equivalents	54.8	65.5
	628.5	**627.9**
	5,383.9	**5,463.8**

Consolidated Balance Sheet as at 30 September 2023

EUR m	31 December 2022	30 September 2023
EQUITY AND LIABILITIES		
EQUITY		
Share capital	337.8	337.8
Capital reserves	91.0	91.0
Revenue reserves	275.7	245.4
Other reserves	–24.8	–29.7
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	**679.7**	**644.5**
NON-CONTROLLING INTERESTS	**30.7**	**30.4**
	710.4	**674.9**
NON-CURRENT LIABILITIES		
Provisions	329.9	306.3
Other financial liabilities	488.2	563.6
Other payables	60.4	66.6
Contract liabilities	2.2	1.0
Deferred tax liabilities	0.3	0.3
	881.1	**937.7**
FINANCIAL LIABILITIES FROM FINANCIAL SERVICES		
Borrowings from banks	99.6	124.3
Liabilities to customers	2,847.6	2,885.5
Other	18.4	19.9
	2,965.6	**3,029.8**
CURRENT LIABILITIES		
Provisions	297.6	285.4
Tax liabilities	2.8	3.6
Other financial liabilities	91.9	65.4
Trade and other payables	404.5	435.7
Contract liabilities	30.1	31.4
	826.8	**821.4**
	5,383.9	**5,463.8**

Consolidated Cash Flow Statement for the First Three Quarters of 2023

EUR m	Q1–3 2022	Q1–3 2023
OPERATING ACTIVITIES		
Profit before tax	104.2	127.2
Depreciation, amortisation and impairment losses	132.7	151.7
Results from financial assets accounted for using the equity method	0.2	–1.5
Provisions non-cash	–13.5	14.1
Net monetary position – non cash	10.3	5.3
Other non-cash transactions	–0.1	–80.7
GROSS CASH FLOW	**233.9**	**216.1**
Trade and other receivables	13.9	–33.7
Inventories	–5.2	–2.3
Contract assets	0.8	3.0
Provisions	–32.5	–39.6
Trade and other payables	17.9	48.4
Contract liabilities	2.5	0.3
Financial assets/liabilities from financial services	–340.4	–138.6
Interest received from financial services	19.8	53.8
Interest paid from financial services	–4.5	–3.1
Taxes paid	–51.8	–30.8
CASH FLOW FROM OPERATING ACTIVITIES	**–145.5**	**73.4**
INVESTING ACTIVITIES		
Acquisition of intangible assets	–12.5	–6.6
Acquisition of property, plant and equipment/investment property	–99.5	–97.9
Sale of property, plant and equipment/investment property	4.3	28.6
Acquisition of subsidiaries/non-controlling interests/business units	–0.3	–0.6
Disposal of subsidiaries	0.0	–0.8
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	–119.5	–50.0
Sale of financial investments in securities/money market investments	86.6	85.0
Loans granted	0.4	0.0
Interest received and income from securities	3.6	4.0
CASH FLOW FROM INVESTING ACTIVITIES	**–134.4**	**–51.3**
FREE CASH FLOW	**–279.9**	**22.1**

Consolidated Cash Flow Statement for the First Three Quarters of 2023

EUR m	Q1–3 2022	Q1–3 2023
FINANCING ACTIVITIES		
Acceptance of long-term financing	150.0	75.0
Settlement of lease liabilities	–44.7	–49.9
Changes of short-term financial liabilities	–55.9	–28.0
Dividends paid	–134.4	–120.6
Interest paid	–4.7	–7.4
Payments from non-controlling interests	2.7	0.5
CASH FLOW FROM FINANCING ACTIVITIES	**–87.0**	**–130.5**
Currency translation differences in cash and cash equivalents	–2.9	–2.4
Monetary loss on cash and cash equivalents	–8.6	–8.1
CHANGE IN CASH AND CASH EQUIVALENTS	**–378.4**	**–118.8**
Cash and cash equivalents at 1 January	1,304.1	930.6
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	**925.7**	**811.8**

Consolidated Statement of Changes in Equity for the First Three Quarters 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	84.3	0.0	0.0	0.0	84.3	0.5	84.8
Other comprehensive income	0.0	0.0	0.0	11.8	0.0	14.4	26.2	2.9	29.1
TOTAL COMPREHENSIVE INCOME	**0.0**	**0.0**	**84.3**	**11.8**	**0.0**	**14.4**	**110.4**	**3.4**	**113.8**
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	2.7	2.7
TRANSACTIONS WITH OWNERS	**0.0**	**0.0**	**–128.0**	**0.0**	**0.0**	**0.0**	**–128.0**	**–4.0**	**–131.9**
BALANCE AS AT 30 SEPTEMBER 2022	**337.8**	**91.0**	**234.3**	**–20.6**	**0.9**	**–2.8**	**640.5**	**30.8**	**671.4**

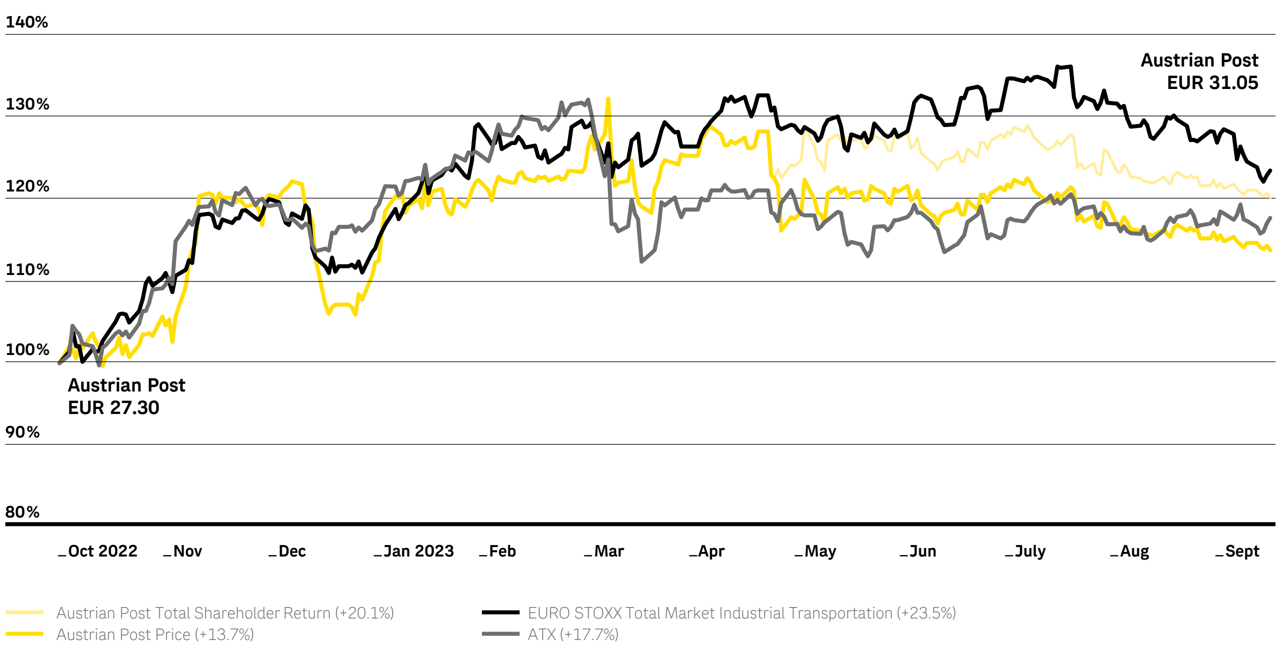
Consolidated Statement of Changes in Equity for the First Three Quarters of 2023

				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	87.9	0.0	0.0	0.0	87.9	2.9	90.8
Other comprehensive income	0.0	0.0	0.0	–5.8	0.0	0.9	–4.9	–1.1	–6.0
TOTAL COMPREHENSIVE INCOME	**0.0**	**0.0**	**87.9**	**–5.8**	**0.0**	**0.9**	**83.0**	**1.7**	**84.8**
Dividends paid	0.0	0.0	–118.2	0.0	0.0	0.0	–118.2	–2.4	–120.6
Payments to subsidiaries with non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5
TRANSACTIONS WITH OWNERS	**0.0**	**0.0**	**–118.2**	**0.0**	**0.0**	**0.0**	**–118.2**	**–1.9**	**–120.1**
Aquisition of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–0.1	–0.1
OTHER CHANGES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**–0.1**	**–0.1**
BALANCE AS AT 30 SEPTEMBER 2023	**337.8**	**91.0**	**245.4**	**–28.7**	**1.5**	**–2.4**	**644.5**	**30.4**	**674.9**

Financial Calendar 2024

13 March 2024	Annual Report 2023
8 April 2024	Record Date Annual General Meeting 2024
18 April 2024	Annual General Meeting 2024, Location: Vienna
26 April 2024	Ex-date (dividend)
29 April 2024	Record Date (determination of entitled stocks in connection with dividend payments)
2 May 2024	Dividend payment day
8 May 2024	Interim report for the first quarter of 2024
7 August 2024	Half-year financial report 2024
6 November 2024	Interim report first three quarters 2024

Development of the Share Price — **12 Month Comparison**



Imprint

Media Owner and Publisher
Österreichische Post AG
Rochusplatz 1, 1030 Wien
T: +43 (0) 577 67 0
FN: 180219d, Commercial Court of Vienna

Typesetting and Production
In-house produced with firesys

Concept
Berichtsmanufaktur GmbH, Hamburg

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: 13 November 2023

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