Future: got it.

AUSTRIAN POST

Annual Report 2023

Simply reliable.

Key Figures

		2021	2022	2023	Change 2022/2023
NON-FINANCIAL INDICATORS					
Employees	FTE	27,275	27,132	27,254	0.4%
Customer Satisfaction	CSI[1]	72	72	71	–
Seminars	Number	2,313	2,890	3,282	13.6%
CO_2e emissions per shipment volume – Österreichische Post AG	kg CO_2e/m^3	19	19	16	–12.9%
Electric Vehicles	Number	2,462	3,121	4,133	32.4%
EARNINGS SITUATION					
Revenue	EUR m	2,519.6	2,522.0	2,740.8	8.7%
EBITDA	EUR m	370.4	372.7	391.6	5.0%
EBITDA margin	%	14.7	14.8	14.3	–
EBIT	EUR m	204.7	188.4	190.2	1.0%
EBIT margin	%	8.1	7.5	6.9	–
Profit for the period	EUR m	158.4	128.1	138.7	8.3%
Earnings per share	EUR	2.25	1.86	1.96	5.5%
BALANCE SHEET FIGURES					
Total assets	EUR m	4,792.6	5,383.9	5,677.1	5.4%
Equity	EUR m	672.2	710.4	716.7	0.9%
Equity ratio	%	14.0	13.2	12.6	–
Financial debt/cash (+/–)	EUR m	–46.5	60.0	121.8	>+100%
Financial debt/cash incl. IFRS 16 (+/–)	EUR m	287.2	459.9	511.3	11.2%
Capital employed[2]	EUR m	1,126.9	1,310.9	1,362.2	3.9%
Return on capital employed (ROCE)[2]	%	21.0	16.7	14.1	–
CASH FLOW AND INVESTMENTS					
Cash flow from operating activities	EUR m	493.3	–80.0	254.5	>+100%
Cash flow from investing activities	EUR m	255.1	–190.4	–95.7	49.7%
Cash flow from financing activities	EUR m	–123.3	–90.3	–149.8	–66.0%
Operating free cash flow[3]	EUR m	217.9	183.1	221.6	21.0%
CAPEX	EUR m	161.2	151.8	155.3	2.3%
Depreciation, amortisation and impairment losses	EUR m	165.6	184.3	201.3	9.2%
POST SHARE					
Shares at the end of December	Number	67,552,638	67,552,638	67,552,638	–
Market capitalisation at the end of December	EUR m	2,553.5	1,986.0	2,209.0	11.2%
Dividends per share (for the financial year)	EUR	1.90	1.75	1.78[4]	1.7%
Total shareholder return (TSR)	%	37.3	–17.2	17.2	–

[1] Customer Satisfaction Index: Scale of 0–100, ≤50: critical, 51–60: fair, 61–70: good, 71–80: very good, 81–100: excellent
[2] The company bank99 was not included in the calculations as the content of these indicators is only relevant for the logistics business.
[3] Free cash flow before acquisitions, securities, money market investments, growth capex and core banking assets
[4] Proposal to the Annual General Meeting on 18 April 2024

Contents

Austrian Post

Austrian Post is an international postal, logistics and service provider which is central to Austria's economy. The company is firmly focused on the very highest quality and offers a comprehensive product and service portfolio to provide the best possible match for current customer needs. Austrian Post groups its operations into three divisions: Mail, Parcel & Logistics and Retail & Bank. The company also has an international presence, operating in the markets of Germany, Southeast and Eastern Europe, Türkiye and Azerbaijan.

Group Revenue mix

2023

Mail

- Letter Mail
- Direct Mail
- Newspapers and Magazines

Parcel & Logistics

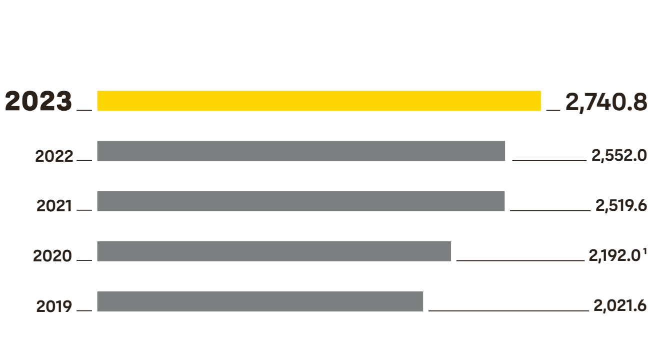
- Parcel and Post Express
- Additional Logistics Services
- Fulfilment and Valuable Goods and Cash Transport
- E-Commerce Services

Retail & Bank

- Postal and Telecommunications Services
- Retail Goods
- Financial Services

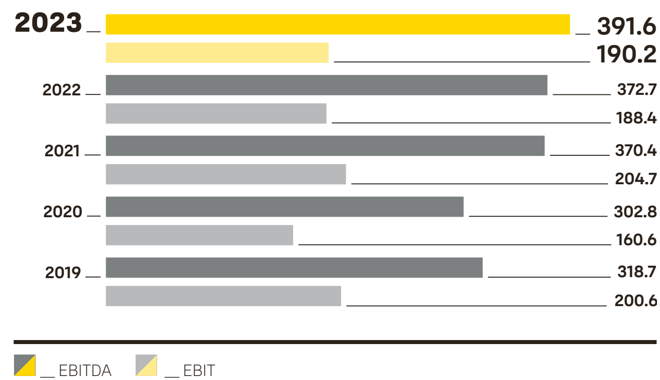
Development of Key Management Indicators

Revenue
EUR m



[1] Adjusted reporting

EBITDA and EBIT
EUR m

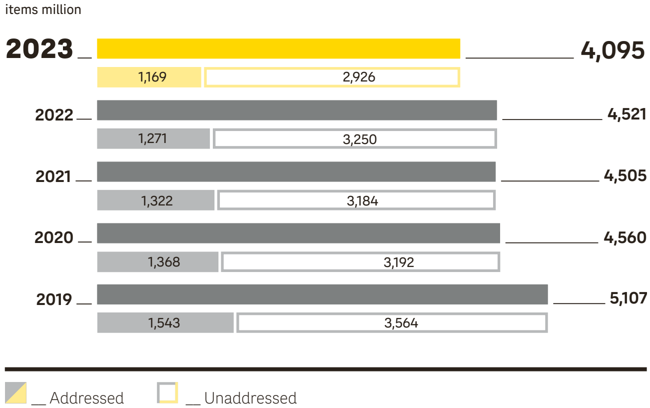


Earnings per Share
EUR

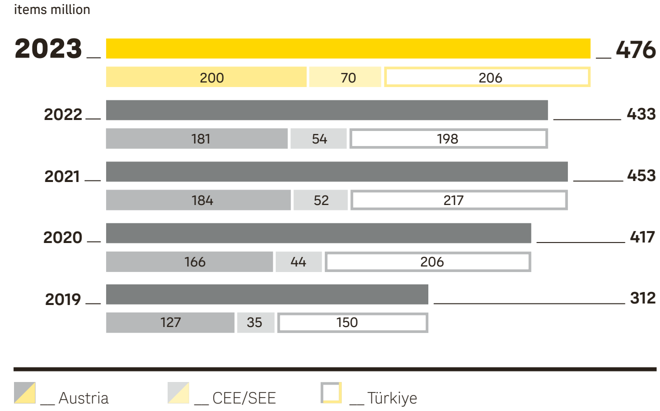
Dividend per Share
EUR

[2] Proposal to the Annual General Meeting on 18 April 2024

Letter Mail and Direct Mail – Austria
items million



Parcel Volume – National and International
items million



Future: got it.

Georg Pölzl,
CEO of Austrian Post

Economy & Customers
We get it! We know what
the market needs

Environment & Climate
We get it! We know
how green efficiency works

People & Social
We get it! We know the value of
working together effectively

"For as long as we have been around, we have dedicated ourselves to the delivery of letters and parcels – always striving for improvement and sustainability. This is a performance promise that will guide us into the future. With our customers' best interests in mind we are committed to optimising our services and leading the way in sustainable logistics. This determination forms the bedrock of our ongoing success, benefiting customers and shareholders alike."

Future:
got it.

High-lights 2023

Our performance in ESG Ratings

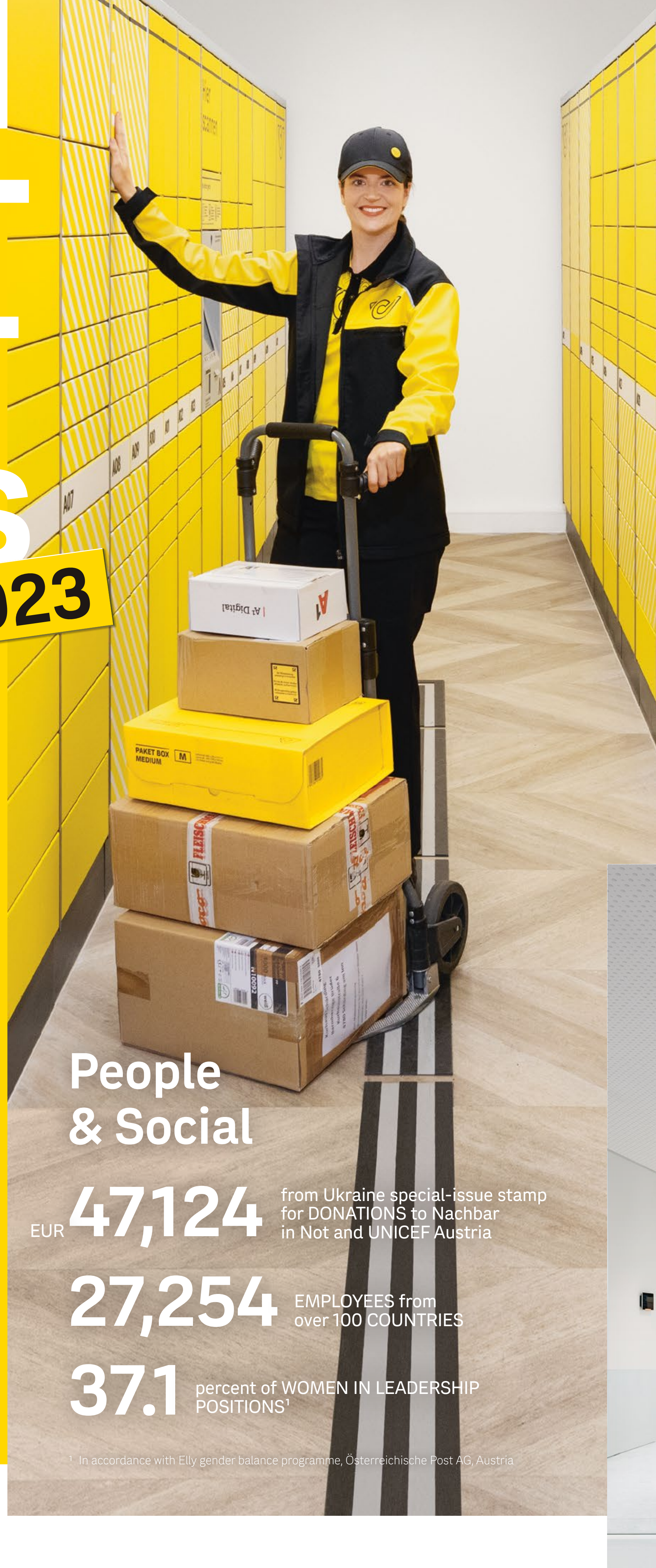
MSCI ESG RATINGS AAA — **Highest possible rating (AAA)** for Austrian Post unchanged since 2016

Corporate ESG Performance Prime, rated by ISS ESG — Austrian Post was once again awarded **prime status** due to its commitment to sustainability

CDP Discloser 2023 — Still in the **A list of the world's best companies** in terms of climate change mitigation

Sustainalytics, a Morningstar company — **Low risk** rating with a rating of 15.4 and thus at the top of the transport sector

S&P Global — Austrian Post scores in the **90th percentile**. The higher the value, the better the place Austrian Post holds in an industry comparison



People & Social

EUR **47,124** from Ukraine special-issue stamp for DONATIONS to Nachbar in Not and UNICEF Austria

27,254 EMPLOYEES from over 100 COUNTRIES

37.1 percent of WOMEN IN LEADERSHIP POSITIONS[1]

[1] In accordance with Elly gender balance programme, Österreichische Post AG, Austria

Environment & Climate

3,975 ELECTRIC VEHICLES ensure emission-free deliveries in Austria

9.4 MWp of clean solar power supplied by 27 Austrian Post's PV SYSTEMS

Economy & Customers

200 million PARCELS in Austria transported by Austrian Post in 2023 – more than ever before

EUR **2,741** million in REVENUE generated by Austrian Post in 2023

Awards

Post Loop Wins Again This online retail service allows packaging to be prepared for up to 30 dispatch cycles. In 2023, Post Loop received the Logistics Sustainability Award from the Austrian logistics association BVL, and the ICEBERG innovation leadership award.

World's Premier Postal Company, Austrian Post Once Again Attains the Highest Level The Universal Postal Union assesses performance and reliability. Only five postal companies made it to the top.

Austrian Post Awarded "Best Mid Cap Share in Austria in 2023" Financial magazine Börsianer placed Austrian Post in first place.

CEO and CFO Awarded Prizes for Top Managers Deloitte Austria, Börse Express and CFO Club presented the CEO & CFO Award to Georg Pölzl and Walter Oblin in the special ESG category.

Austrian Post the First Postal Company to Set Up Shop in the Metaverse The launch of the crypto stamp 4.0 marked Austrian Post's entry into the metaverse, for which it received numerous awards, bringing home the VAMP Award Gold and three "Deutscher Preis für Onlinekommunikation" awards for online communication.

Future: got it.

Walter Oblin, Georg Pölzl, Peter Umundum (f.l.t.r.)

Dear Shareholders,

In 2023, Austrian Post faced challenging economic conditions. The combination of high inflation and declining economic output had a negative impact on investment behaviour among consumers and companies. On the back of this difficult market environment retail segments were particularly affected. This negative trend also influenced Austrian Post's mail order and advertising customers. In light of the challenging macroeconomic environment, 2023 proved to be a very satisfactory year. Growth in the parcel business and the increase in bank99's financial services have more than offset the decline in letter mail and direct mail items.

Group's revenue improved by 8.7% to EUR 2,740.8m in 2023. The Parcel & Logistics Division reported revenue growth of 16.6% to EUR 1,416.5m, based on volume growth in all regions of Austrian Post. The Mail Division reported a 2.3% drop in revenue to EUR 1,190.4m in 2023 due to a further decline in the traditional letter mail business, as well as lower volumes in the direct mail business. The Retail & Bank Division generated strong revenue growth of 37.6% to EUR 168.6m on the back of an improved interest rate environment for banks.

Despite the challenges from inflation and closely related price pressure for energy, materials and staff costs, Austrian Post achieved an improvement in its key earnings indicators in 2023. EBITDA increased by 5.0% to EUR 391.6m and earnings before interest and taxes (EBIT) by 1.0% to EUR 190.2m. Profit for the period increased from EUR 128.1m to EUR 138.7m in the 2023 financial year, resulting in improved earnings per share of EUR 1.96 as against EUR 1.86 in the previous year (+5.5%). Based on the solid performance and balance sheet situation, an attractive dividend of EUR 1.78 per share will be proposed to the Annual General Meeting on 18 April 2024 (+1.7%).

The markets in which Austrian Post operates continue to be negatively impacted by a high level of inflation and weak economic stimulus. Revenue growth on the one hand, but also cost discipline and efficiency on the other, are necessary in order to ensure the stability that Austrian Post is aiming to achieve. Based on the latest forecasts, revenue is expected to increase in the low to mid single-digit range in 2024. Assuming positive economic development in Austrian Post's markets, the company is aiming to achieve earnings (EBIT) at the previous year's level for the 2024 financial year.

The extensive investment programme implemented in recent years has been completed, and led to a tripling of sorting capacities in Austria. In the coming years, investments will focus on automation, digitalisation, the expansion of international logistics and electric vehicles. Austrian Post's targeted investment volume for 2024 is EUR 140–150m.

More than 27,000 employees form the foundation of Austrian Post's outstanding performance with the considerable commitment they show to the customers day in, day out. They deserve our sincere gratitude for their efforts.

Vienna, 4 March 2024

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)

Austrian Post at a Glance

Austrian Post is an international postal, logistics and service provider which is central to Austria's economy. The company is firmly focused on the very highest quality and offers a comprehensive product and service portfolio to provide the best possible match for current customer needs. Austrian Post groups its operations into three divisions: Mail, Parcel & Logistics and Retail & Bank.

The Divisions and their Services

Digital, sustainable and convenient: Austrian Post's senders and recipients have high expectations that are met by Austrian Post's broad-based and well-balanced product and service portfolio.

Mail

The range of services offered by the Mail Division encompasses the distribution, collection, sorting and delivery of letters and document shipments, addressed and unaddressed direct mail, newspapers and magazines, as well as online services such as e-letter and cross-media solutions. The offering is complemented by additional physical and digital services in customer communications as well as optimisation in document processing. In 2023 Austrian Post delivered 541 million letters, 335 million addressed and 2.6 billion unaddressed direct mail items, 292 million print media and 322 million regional media items.

Parcel & Logistics

The core business of the Parcel & Logistics Division encompasses the transportation of parcels and express mail items. The company also offers comprehensive solutions spanning all stages of the value chain. This means that the range of services includes not only conventional parcel products, express delivery and food delivery, but also tailored fulfilment solutions ranging from warehousing and order picking to returns management, web shop logistics and web shop infrastructure. Valuable goods and cash are also transported in line with the very highest security standards. Austrian Post is the leading service provider in Austria, delivering 200 million mail-order businesses and private customer parcels and B2B items. Internationally, the company is represented in eleven logistics markets via its subsidiaries, and transported 476 million parcels, express mail items and documents across the Group in 2023.

Retail & Bank

The branch and financial services business is bundled in the Retail & Bank Division.

The nationwide branch network in Austria, which includes 361 company-operated locations and 1,340 postal partners, offers services for Austrian Post, as well as the distribution of telecommunications products and merchandise and a broad range of financial services through bank99. bank99, which started operations on 1 April 2020, had 339 employees serving around 280,000 customers across Austria at the end of 2023. In addition to its physical solutions, Austrian Post always strives to offer hybrid and digital services. The Retail & Bank Division combines in-person advice, self-service solutions that are accessible around the clock and digital service offerings under one roof in order to meet the individual needs of its customers.

A Company in Transition

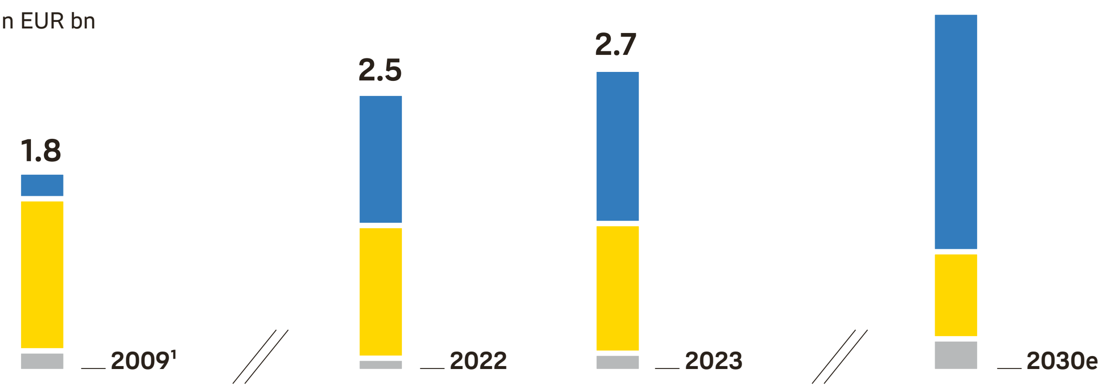
Austrian Post has been undergoing a process of constant change for several years now due to electronic forms of communication replacing letters. The company has adapted to these new market conditions and adjusted its strategies accordingly. The decline in the conventional letter mail business is offset by the significant increase in the parcel business, particularly in e-commerce.

Other driving forces of change in the postal and logistics sector include digitalisation, sustainability and competition, which come hand-in-hand with both challenges and significant opportunities. As a state-of-the-art postal service provider, Austrian Post is responding to this market environment by proactively developing new solutions and sustainable ideas, while keeping our focus on the needs of our customers.

The adjustments to reflect changing market requirements enable Austrian Post to achieve sustainable revenue growth and are reflected in the composition of this revenue. The Parcel & Logistics Division generated around 13% of revenue in 2009, rising to more than 50% by 2023. The Mail Division started out with a revenue share of 76% in 2009, which had fallen to 43% by 2023. These trends will intensify in the coming years. The Retail & Bank Division accounted for 6% of the revenue mix in 2023. This area is expected to account for an increasing share of revenue in the future.

Structural Change Progressing Steadily Due to Growth in Parcel Volumes

Revenue in EUR bn



[1] Adjusted presentation – without trans-o-flex

Mail

- Letter Mail
- Direct Mail
- Newspapers and Magazines

Share of revenue 2023: 43%

Parcel & Logistics

- Parcel and Post Express
- Additional Logistics Services
- Fulfilment and Valuable Goods
- E-Commerce Services

Share of revenue 2023: 51%

Retail & Bank

- Postal and Telecommunications Services
- Retail Goods
- Financial Services

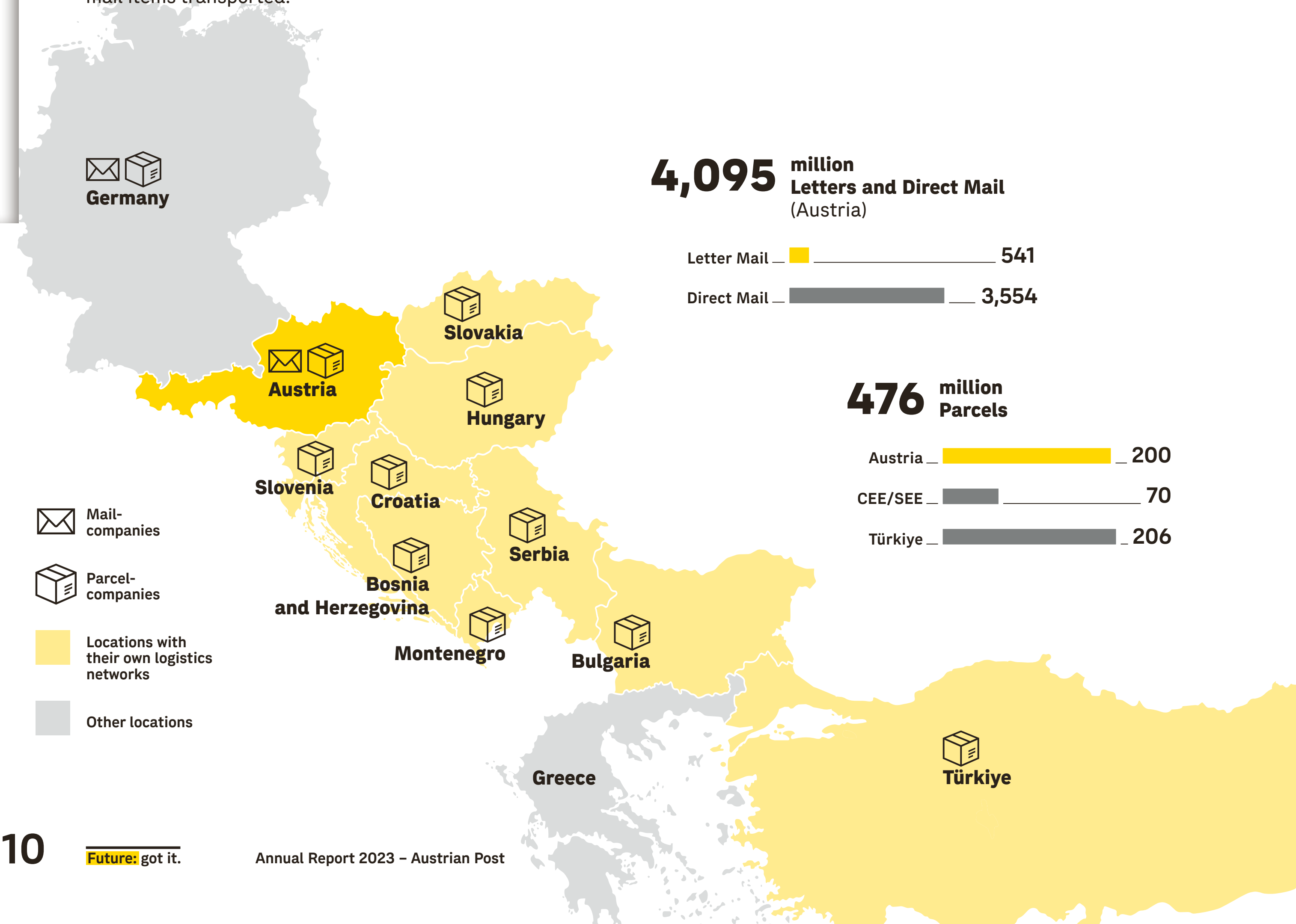
Share of revenue 2023: 6%

National and International Presence

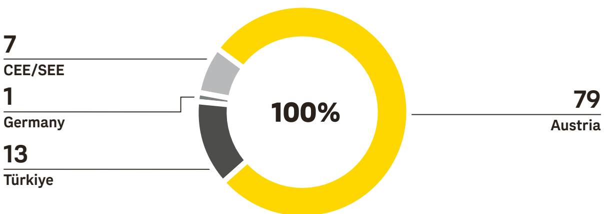
Austrian Post has established a significant presence in twelve other countries outside its domestic market through its subsidiaries. This gives the company an extensive network in Germany, as well as in Southeast and Eastern Europe, Türkiye and Azerbaijan. In the countries in Southeast and Eastern Europe, Türkiye and Azerbaijan, Austrian Post performs services related to Parcel & Logistics and unaddressed Mail items in particular, and features its own logistics networks. The company emphasises its role as a reliable partner and places a clear emphasis on the very highest quality standards.

In Southeast and Eastern Europe (CEE/SEE), Türkiye and Azerbaijan, Austrian Post employs more than 8,300 people, operates 249 logistics sites and has 9,200 out-of-home locations and more than 2,200 vehicles. In the 2023 financial year, these investments generated revenue of around EUR 553m, based on a transport volume of 276 million mail items transported.

In 2023, Aras Kargo took an important step towards internationalisation and was able to open up another attractive market by acquiring a 75% stake in Star Express, a parcel service provider based in Azerbaijan. This investment will enable Aras Kargo to enter the Central Asian market. G 01



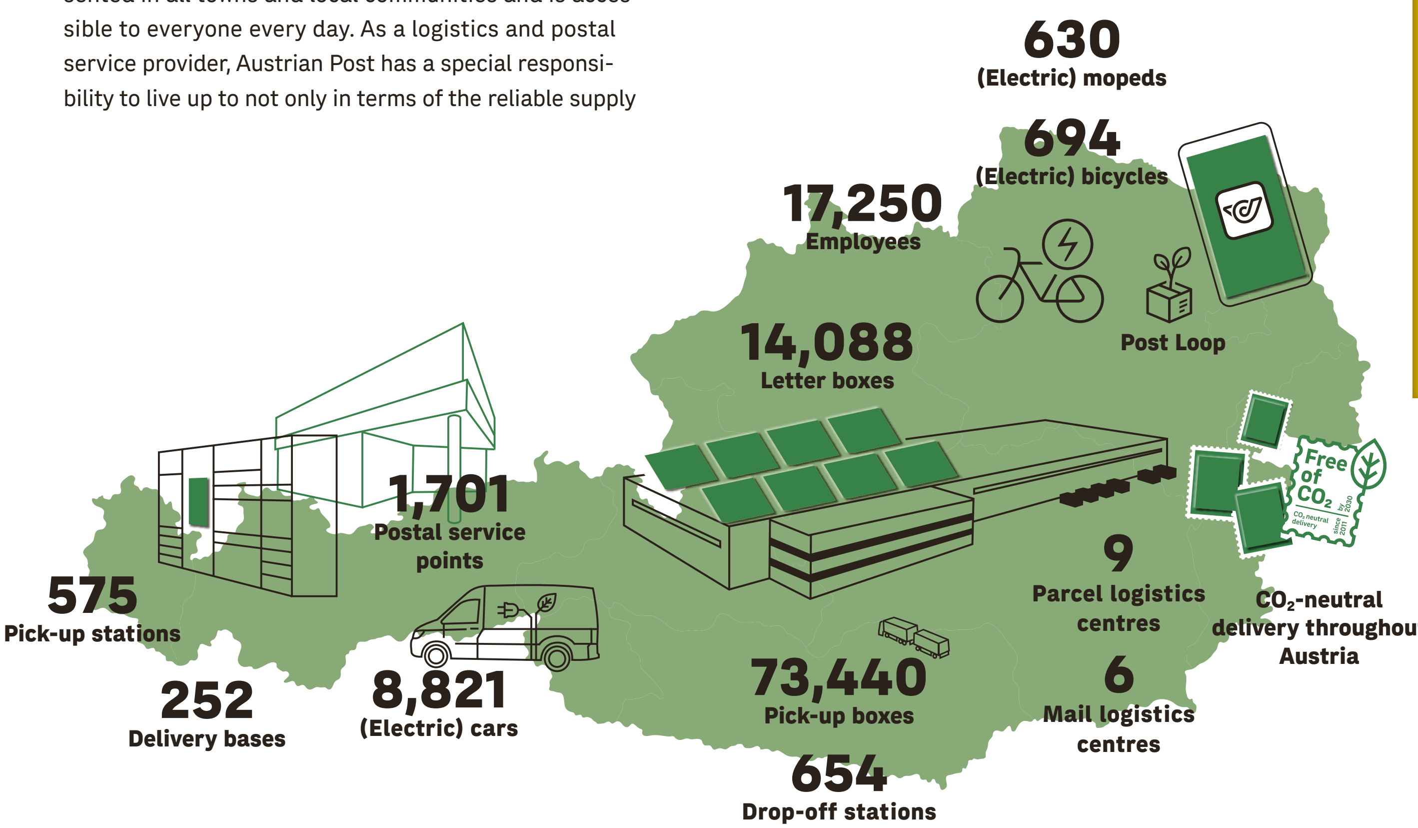
G 01 International Revenue by Region 2023
%



Actions Speak Louder Than Words

The lion's share of the Group's revenue (around 79%) is generated in Austria. Here Austrian Post holds a leading market position in the delivery of letters, direct mail items, print media products and parcels. With its reliable, nationwide network of locations, Austrian Post is represented in all towns and local communities and is accessible to everyone every day. As a logistics and postal service provider, Austrian Post has a special responsibility to live up to not only in terms of the reliable supply of postal services, but also in the area of sustainability. Austrian Post lives and breathes sustainability, and this is nothing new. That's why Austrian Post is continuously developing new solutions which makes the process of delivering parcels and letters even more efficient and better for the environment. As a pioneer in this field, Austrian Post has been guaranteeing its customers CO_2-neutral delivery since 2011. It is aiming to reach another significant milestone in its climate strategy by 2030, by which point all deliveries within Austria will be made on foot or with electric vehicles and will therefore be completely CO_2-free. By the end of 2023, just under 40% of the vehicles used to make deliveries in Austria were electric and therefore emission-free.

You can find more information at: post.at/en/p/c/sustainability



Integrated Strategy

Moving forwards with our integrated corporate and sustainability strategy. We act sustainably and focus on the needs of our customers. We live diversity. That's the guiding principle for everything we do.

3 Strategic Focuses

Sustainability, diversity and customer orientation as guideline for all activities

1 Defending Market Leadership and Profitability in the Core Business

2 Profitable Growth in Near Markets

3 Development of Retail and Digital Offerings for Private Customers and SMEs

3 Dimensions of Sustainability

Economy & Customers

Commercial success driven by sustainable and customer-focused services

Environment & Climate

Decarbonisation of logistics thanks to environmental efficiency at all stages of the value chain

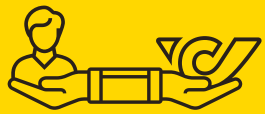
People & Social

Top employer with a safe and respectful working environment and a commitment to social responsibility

Our Vision

We are more than just a postal service.

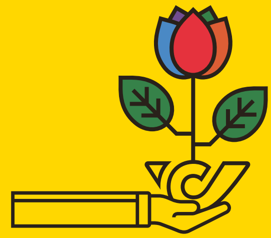
We are a pioneer successfully connecting people and markets with the world of tomorrow.



Our Mission

Closer than anyone else.

We make connections every day and are always improving. Always practical and sustainable – digital and in person.



Our Values

We are yellow.

We are green.

We are colourful.

Corporate Culture

Joy

Joy is reflected in **enthusiasm for one's work and having fun with colleagues,** even when things get stressful. Our working environment is characterised by **diversity, openness, appreciation and humour.** Managers support joy through proactive **feedback and recognition.**

Performance

Together we deliver **top performance and sustainable results.** For us, this means approaching our tasks with motivation. Managers shape the **work environment through commitment and empathy in a way that positively promotes the achievement of goals.** We all strive to make our contribution to **joint success** and **develop** ourselves.

Purpose

Purpose is what we experience through our **important contribution to the country, the people and the environment.** We are united by our focus on **diversity and sustainability. We recognise the purpose of our own activity** because managers explain the WHY and HOW well. We are all **open** to continuous **learning.**

Our Purpose

We always deliver a solution.

To find out more about Austrian Post's mission statement, see Sustainability Report 2023 p. 69.

Strategic Development

Consistent Strategy for a Challenging Market Environment

In order to ensure successful strategic corporate management, it is essential to always critically question one's own business model and adapt it if necessary. Austrian Post is operating in a market environment that is subject to constant dynamic change.

Digitalisation is the driving force behind the transformation of the postal and logistics market, a trend that is both a challenge and a considerable opportunity. The challenge lies in the ongoing trend towards e-substitution and the associated drop in the letter mail business. At the same time, the dramatic increase in e-commerce in recent years has driven growth in the parcel sector and continues to offer huge potential going forward. As a result of the pandemic, new groups within the population have made online shopping part of their day-to-day lives. Other overall conditions that have a relevant impact on Austrian Post's business model include macroeconomic volatility and uncertainty, changes on the labour market and the convenience demanded by private and business customers. Sustainability has been a fundamentally important aspect for Austrian Post for many years now. The trend towards responsible behaviour is currently a top priority for a large number of players, a trend that has picked up considerable speed in recent years. This makes it absolutely crucial for Austrian Post, as a state-of-the-art postal company, to act sustainably in order to meet the expectations of its employees, customers and stakeholders alike.

In order to take account of these overall conditions and at the same time make greater use of the opportunities and challenges arising in our corporate environment, Austrian Post's previously implemented strategy was updated in 2020.

As a broad-based, risk-diversified Group, Austrian Post focuses on six markets. Acting as a platform, the Group offers synergies between activities in various markets. The strategic objectives, which serve as a guideline for initiatives and measures, are split into the following markets:

- Mail and Business Process Solutions
- Digital and Analogue Advertising
- Parcel, E-Commerce and Logistics Solutions
- Digital and Analogue Retail/Private Customer Offering
- Financial Services
- Real Estate (opportunistic)

The strategy itself rests on three cornerstones that share a common core, with sustainability, diversity and customer orientation as the overarching guideline:

1. Defending Market Leadership and Profitability in the Core Business
2. Profitable Growth in Near Markets
3. Development of Retail and Digital Offerings for Private Customers and SMEs

1 Defending Market Leadership and Profitability in the Core Business

Austrian Post is the market leader in the domestic letter mail, direct mail and parcel business. Its business strategy is designed to enable the company to maintain this strong position and expand its leadership, particularly with respect to parcel delivery. In addition to ensuring profitability, Austrian Post keeps its focus on high-quality and sustainable services. It promises its customers consistently high performance with a well-balanced price-performance ratio throughout Austria, taking current customer requirements into account in its product and service portfolio. In the parcel business, volumes are growing and customer expectations are rising at the same time. Austrian Post is steadily expanding its range of services in this direction. It offers a nationwide branch network and self-service solutions such as drop-off boxes, pick-up boxes and pick-up stations, as well as track and trace and other collection services within the Post app and at post.at. Austrian Post is systematically continuing to expand its range of self-services. Additional services are constantly being incorporated into the Post app. Austrian Post is implementing a comprehensive, nationwide capacity expansion programme in order to maintain high levels of quality and efficiency at the same time – the largest site in the south of Vienna went into operation in 2023. Austrian Post offers the most efficient, highest-quality logistics network in Austria and benefits from synergies in parcel and letter mail delivery. The company will continue to harness this synergy potential and strengthen its self-services while also regularly reviewing and optimising process and staff costs.

2 Profitable Growth in Near Markets

In addition to its core business, Austrian Post is pursuing a growth strategy that focuses on nearby markets. The term "nearby" is to be understood both regionally and in terms of the business model. Growth opportunities that are classed as being nearby in geographical terms include the Southeast and Eastern European region, with a particular emphasis on the parcel business. The acquisition of the Turkish company Aras Kargo marked a significant milestone in the recent past and also serves as a starting point for further expansions. In 2023, an expansion step towards Azerbaijan was taken in cooperation with the Turkish subsidiary Aras Kargo. Businesses considered to be closely related to Austrian Post's business model are those that expand the range of services the company offers – particularly in the areas of digital and hybrid communication, business process solutions, digital advertising and the expansion of the service portfolio along the e-commerce value chain. Examples include Austrian Post's printing and intelligent scanning services offered via Post Business Solutions, digital marketing services via the subsidiary adverserve and a new advertising channel using the company's own DOOH screens, e-commerce software solutions via the subsidiary ACL advanced commerce labs, and contract logistics/fulfilment via the subsidiary Systemlogistik. At the latter, one of the most state-of-the-art fulfilment warehouses in Austria was created in 2023 with the commissioning of an Autostore facility. Other growth areas with earnings potential are continuously evaluated. Examples of this include various real estate projects as well as the share in the company AEP, a pharmaceutical wholesaler that is already supplying more than 25% of pharmacies in Germany.

3 Development of Retail and Digital Offerings for Private Customers and SMEs

As our business base becomes broader, our direct business relationship with private customers and small and medium-sized enterprises (SMEs) is becoming even more relevant than it already was. Austrian Post is striving to use its nationwide branch network, along with its strength among private customers and SMEs, to expand and develop new physical and digital business models. Within the branch network, physical services are increasingly being digitalised or supplemented – examples include the self-service options mentioned earlier (sending and receiving postal services) or the crypto stamp. In addition, bank99 and shöpping.at are two significant business opportunities that underscore the approach we are pursuing in this area. bank99, Austrian Post's bank, is the logical next step in the development of Austrian Post's traditional range of financial services and offers Austria-wide products, such as current accounts, consumer loans, savings and savings products, property financing, securities deposit accounts and insurance. The acquisition of ING's private customer business in Austria has significantly broadened bank99's base. It now serves about 280,000 customers. The bank's nationwide branch network in Austria, combined with its range of financial services, made it possible to offer a hybrid payment solution in cooperation with selected partners in 2023 – for example, the Austrian government's climate bonus. shöpping.at sees itself as "the" Austrian marketplace for Austrian retailers and was able to continue on its development path towards profitability in 2023.

	1	2	3
	Defending Market Leadership and Profitability in the Core Business	**Profitable Growth in Near Markets**	**Development of Retail and Digital Offerings for Private Customers and SMEs**
Strategic objectives	→ First provider of analogue and hybrid communication formats → Securing the relevance of the existing advertising portfolio → Profitable growth in the national parcel business → Ensuring the most efficient network	→ Profitable growth in the international parcel business → Market leader in postal-related business process solutions → Expansion of digital advertising expertise → Increasing integration in e-commerce → Opportunities for the expansion of the real estate portfolio	→ Hybrid branch network (digital and physical branches) → Launch of shöpping.at → Top retail bank in Austria
	→ Sustainability, diversity and customer orientation as guideline for all activities		

Strategic Control

The company's strategy is implemented as part of a number of concrete strategic initiatives that which are mainly introduced in the form of programmes or projects. This process follows the logic of strategic control, which calls for strategic goal-setting, strategic programme management and strategic monitoring. The Group strategy and control teams work closely together on this. Once a year, a review of the strategic initiatives portfolio is carried out. This contains financial forecasts and capital market expectations and serves as a basis for updating these forecasts and for setting financial targets. Once a quarter, the Management Board and strategic management team (division heads) carry out a programme review focusing on specific areas. Key strategic initiatives are monitored at a tactical level as part of a project control process. At the same time, this system is interlinked with the reporting process, and identifies deviations from targets at the business level and monitors the main KPIs in the form of a strategy cockpit.

Sustainable Goals in all Areas

Sustainability, diversity and customer orientation are key elements of the strategy. The issue of sustainability has been a material topic for the company for some time. Since its IPO in 2006, Austrian Post has been pursuing a sustainability programme that is based on three pillars: "Economy & Customers", "Environment & Climate" and "People & Social". Austrian Post was the very first postal company to guarantee its customers CO_2-neutral delivery – something it has been doing since 2011. The updated goal is not "just" to be CO_2-neutral by 2030, but to be completely CO_2-free for the last mile. In 2022, Austrian Post signed the global initiative "The Climate Pledge", which was co-founded by its major customer Amazon. Joining the initiative allows Austrian Post to demonstrate its commitment to achieving net zero emissions in Austria by 2040. Austrian Post is also one of the few companies in Austria that uses the Women's Career Index – an independent benchmarking tool that examines how women's careers progress. The strategic update brings all of these initiatives and endeavours to the top of the Group's strategy. Every strategic measure and every single project has to be checked for its contribution to sustainability, diversity and customer orientation.

Austrian Post has set itself overarching targets in all three areas of sustainability in order to be able to achieve sustainable improvements in its ecological, economic and social performance in the period leading up to 2030. All initiatives and endeavours are bundled in the comprehensive 2030 sustainability master plan.

You can find out more in the sustainability report.

Sustainable Strategic Targets

Economy & Customers

Commercial success driven by sustainable and customer-focused services

We create a positive impact for all stakeholders with sustainable and customer-focused products and services

Financial Targets

→ **Steady increase in revenue** (revenue of EUR 3bn in 2030)
→ **Sustainably high profitability**
→ **Continuation of attractive dividend policy** (>75% of net profit)

Customer orientation/service portfolio

→ Increase in customer satisfaction
→ Environmental efficiency and socially responsible products and services

Environment & Climate

Decarbonisation of logistics thanks to environmental efficiency at all stages of the value chain

We are an industry trailblazer when it comes to structuring our business model with environmental considerations in mind and place sustainability at the centre of our commercial activities

Group-wide reduction in fossil energy sources

→ Saving energy in the vehicle fleet and properties

Reducing carbon emissions by 2030

→ Reduce Scope 1 and Scope 2 emissions by 45% by 2030 (base year 2021)
→ Reduce target-related Scope 3 emissions by 25% by 2030 (base year 2021)
→ 100% electric vehicles for the last mile of delivery in Austria by 2030
→ Net zero by 2040 in Austria

People & Social

Top employer providing a safe and respectful working environment

We are a top employer with a safe, diverse and respectful working environment and take our social responsibility seriously

Corporate and work culture

→ Improvement in employee satisfaction

Diversity

→ Increase in the proportion of women in leadership positions to 40%

Occupational health and safety

→ Reduction in the number of occupational accidents by 15%

Business Management

Austrian Post’s business management is based on integrated reporting of financial and non-financial indicators, enabling the company to evaluate its performance from a holistic angle.

In addition to the key performance indicators of revenue, EBIT, operating free cash flow, return on capital employed (ROCE), which is used to measure financial performance, return on investment (ROI), net present value and payback period, which are used to evaluate an investment’s profitability, it is the non-financial indicators related to sustainability, diversity and customer orientation that help the company to create transparency and build trust with investors, customers and all stakeholders and also enable better comparability between companies.

Austrian Post’s performance indicators are derived from its strategy and are split into four areas:

- Defending Market Leadership and Profitability in the Core Business
- Profitable Growth in Near Markets
- Development of Retail and Digital Offerings for Private Customers and SMEs
- Sustainability, Diversity and Customer Orientation

These areas clearly reflect Austrian Post’s management and reporting model.

Selected Examples of Control Parameters for the Strategic Cornerstones

1. Defending Market Leadership and Profitability in the Core Business	→ Revenue and volumes in the mail and parcel business in Austria → EBIT of the mail and parcel business in Austria
2. Profitable Growth in Near Markets	→ Revenue of the Group companies → EBIT of the Group companies
3. Development of Retail and Digital Offerings for Private Customers and SMEs	→ Revenue and customer ramp-up for bank99 → Revenue and customer ramp-up for shöpping.at → EBIT of the division Retail and Bank
Sustainability, Diversity and Customer Orientation	→ Customer satisfaction → First-time delivery rates for letters and parcels → Diversity → Decarbonisation, electric vehicle fleet, power generation and photovoltaic system capacity

Corporate and Reporting Structure

Austrian Post bundles its activities into three operating divisions: Mail, Parcel & Logistics and Retail & Bank, as well as the Corporate Division, which is primarily responsible for Group administration and development services. The business management concept of the Austrian Post Group follows this organisational structure and clearly assigns responsibility for business areas to its executives. To this end, the Austrian core business is broken down further into areas of operational responsibility and all subsidiaries are assigned to the appropriate areas. A continuous cascade of monthly reporting, regular performance reviews and ongoing daily reporting guarantee stringent top-down control from the Management Board to the specific departments. In addition to this detailed analysis of past performance, a detailed forecast also ensures the structural business management of Austrian Post.

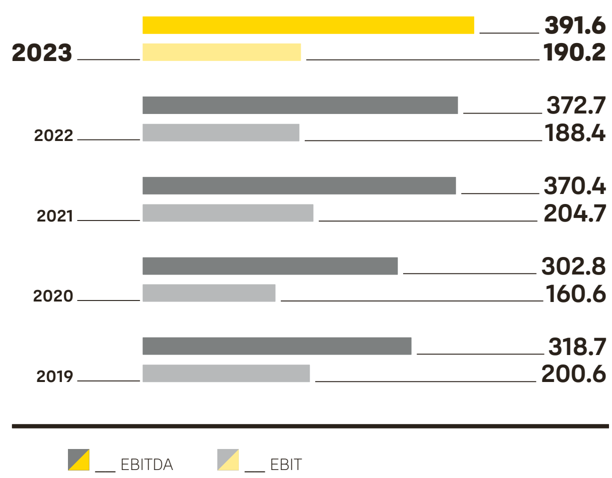
These activities primarily involve comparing the profitability indicator EBIT against other area-specific indicators. These indicators are divided into performance indicators such as sales and process volumes and staff deployment. The project business is evaluated on the basis of product and customer profitability. Furthermore, the indicator system is complemented by qualitative parameters such as the speed and quality of service, and customer satisfaction on different levels of the value chain as measured by an external institute.

The profitability of investment projects in the Austrian Post Group is evaluated using the discounted cash flow (DCF) method. The sector and country-specific weighted average cost of capital (WACC) is used as the discount factor.

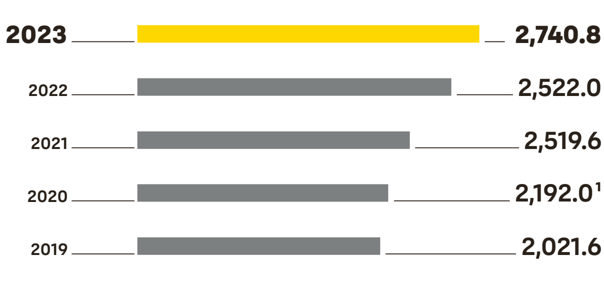
Austrian Post's active working capital management optimises the balances of the relevant balance sheet line items in order to reduce the length of time that capital is tied up for and to make capital available for necessary investments. By implementing the measures to optimise working capital, the company can generate more liquidity internally and then invest it in expansion and efficiency improvement projects. Above all, Austrian Post analyses and tracks working capital using the following indicators:

- Days sales outstanding = average time until customer invoices are paid
- Days payables outstanding = average time until supplier invoices are paid

G 03 EBITDA and EBIT
EUR m

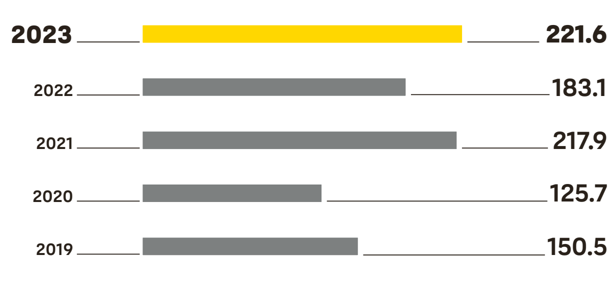


G 02 Revenue
EUR m



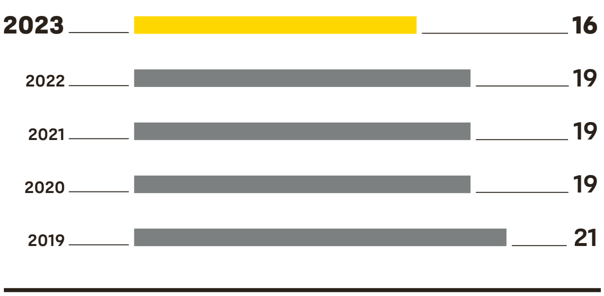
¹ Adjusted presentation

G 04 Operating Free Cash Flow
EUR m



G 05 **CO_2e per Shipment Volume**[1]

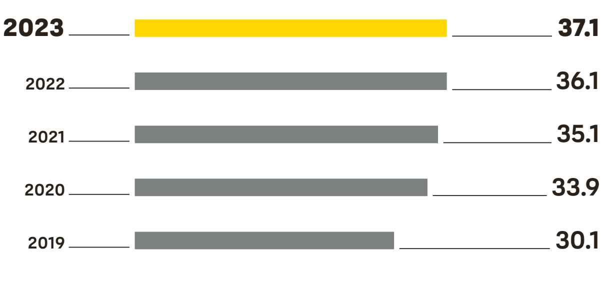
kg CO_2e per shipment volume



[1] Österreichische Post AG, Austria

G 06 **Women in Leadership Positions**[1]

%



[1] In accordance with gender balance project Elly, Österreichische Post AG, Austria

The “CO_2 NEUTRAL DELIVERY” initiative is at the heart of Austrian Post’s commitment to climate protection. Austria’s leading logistics company has a special responsibility to the environment and is making its contribution to the achievement of climate targets by switching its fleet to electric vehicles and gradually expanding its own photovoltaic systems.

This initiative not only reduces greenhouse gas emissions, it also provides economic benefits for Austrian Post. Major customers choose the company to transport their shipments largely because of its sustainability activities, which also allows them to improve their own carbon footprint.

Austrian Post is also a leading player with considerable responsibility for its employees and society at large, and is always striving to promote diversity and equal opportunities and developing its corporate and work structures on an ongoing basis.

With the Elly gender balance programme, Austrian Post initiated a process of cultural and structural change in the company back in 2018. The proportion of women in leadership positions, for example, has been rising steadily in recent years.

Austrian Post uses non-financial indicators such as the number of electric vehicles in its fleet, the proportion of green deliveries, the electricity generated by photovoltaic systems, the proportion of women in management positions and the staff turnover rate to measure and continuously improve the company’s performance in terms of sustainability and social responsibility. This can help to identify risks, take advantage of opportunities and create value for the company and its stakeholders in the long term. G 02 – G 06

Control and Remuneration

Management Board remuneration is in line with strategic and operational parameters and is based on a three-tiered approach – with fixed and variable remuneration components. The variable remuneration is split into two components and comprises an annual bonus (short-term incentive) and a long-term variable remuneration component (long-term incentive). These variable components are linked to performance and are dependent on the achievement of financial and non-financial performance criteria which are derived from the strategic targets and the operational management of the company. Details can be found in the Remuneration Report of Austrian Post.

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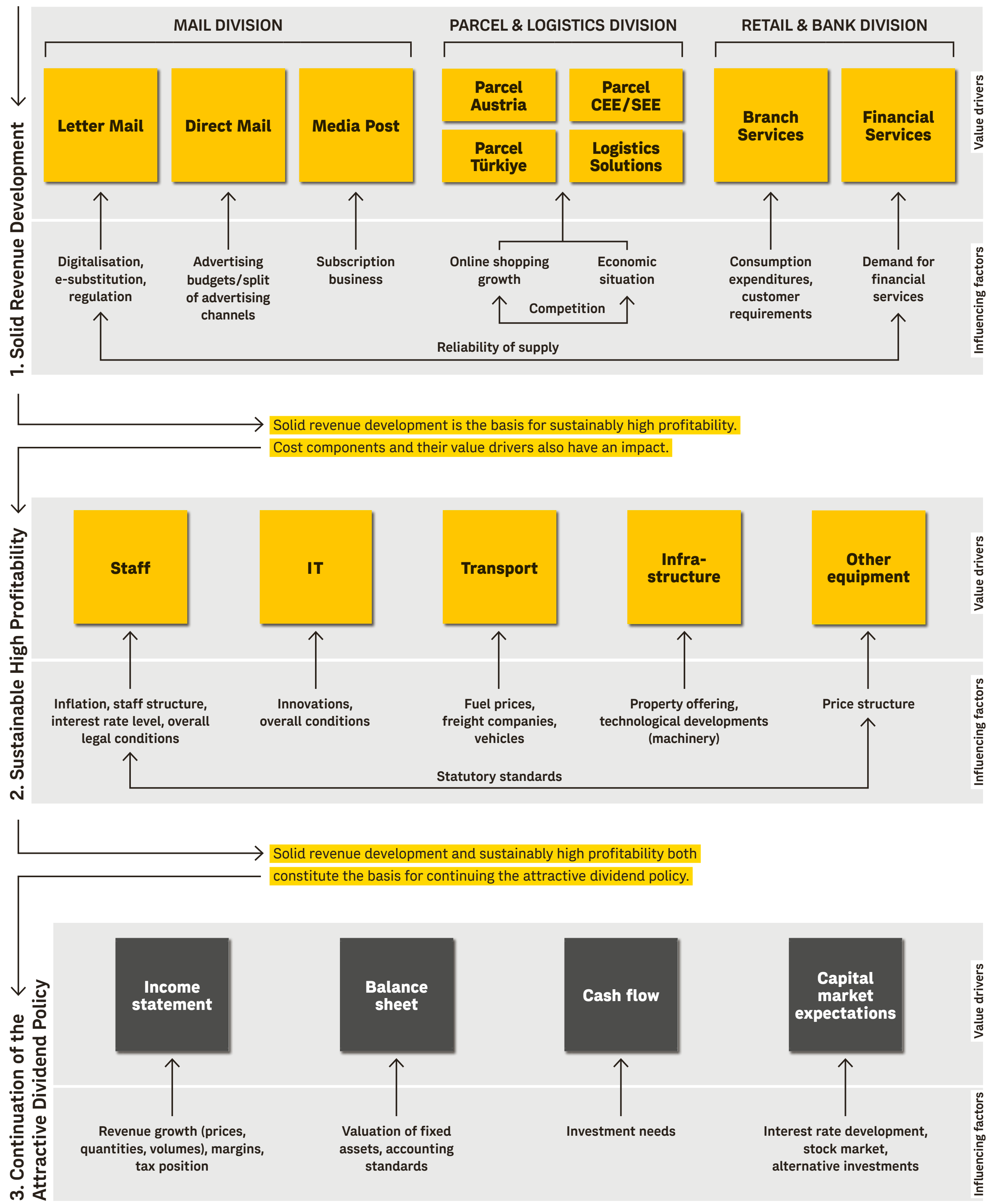
Economic Objectives and their Value Drivers



An Investment with a Future

Sustainable Appeal for Shareholders

Good Reasons to Invest in Austrian Post:

1 Predictable Business Model

EUR **2.7** bn
Revenue

- Solid revenue development with leading market position in Austria
- Sustainable profitability due to an efficient cost structure

2 Promised – Delivered

- Prudent and realistic guidance with clearly defined objectives
- Clear commitment to achieve communicated targets

3 Attractive Dividend Policy

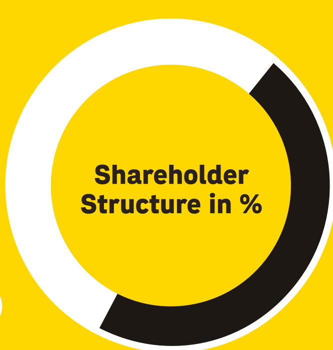
5.4%
Dividend yield

- Predictable development of dividends based on profitability and generated cash flow
- Annual dividend distribution of at least 75% of the Group net profit planned

4 Decarbonisation of Logistic

12.9%
CO_2e reduction 2022–2023
(per shipment volume)

- Group-wide reduction in fossil energy sources
- Massive reduction in carbon emissions in Austria by 2030



G 07

All information on shares in Austrian Post and Investor Relations can be found on the website **post.at/investor**

Reliability and predictability form the fundamental backbone of Austrian Post's investment story. This is reflected, particularly in ongoing dividend payments. At the same time, a solid set of values ensures sustainable corporate governance, creating the basis for the sort of long-term successful development that has been evident since the IPO back in 2006. Both Austrian Post's sustainable profitability and reliable dividend policy, as well as its integrated corporate and sustainability strategy, speak for themselves and bear testimony to how sustainability is firmly established as one of the principles guiding the company in its actions. The company has consistently fulfilled the promise of its investment story, even in challenging times.

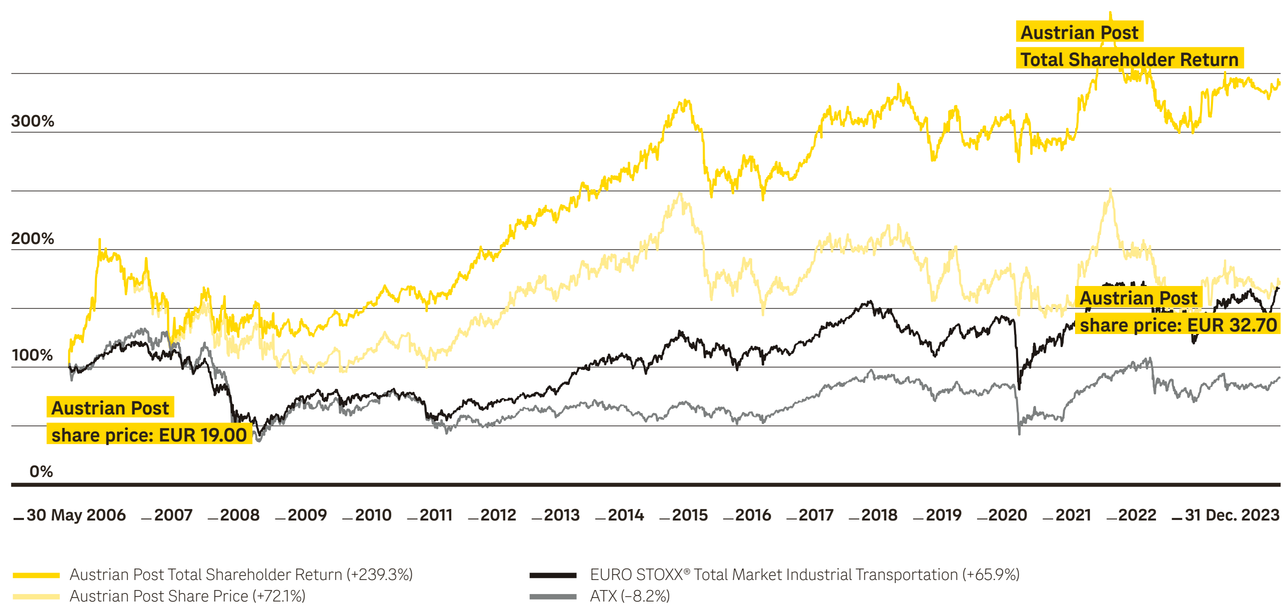
1.78
Dividend per Share of EUR[1]
Adherence to tried-and-tested dividend policy: distribution of at least 75% of net profit to shareholders

[1] Proposal made to the Annual General Meeting on 18 April 2024

EUR 31.76
Dividends per share since IPO
Investors that invested on day one have been able to more than treble their invested capital since the IPO and enjoy a total shareholder return in excess of 230%

16.7
PE (price/earnings ratio)
Top result compared to its peers

G 08 **Total Shareholder Return since the Initial Public Offering (30 May 2006 to 31 December 2023)**



Continuous Dividend Performance

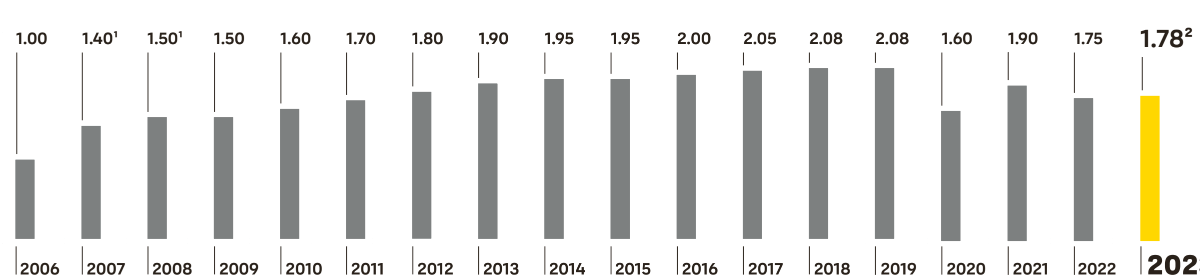
Austrian Post's dividend policy, which allows shareholders to participate in the company's economic success, is a key factor in its relationship with the capital market. Since its IPO, Austrian Post has been pursuing a clear objective: to generate sustainable and attractive dividends on the basis of its solid business model.

With a payout ratio of at least 75% of its net profit, Austrian Post ranks as one of the most attractive stocks on the market, both on the Vienna Stock Exchange and in comparison to other companies in the international postal and logistics sector. Overall, investors who bought Austrian Post shares at the IPO in May 2006 have been paid a dividend in the amount of EUR 31.76 per share. This means that investors have enjoyed a return of more than 230% looking at share price performance and dividend payments compared to the issue price of EUR 19.00.

Austrian Post is committed to ensuring the continuity of its dividend policy and still strives to offer its shareholders attractive dividends. For 2023, the Management Board will propose a dividend payment of EUR 1.78 per share at the Annual General Meeting on 18 April 2024 – corresponding to a total distribution of EUR 120.2 million (dividend payment date on 2 May 2024). The dividend yield comes to 5.4% based on the share price of EUR 32.70 at the end of 2023. This underlines Austrian Post's endeavour to achieve a continuous dividend that is consistent with the Group result. G 09

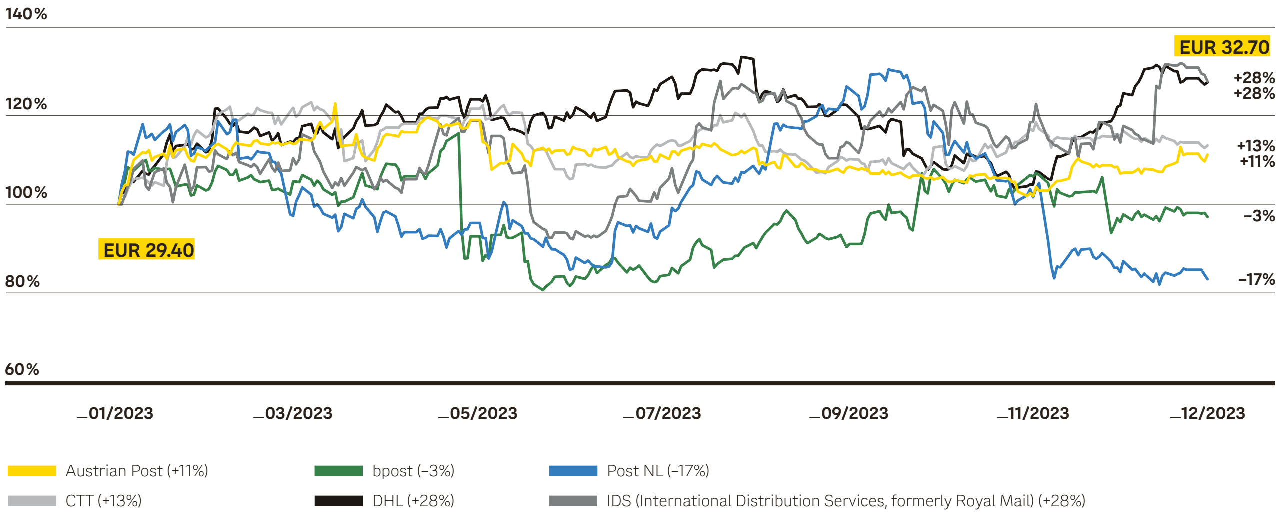
G 09 **Dividends per Share 2006–2023**

EUR



[1] excl. EUR 1.00 special dividend
[2] Proposal to the Annual General Meeting on 18 April 2024

G 10 Development of the Post Share and Peers (1 January 2023 to 31 December 2023)



Shares in Austrian Post in 2023 – Stability in Turbulent Times

2023 was a year that presented a number of challenges. High interest rates, persistent inflation and geopolitical tension left their mark on the financial markets. Despite the challenging overall economic conditions in 2023, the European stock market proved to be remarkably stable with continuous value growth. The performance of Austrian Post's shares mirrored this trend in 2023.

In the first quarter of 2023, shares in Austrian Post were on a steady upward trend, starting at the annual low of EUR 29.40 on 1 January. This positive momentum peaked on 14 March when the shares reached their high for the year at EUR 36.10. The following second quarter saw significant volatility, followed by a slight downward trend in the second half of the year. The last few months of the period under review, however, brought a recovery in share price performance. Shares in Austrian Post closed 2023 at a price of EUR 32.70, up by 11.2% compared to the previous year.

The EURO STOXX® Total Market Industrial Transportation sector index, which is relevant to Austrian Post, also gained 22.7% over the past financial year. The ATX was up by 9.9% at the end of the year. Almost all of Austrian Post's peers – the Belgian (bpost), Portuguese (CTT Correios de Portugal), German (DHL Group), Dutch (PostNL) and British (International Distributions Services/Royal Mail) postal services – also achieved positive performance on the international capital market. G 10

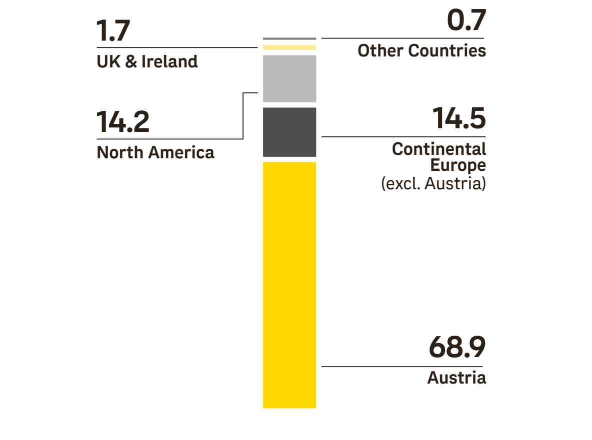
Stable Shareholder Structure

The majority of the shares issued by Austrian Post (52.8%) are held by the Republic of Austria, managed via Österreichische Beteiligungs AG (ÖBAG), while the remaining 47.2% are in free float. A shareholder structure analysis conducted in January 2024 shows that the free float is largely focused on investors based in Europe (85.0%; +1.1 percentage points compared to the survey conducted at the beginning of 2023). A total of 68.9% of the shares are held by private and institutional investors in Austria (+7.1 percentage points), 14.5% in continental Europe (–0.2 percentage points) and 1.7% in the UK and Ireland (–5.8 percentage points). North America (USA and Canada) currently holds 14.2% of shares (–1.4 percentage points), with other countries making up 0.7% (+0.3 percentage points). G 11

Since the buyback of 2,447,362 shares in 2008 and the subsequent withdrawal of all the company's treasury shares on 24 April 2009, Austrian Post's share capital has remained divided into 67,552,638 non-par value shares. This corresponds to a nominal value of EUR 5.00 per share. There are no syndicate agreements, preference shares or restrictions on the company's ordinary shares. The principle of "one share – one vote" applies without exception.

G 11 **Geographical Split of Free Load**

%



Capital Market Communication: Transparency Builds Trust

Ongoing dialogue and transparent, timely information are at the heart of Austrian Post's communication strategy. Both aim to give all investors an open and realistic picture of the company. This is particularly important in a difficult market environment. Taking these principles into account, shareholders, financial analysts, stakeholders, the media and the general public are provided with regular information on the current situation and business developments. In order to meet these high demands, Austrian Post focuses not only on face-to-face contact, but also on the digital and hybrid communication channels that have proved effective since the coronavirus pandemic, to ensure fast response times and allow the company to act in a manner that is commensurate with the situation at hand. All in all, the company's top management and the Investor Relations team held in-depth one-on-one and group discussions with more than 120 institutional investors and analysts at more than 30 roadshows and investor conferences. In addition, roadshows focusing on ESG were organised in collaboration with the Chair of the Supervisory Board.

The high standards that Austrian Post applies to high-quality and transparent financial and non-financial reporting were recognised last year in the form of numerous awards. In addition to fulfilling the requirements of the Sustainability and Diversity Improvement Act (NADiVeG) and the EU Taxonomy, the Sustainability Report also meets voluntary international sustainability reporting standards. We follow the requirements of the GRI Standards and also provide information on our approach to the opportunities and risks associated with climate change in accordance with the requirements of the Task Force on Climate-related Financial Disclosures (TCFD). These efforts were also recognised when the company was awarded second place in the "ATX Prime" category of the Austrian Sustainability Reporting Awards (ASRA). This award is presented annually to Austrian companies and organisations with the best sustainability reports. Austrian Post also came second in the Effective Sustainability Communicator Award 2023. The evaluation process involved analysing the sustainability reports published by ATX-listed companies and their coherent reporting on sustainability across all communications media. In spring 2023, Georg Pölzl and Walter Oblin received the CEO & CFO Award presented by Deloitte with Börse Express and CFO Club Austria in the special ESG category. The decisive factor for the award was the company's excellent sustainability reporting and, in particular, the way in which sustainability risks are addressed and presented.

The company's financial and sustainability reporting was not only successful in terms of content. The graphic design of the annual and sustainability report also received several international accolades. By way of example, Austrian Post received a GOLD award at the Vision Award LACP and was also awarded GOLD, SILVER and BRONZE in the categories "Non-English Annual Report", "Photography", "Interior Design" and "Cover Photo/Design" at the ARC Awards. The award presented by the financial magazine Börsianer, which recognised Austrian Post as the "Best Mid Cap Share in Austria in 2023", was a first.

Represented in Numerous Indices and Good Ratings

Austrian Post's shares have been permanently listed on the ATX (Austrian Traded Index), the leading index of the Vienna Stock Exchange, since 18 September 2006. The ATX measures the value development of the 20 most liquid shares on the Vienna Stock Exchange. The weighting of the Austrian Post share in the ATX at the end of 2023 was 2.12%. Austrian Post is also represented in the ATX Prime and the international EURO STOXX® Total Market Industrial Transportation, among others.

The fact that sustainability is a firmly established component of Austrian Post's core strategy is confirmed not only by the capital market, but also by numerous rating results. Austrian Post consistently strives to achieve good ratings from sustainability rating agencies and maintains proactive dialogue with these agencies. The Carbon Disclosure Project (CDP) is the world's largest database of corporate environmental and climate information, and is used extensively by capital market participants to evaluate potential investments. We were awarded a very good rating of A– in 2023. This recognition not only underscores Austrian Post's transparent environmental reporting but also serves as evidence of the quality of the climate protection measures initiated. The MSCI ESG Rating rates companies in line with the best-in-class approach within the industry. In 2023, Austrian Post was once again awarded the top score, AAA. The company was again awarded prime status in the ESG Corporate Rating awarded by ISS ESG, which emphasised the expansion of the company's fleet of electric vehicles and its approach to addressing environmental and social challenges. Sustainalytics is one of the most well-known ESG rating agencies and assesses companies sustainability risks. Because of its strong sustainability management efforts, Austrian Post was classified as "low risk" in 2023, putting the company ahead of its peers. In 2023, Austrian Post actively participated in S&P Global's Corporate Sustainability Assessment (CSA) again. The CSA is considered one of the world's leading sustainability benchmarks and is characterised by a comprehensive industry-specific questionnaire. Austrian Post was awarded a score of 53 out of 100 for 2023. This puts Austrian Post in the 90th percentile within the transport & transport logistics sector, meaning that 90% of the companies assessed had a maximum ESG score that was the same or lower. T 01

T 01 ESG Ratings

Our ESG Ratings	Evaluation
MSCI	**AAA** (Range from AAA to CCC)
ISS ESG	**Prime status,** rating of C+ (Range from A+ to D–)
CDP	**A–** (Range from A+ to D–)
Sustainalytics	**Low risk (15.4)** (range from 0 to 50)
S&P Global	**53** out of 100 points

Research Coverage

Austrian Post regards the analyses performed by renowned national and international investment banks as a valuable form of feedback from industry experts on corporate development and strategy. At the same time, their monitoring and publication of reports ensured that Austrian Post's shares remained visible in the financial community. As of February 2024, Austrian Post is analysed by six financial institutions on a regular basis: Barclays, Bank of America, Erste Group, Kepler Cheuvreux, Raiffeisen Bank International and UBS.

An overview of the latest assessments by these investment firms is available on the internet.

post.at/investor

T 02 Share Indicators

		2022	2023	Change
Earnings per share[1]	EUR	1.86	1.96	5.5%
Dividends per share[2]	EUR	1.75	1.78	1.7%
Dividend payout	EUR m	118.2	120.2	1.7%
Dividend yield[3]	%	6.0	5.4	–
Total shareholder return (annual performance incl. dividend)[4]	%	–17.2	17.2	–
Total shareholder return since IPO[4]	%	212.7	239.3	–
Share price performance	%	–22.2	11.2	–
PE (price/earnings ratio) at the end of December	–	15.8	16.7	5.4%
Share price at the end of December	EUR	29.40	32.70	11.2%
High/low (closing price)	EUR	39.35/26.20	36.10/29.40	–
Market capitalisation at the end of December	EUR m	1,986.0	2,209.0	11.2%
Number of shares in circulation at the end of December	Number	67,552,638	67,552,638	–
Free float	%	47.2	47.2	–

[1] Undiluted earnings per share in relation to 67,552,638 shares
[2] Proposal to the Annual General Meeting on 18 April 2024
[3] Dividend per share divided by share price at the end of December of the financial year in question
[4] Change in share price plus dividend payment (excl. reinvestment of dividend)

Corporate Governance

Simply reliable.

Responsible corporate management is second nature to Austrian Post – it is the key to our future viability.

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

Dear Shareholders!

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

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

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

Elisabeth Stadler
Chair of the Supervisory Board

Changes in the Supervisory Board

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

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

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

Activities of the Supervisory Board

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

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

The revenue and earnings figures of the Austrian Post Group as well as key developments in the mail and parcel business were presented at the four ordinary Supervisory Board meetings. One key topic addressed at the meetings was the challenging overall macroeconomic environment and its impact on the business environment in which Austrian Post operates. Another focal point was the business performance of key investments, in particular the Turkish parcel investment Aras Kargo and bank99.

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

At its meeting held on 14 March 2023, the Supervisory Board reviewed the annual and consolidated financial statements presented by the Management Board, along with the Management Report, the Group Management Report and the profit appropriation proposal for the 2022 financial year and adopted the financial statements. In preparation for the Annual General Meeting, the Supervisory Board also took a detailed look at the 2022 Remuneration Report, which was submitted to the Annual General Meeting held on 20 April 2023 for a vote to be cast to adopt it.

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

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

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

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

Activities of the Committees

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

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

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

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

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

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

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

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

2023 Consolidated and Annual Financial Statements

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

The annual financial statements and consolidated annual financial statements of Austrian Post as at 31 December 2023 were audited by BDO Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and were granted an unqualified auditor's opinion. The Management Report and Group Management Report are consistent with the annual financial statements and consolidated annual financial statements. All documentation relating to the annual financial statements, the profit appropriation proposal as submitted by the Management Board, the Corporate Governance Report and the Non-financial Report were thoroughly discussed in the Audit Committee with the auditors and subsequently presented to the Supervisory Board.

The Supervisory Board examined all the documents in accordance with Section 96 of the Austrian Stock Corporation Act (AktG) and did not discover any inconsistencies or objections. As a result, it formally approved the results of the audit. The Supervisory Board approves the annual financial statements for 2023, as adopted in accordance with Section 96 (4) of the Austrian Stock Corporation Act (AktG), and declares its acceptance of the IFRS consolidated financial statements, the Management Report, the Group Management Report and the Consolidated Corporate Governance Report pursuant to Section 245a UGB. The Non-financial Report, compiled in accordance with Sections 243b and 267a UGB, was reviewed by BDO Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

The Supervisory Board concurs with the Management Board's proposal to distribute a basic dividend of EUR 120,243,695.64 from the net profit amounting to EUR 304,693,298.82 on 2 May 2024, and to carry forward the balance of EUR 184,449,603.18 to the new account.

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

12 March 2024

Elisabeth Stadler m.p.
Chair of the Supervisory Board

Corporate Governance Report

Austrian Post is a joint stock company under Austrian law and is publicly listed on the Vienna Stock Exchange. In accordance with Section 243c of the Austrian Commercial Code (UGB) and the relevant provisions of the Austrian Corporate Governance Code (ACGC), the company prepares a consolidated Corporate Governance Report every year as at 31 December, which is available at post.at/investor. In accordance with the recommendation set out in the statement published by the Austrian Financial Reporting and Auditing Committee (AFRAC) on the corporate governance report, the Corporate Governance Report of the parent company and the consolidated Corporate Governance Report have been combined in one report.

Corporate governance, i.e. acting in accordance with the principles of responsible corporate management geared towards sustainable value creation, is an all-embracing issue for Austrian Post that encompasses every single area of the company. Transparent reporting and corporate communication, corporate governance that is aligned with the interests of all stakeholders, cooperation based on trust between the Management Board and the Supervisory Board, as well as among employees, and compliance with the applicable legislation make up key cornerstones of the corporate culture.

The Austrian Stock Corporation Act, Austrian Capital Market Act, Austrian Commercial Code, regulations on co-determination, the Articles of Association and by-laws for corporate bodies of the company together with the Austrian Corporate Governance Code comprise the legal framework for corporate governance at Austrian Post.

1. Commitment to the Austrian Corporate Governance Code

The Austrian Corporate Governance Code provides a set of rules for good and responsible corporate governance and control on the Austrian capital market that are consistent with international standards. The Code is aimed at achieving responsible management and control of companies and groups of companies geared towards sustainable and long-term value creation. This tool is designed to provide a very high level of transparency for all of a company's stakeholders.

Austrian Post is unreservedly committed to complying with the current and valid version of the Austrian Corporate Governance Code and considers maintaining and further developing the company's high internal standards to be a top priority. In the 2023 financial year, Austrian Post complied with all rules and recommendations of the Austrian Corporate Governance Code.

The Austrian Corporate Governance Code is publicly available on the Austrian Post website at post.at/investor or on the website of the Austrian Working Group for Corporate Governance at corporate-governance.at.

In accordance with Rule 62 of the Austrian Corporate Governance Code, Austrian Post's compliance with the code and the accuracy of its related public reporting is evaluated externally on a regular basis. The evaluation carried out by the auditing firm BDO Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft for the 2023 financial year did not give rise to any objections regarding the public declarations made in accordance with the Code. Compliance with provisions regarding the auditor (C-Rules 77 to 83) was examined and confirmed by the law firm CMS Reich-Rohrwig Hainz. The next external evaluation is scheduled for the 2025 financial year.

In addition to the Austrian Corporate Governance Code, corporate governance at Austrian Post also includes the standards and frameworks for the internal control system, risk management and compliance.

Austrian Post's risk management system enables the Group-wide identification and analysis of risks on the basis of strategic and operational targets. The proper functioning and suitability are evaluated by the company responsible for auditing the annual financial statements pursuant to C-Rule 83 of the Austrian Corporate Governance Code.

The internal control system (ICS) of Austrian Post is set up as a risk-oriented system and addresses ICS-related risks and ICS-related controls that are integrated into the company's processes. It is based on existing risk management and process structures in the company, maps the internal control activities relating to major risks and creates transparency so as to support the company's corporate bodies in their monitoring function. Internal Audit reviews the effectiveness of ICS-related controls on a regular basis. Its findings and recommendations serve to allow the continuous improvement of the ICS.

The Compliance Management System (CMS) is founded on Austrian Post's Code of Conduct and Ethics, which is reviewed on a regular basis and updated as and when required.

The Code of Conduct and Ethics sets out the values that guide the Austrian Post Group, as well as providing information on how all individuals working in and for the Austrian Post Group are expected to act. It provides guidance on the sort of conduct that is expected in the working environment and in business dealings in terms of integrity and reliability, as well as a focus on the future and on diversity. It provides the framework and guidelines for employees' interactions with one other and with stakeholders.

In addition to the Code of Conduct and Ethics, the entire Management Board adopted Austrian Post's declaration of principles on human rights, which underscores the company's commitment to respecting and upholding human rights and sets out a common standard for safeguarding human rights both within the Group and in relation to the supply chain. Our commitment to integrity in our business activities is rounded off by the Code of Conduct for Contractors, which has been an integral component of the contracts we award for years now.

The previous focal points of Austrian Post's CMS, business compliance and capital market compliance were expanded to include aspects related to supply chain compliance in 2022. The business CMS has been certified to ISO 37001 and the capital market CMS has been certified to ISO 37301 since 2018. The Supply Chain CMS, which defines preventive requirements and due diligence processes aimed at ensuring behaviour in line with the company's values as set out in the Code of Conduct for Contractors and the guiding principles set out in the Declaration of Principles on Human Rights within the Austrian Post Group's supply chain, will be further enhanced in 2024 before being gradually rolled out further.

2. Composition of the Management Board

The Management Board of Austrian Post consists of three individuals:

Members of the Management Board

NAME (year of birth)	GEORG PÖLZL (1957)	WALTER OBLIN (1969)	PETER UMUNDUM (1964)
Position	CEO Chairman of the Management Board	Deputy CEO Mail & Finance (CFO)	Member of the Management Board Parcel & Logistics (COO)
First appointed	1 October 2009	1 July 2012	1 April 2011
Current term of office expires	30 September 2024	30 September 2029[1]	31 March 2026

[1] Walter Oblin was appointed as member and Chair of the Management Board with the title "Chief Executive Officer" by the Supervisory Board on 18 December 2023 with effect from 1 October 2024 until 30 September 2029 (including a two-year extension option).

GEORG PÖLZL

Georg Pölzl studied and received his PhD from Montanuniversität Leoben. He started his professional career as a corporate consultant for McKinsey & Company. Subsequently, he was appointed to the Management Board of the mechanical engineering and plant building company Binder+Co AG. Georg Pölzl then served as the Managing Director of T-Mobile Austria, based in Vienna, for a total of nine years. After that, he moved to Germany, where he assumed the position of special deputy of the Management Board of Deutsche Telekom and was the Spokesperson for the Executive Management of T-Mobile in Germany until 2009.

Georg Pölzl was first appointed Chair of the Management Board and Chief Executive Officer of Austrian Post in October 2009.

Areas of responsibility: Corporate Communication, Strategy and Group Development, Human Resources Management, Investor Relations & Corporate Governance, Group Auditing, Risk Management & Compliance, End Customer Services, E-Commerce, Branches and Bank

Executive and supervisory role in major subsidiaries: Supervisory Board of bank99 AG, Supervisory Board of Aras Kargo a.s.

Additional roles: Member of the Board of International Post Corporation, Deputy Chair of the Supervisory Board of Klinger Holding GmbH

WALTER OBLIN

Walter Oblin concluded his studies in Mechanical Engineering and Business Economics at Graz University of Technology and also holds an American MBA degree. He began his professional career in 1994 as a management consultant for McKinsey & Company in Vienna. He then became a partner in 2000 and assumed managerial tasks as a member of McKinsey's Management Board in Austria and in its global transport and logistics sector. After 14 years of international consultancy work primarily for transport, infrastructure and logistics companies, Walter Oblin then took over the role of Commercial Director for the German technology company SorTech AG in 2008. In the autumn of 2009, he became Head of the Strategy and Group Development division at Austrian Post.

Walter Oblin was appointed to the Management Board in 2012. He has been the Chief Financial Officer of Austrian Post since 1 July 2012. Walter Oblin was appointed Deputy Chief Executive Officer on 1 January 2019 and, in addition to his role as Management Board member responsible for Finance, also took on responsibility for earnings in the Mail Division.

In December 2023 the Supervisory Board appointed Walter Oblin as member and Chair of the Management Board with effect from 1 October 2024.

Areas of responsibility: Mail Division including investments, Business Solutions Division including investments, Group Accounting & Controlling, Group Treasury, Group IT & Procurement, Group Legal and Group Real Estate

Executive and supervisory role in major subsidiaries: Deputy Chair of the Supervisory Board of bank99 AG

Additional roles: Supervisory Board of AMAG Austria Metall AG

PETER UMUNDUM

Following his studies in computer science at Graz University of Technology, Peter Umundum commenced his professional career in 1988 at Steirerbrau AG. In 1994, he moved to Styria Medien AG as the head of IT and two years later was appointed CEO of the subsidiary Media Consult Austria GmbH. In 1999 he acted as one of the founders and CEO of redmail and was also involved in the Styria Group's launch on the Croatian market. In 2001, Peter Umundum became the Managing Director of the daily newspaper Die Presse, and three years later joined the Executive Management of the daily newspaper Kleine Zeitung. In 2005 he became a member of the Mail Division management at Austrian Post.

Peter Umundum was first appointed as the member of the Management Board responsible for Parcel & Logistics in April 2011. In August 2023, the Supervisory Board extended his mandate for another two years, until 31 March 2026.

Areas of responsibility: Operations in the Mail & Parcel division, Parcel Austria division, Logistics Centres & Transport, Strategic Network Planning, Logistics Solutions, CEE & Türkiye and investments in the European distribution network EURODIS

Executive and supervisory role in major subsidiaries: Chair of the Supervisory Board of Aras Kargo a.s.

Additional roles: Executive Board of Kreditschutzverband von 1870 (KSV1870), Supervisory Board of Steiermärkische Krankenanstaltengesellschaft m.b.H.

3. Composition of the Supervisory Board

The Supervisory Board consists of a total of twelve members, i.e. eight shareholder representatives elected by the Annual General Meeting and four employee representatives elected by the Central Works Council.

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

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

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

Shareholder representatives

NAME (year of birth)	ELISABETH STADLER (1961)	STEFAN FÜRNSINN (1979)	HUBERTA GHENEFF (1964)	FELICIA KÖLLIKER (1977)
Position	Chair of the Supervisory Board	Deputy Chair of the Supervisory Board	Member of the Supervisory Board	Member of the Supervisory Board
First appointed Term of office	20 April 2023[1] until the 2027 AGM	20 April 2023 until the 2026 AGM	19 April 2018 until the 2025 AGM	17 June 2020 until the 2024 AGM
Nationality	Austria	Austria	Austria	Switzerland
Main job	Former CEO of Vienna Insurance Group (until 30 June 2023)	Executive Director of Österreichische Beteiligungs AG (ÖBAG)	Lawyer	Member of the Executive Board of PostFinance Ltd (Switzerland)
Area of competence as member of the Supervisory Board	Strategy, Corporate Governance, Finance	Digitalisation, Strategy, Business Development	Legal	Financial Services
Positions in listed companies	OMV AG, voestalpine AG	Telekom Austria AG		

NAME (year of birth)	PETER E. KRUSE (1950)	BERNHARD SPALT (1968)	SIGRID STAGL (1968)	CHRISTIANE WENCKHEIM (1965)
Position	Member of the Supervisory Board	Member of the Supervisory Board (financial expert)	Member of the Supervisory Board	Member of the Supervisory Board
First appointed Term of office	24 April 2014 until the 2025 AGM	20 April 2023 until the 2026 AGM	17 June 2020 until the 2024 AGM	20 April 2023 until the 2025 AGM
Nationality	Switzerland	Austria	Austria	Austria
Main job	Corporate Consultant	Member of the Board of Managing Directors of Commerzbank AG (since 1 January 2024)	Professor at the Vienna University of Economics and Business	CEO of Ottakringer Holding AG
Area of competence as member of the Supervisory Board	Logistics, International Markets	Financial Services, Risk Management	Ecological Economics, Sustainability	Logistics, Organisational Development
Positions in listed companies				Ottakringer Getränke AG[2]

1 Member of the Supervisory Board Supervisory Board of Austrian Post from 28 April 2011 until 19 April 2018
2 Listed on the Vienna Stock Exchange until 31 December 2023

Employee representatives

NAME (year of birth)	ULRIKE ERNSTBRUNNER (1961)	RICHARD KÖHLER (1965)	ANDREAS RINDLER (1967)	ANDREAS SCHIEDER (1976)
Position	Member of the Supervisory Board	Member of the Supervisory Board	Member of the Supervisory Board	Member of the Supervisory Board
Term of office	since 8 November 2023	since 1 September 2021	since 1 November 2022	since 1 April 2022[1]
Nationality	Austria	Austria	Austria	Austria
Main job	Austrian Post Central Works Council	Chair of the Central Works Council of Austrian Post	Deputy Chair of the Central Works Council of Austrian Post	Austrian Post Central Works Council

[1] Member of the Supervisory Board Supervisory Board of Austrian Post from 19 October 2011 until 29 October 2018

Independence and Diversity on the Supervisory Board

In accordance with C-Rule 53 of the Austrian Corporate Governance Code, the Supervisory Board of Austrian Post has defined the following criteria to determine the independence of members of the Supervisory Board:

1. The member of the Supervisory Board shall not have served as a member of the Management Board or as a manager of the company or one of its subsidiaries in the past five years.
2. The member of the Supervisory Board shall not maintain or have maintained in the past year any business relations with the company or one of its subsidiaries to an extent of significance for the member of the Supervisory Board. This shall also apply to relationships with companies in which the member of the Supervisory Board has a considerable economic interest, but not to carrying out functions in corporate bodies. The approval of individual transactions by the Supervisory Board according to L-Rule 48 does not automatically mean the person is qualified as being not independent.
3. The member of the Supervisory Board shall not have been an auditor of the company, have owned a share in the auditing company or have worked there as an employee over the past three years.
4. The member of the Supervisory Board shall not be a member of the Management Board of another company in which a member of the Management Board of this company is a member of the Supervisory Board.
5. The member of the Supervisory Board shall not serve as a member of the Supervisory Board for longer than 15 years. This does not apply to members of the Supervisory Board who are shareholders with a stake in the company or who represent such a shareholder's interests.
6. The member of the Supervisory Board shall not be a close relative (i.e. direct offspring, spouse, partner, parent, uncle, aunt, sibling, niece or nephew) of a member of the Management Board or of persons in one of the above-mentioned positions.

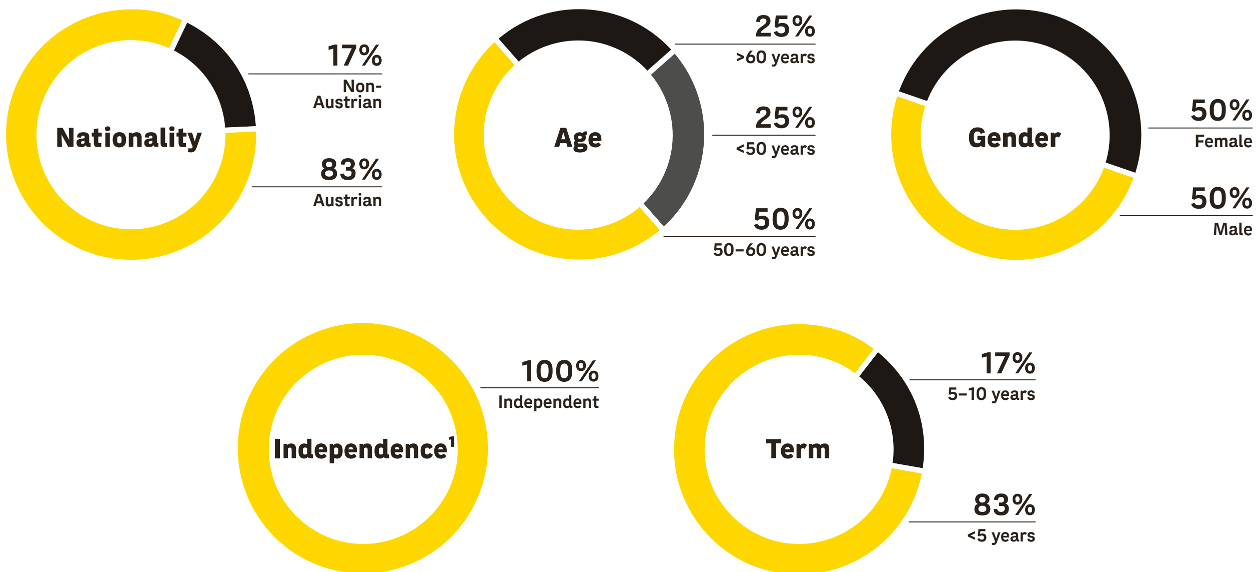
On the basis of these Guidelines for Independence (annex to the Austrian Corporate Governance Code), all eight shareholder representatives have submitted a written declaration and declared themselves independent. The following shareholder representatives on the Supervisory Board also met the independence criterion set out in C-Rule 54 in the 2023 financial year (no representation of a shareholder with a stake of more than 10%): Huberta Gheneff, Felicia Kölliker, Peter E. Kruse, Bernhard Spalt, Elisabeth Stadler, Sigrid Stagl and Christiane Wenckheim. This means that both of the independence quotas required by Rules 53 and 54 of the Code are complied with.

There are no contracts between the members of the Supervisory Board and Austrian Post which would require consent or disclosure pursuant to Rules 48 and 49 of the Austrian Corporate Governance Code.

A total of six women are represented on Austrian Post's Supervisory Board, representing a share of 50%. This completely fulfils the statutory gender quota of 30% which took effect on 1 January 2018, and which applies separately for shareholder and employee representatives.

The members of the Supervisory Board show a balanced age structure ranging from 44 to 73. Two members are not Austrian nationals. As a whole, the Supervisory Board covers the entire spectrum of fields which are important for the company such as finance and expertise in the fields of logistics and financial services. Business management skills and legal knowledge, expertise in the fields of digitalisation and socioeconomics, as well as long-standing management experience and competence complete the profile of the Austrian Post Supervisory Board. G 12

G 12 Diversity in the Supervisory Board



[1] according to the Austrian Corporate Governance Code (C-Rule 53)

4. Mode of Operation of the Management Board and Supervisory Board

The Management Board is the managing body of the Austrian Post Group and is bound to act in the company's best interests. It manages the business of the company on the basis of prevailing legal regulations, the Articles of Association and the by-laws. The by-laws for the Management Board stipulate the assignment of responsibilities and cooperation within the Management Board. They also define the information and reporting obligations of the Management Board as well as a catalogue of measures requiring the formal approval of the Supervisory Board.

The Management Board discusses the current business development at Austrian Post, as well as strategic and operational issues during meetings held at least every fourteen days. At these meetings, decisions are made that require the approval of the entire Management Board. The Management Board is provided with regular information on both financial and key sustainability indicators in a monthly report. Moreover, the members of the Management Board continually exchange information about the relevant activities and events with each other and with the responsible executives.

A Strategic Executive Management Council provides support to the Management Board in the running of the company. This leadership team consists of approximately 20 top-level employees and plays an advisory and supporting role with respect to all operational and strategic issues affecting Austrian Post.

The Management Board regularly provides the Supervisory Board with timely and comprehensive information about all relevant issues relating to business development, including the assessment of the risk situation and risk management at Austrian Post and all key Group companies. Moreover, in the spirit of good corporate governance, ongoing consultations take place between the respective chairs of the Supervisory and Management Boards concerning the matters falling under the jurisdiction of the Supervisory Board.

The Supervisory Board monitors and oversees the activities of the Management Board and makes decisions on issues of fundamental importance as well as the strategic direction of the company. In line with the integrated corporate and sustainability strategy, the entire Supervisory Board takes a holistic approach to sustainability issues at Austrian Post. The work of the Supervisory Board is characterised by a high level of openness. The intensive work carried out by the Supervisory Board committees supports the Supervisory Board with a view to ensuring focused discussions and efficient decision making.

Seven Supervisory Board meetings were held in the 2023 financial year. The focus of the four ordinary meetings of the Supervisory Board was on monitoring the ongoing business development of Austrian Post and its Group companies as well as various transactions requiring Supervisory Board approval.

The other priorities of the work carried out by the Supervisory Board and its committees are summarised in the Report of the Supervisory Board to the Annual General Meeting.

In accordance with the stipulations of the Austrian Corporate Governance Code (ACGC, Rule C-36), the Supervisory Board carried out a self-evaluation of its work in the 2023 financial year on the basis of an electronic survey. The evaluated results were extensively discussed by the Supervisory Board, and will be integrated into the future work of the Supervisory Board.

There is a duty on the part of the Management Board as well as the Supervisory Board to disclose any conflict of interest. Members of the Supervisory Board must disclose any conflict of interest immediately to the Chairperson of the Supervisory Board. If the Chairperson is involved in a conflict of interest, they are required to immediately disclose this to a Deputy Chairperson. With respect to Management Board meetings dealing with the personal or economic interests of a particular member of the Management Board, this member is not permitted to take part in the relevant decision making.

Committees

In order to exercise its advisory and controlling functions efficiently, the Supervisory Board has formed Committees, which deal with technical issues and prepare resolutions for adoption by the Supervisory Board.

The committees are chaired by qualified experts. Supervisory Board Chair Elisabeth Stadler heads the Nomination and Remuneration Committee. With years of experience as CEO of a listed company under her belt, she has extensive expertise and practical experience in the area of remuneration policy.

Bernhard Spalt leads the Auditing and Banking Committee. He is a seasoned banking expert and has deep knowledge of the industry. His experience as member of the Management Board of a listed company means he has specialised knowledge of accounting, auditing and risk management.

Executive Committee
Elisabeth Stadler (Chair), Stefan Fürnsinn

Nomination Committee
Elisabeth Stadler (Chair), Stefan Fürnsinn,
Richard Köhler

Remuneration Committee
Elisabeth Stadler (Chair), Stefan Fürnsinn,
Peter E. Kruse

Audit Committee
Bernhard Spalt (Chair, financial expert),
Stefan Fürnsinn (Deputy Chair), Huberta Gheneff,
Sigrid Stagl, Richard Köhler, Andreas Schieder

Banking Committee
Bernhard Spalt (Chair), Felicia Kölliker, Richard Köhler

In accordance with the by-laws for the Supervisory Board, the **Executive Committee** is responsible for regulating the relationships between the company and the members of the Management Board, including granting approval to secondary employment, inasmuch as this does not fall within the jurisdiction of the entire Supervisory Board, the Remuneration or Nomination Committee. In addition, the Executive Committee maintains regular contact with the Chairperson of the Management Board and discusses strategy and business development.

The **Nomination Committee** submits recommendations to the Supervisory Board with respect to filling vacant positions on the Management Board/Supervisory Board, and also deals with issues relating to succession planning. The Nomination Committee met six times in 2023 and dealt with filling vacant positions on the Supervisory Board and the option to extend Peter Umundum's contract. The main topic addressed in 2023 was the preparation of a proposal for a successor for CEO Georg Pölzl, who will be leaving on 30 September 2024.

The **Remuneration Committee** deals with the content of employment contracts with members of the Management Board and is responsible in particular for any remuneration issues. It ensures implementation of the remuneration rules contained in the Austrian Corporate Governance Code, and regularly evaluates the policies governing remuneration of members of the Management Board. The Remuneration Committee held five meetings in the 2023 financial year and dealt with the evaluation and definition of the variable remuneration components, as well as the 2022 Remuneration Report. Other topics included the contractual amendment for Peter Umundum in connection with the extension of his contract until 31 March 2026, and the new employment contract for Walter Oblin in his role as Chair of the Management Board from 1 October 2024.

The **Audit Committee** performs the tasks assigned to it pursuant to Section 92 (4a) of the Austrian Stock Corporation Act (AktG) as well as Rule 40 of the Austrian Corporate Governance Code. The Audit Committee held four meetings in the 2023 financial year. In addition to reviewing and preparing approval of the annual financial statements and consolidated annual financial statements for 2022, great importance was attached to supervising the financial reporting process, the internal control system, and the audit and risk management system.

The **Banking Committee** monitors Austrian Post's financial services business and met four times in 2023.

The table below shows the attendance of the Supervisory Board members at meetings in 2023.

Attendance

	Supervisory Board	Banking Committee	Nomination Committee	Parcel & Logistics Committee[1]	Audit Committee	Remuneration Committee
ELISABETH STADLER (since 20 April 2023)	5/5		5/5			2/2
STEFAN FÜRNSINN (since 20 April 2023)	5/5		5/5		3/3	2/2
HUBERTA GHENEFF	7/7				4/4	
EDITH HLAWATI (until 20 April 2023)	2/2		1/1			3/3
FELICIA KÖLLIKER	7/7	4/4				
PETER E. KRUSE	7/7			1/1	1/1	2/2
CHRIS E. MUNTWYLER (until 20 April 2023)	2/2		1/1	1/1		3/3
BERNHARD SPALT (since 20 April 2023)	4/5	3/3			3/3	
SIGRID STAGL	7/7				2/3	
STEFAN SZYSZKOWITZ (until 20 April 2023)	2/2				1/1	
CAROLA WAHL (until 20 April 2023)	2/2	1/1			1/1	3/3
CHRISTIANE WENCKHEIM (since 20 April 2023)	5/5					
ULRIKE ERNSTBRUNNER (since 08 November 2023)	1/2					
MARIA KLIMA (until 07 November 2023)	5/5					
RICHARD KÖHLER	7/7	4/4	6/6		4/4	
ANDREAS RINDLER	7/7			1/1		
ANDREAS SCHIEDER	7/7				4/4	

[1] In April 2023, the Supervisory Board made the decision to terminate the activities of the Parcel & Logistics Committee.

Remuneration of the Management Board and Supervisory Board

Information on the remuneration paid to the Management Board and the Supervisory Board is not included in this Corporate Governance Report. In this regard, reference is made to the Remuneration Policy, as well as the separate Remuneration Report, which presents the results of the financial year under review. Both documents are published on the company's website.

post.at/investor

5. Diversity Concept and Measures to Promote the Advancement of Women

Austrian Post believes that its diversity is one of the factors that gives it a key advantage over the competition. That is why diversity is at the heart of our corporate strategy. We value the diversity of our employees, customers and stakeholders and make sure they are actively involved in designing processes and services.

Austrian Post is committed to having diverse teams because it knows that diversity boosts innovation and creativity. Taking intentional steps to promote this diversity within the workforce not only creates a respectful corporate culture but also improves our understanding of the needs of our customers.

The same applies to the company's management bodies. Positions on the Management Board and Supervisory Board should be filled with individuals who provide the relevant knowledge, skills and personal competencies that are required for the management and supervision of a publicly-listed logistics and postal services provider and reflect the strategic objectives of the company. Ensuring a professional and personal balance in the composition of the Supervisory Board should be borne in mind. In this case, the diversity of the Supervisory Board with respect to gender, a balanced age structure and the internationality of the members are to be taken into account. Within this context, it is important to report that six women and two non-Austrian citizens are members of the Supervisory Board. The members of the Supervisory Board are aged between 44 and 73.

No women currently serve on the Management Board of Austrian Post. In order to conceivably fill vacant Management Board positions from the company's own ranks, the strategic objective is to achieve the best possible diversity at the highest management level and to gradually increase the proportion of women in executive positions.

Austrian Post demonstrated its commitment to gender balance by launching the Elly project in 2018. The purpose of this project is to make Austrian Post an attractive employer for any talented employee, regardless of gender. We have implemented a variety of measures within the company as part of a comprehensive strategic plan to improve the gender balance within Austrian Post. These measures have focused on attracting female employees and helping them advance in their careers in addition to making working conditions more flexible.

Currently, one third of all Austrian Post employees are female, while women hold 37.1% of all management positions. The purpose of the measures that have been implemented is to increase the number of women employed by Austrian Post and the number of women in management positions. The company's strategic target is to have 40% of all management positions held by women by 2030. These measures include integrating and holding unconscious bias training sessions for executives and setting targets for the number of women in management positions in every division. These targets are also included in the annual target agreements for executives. Events for employees on parental leave, the ongoing use of gender-inclusive language and participation in the Women's Career Index are also important measures to promote equal opportunities for our employees of all genders and at all levels.

Austrian Post used the Women's Career Index as a management and benchmarking tool for the fifth year running. Using this established independent measuring instrument, the company is studying what sort of overall conditions are needed to allow women at various levels of management to advance. In the results for 2023, Austrian Post was awarded 82 out of a possible 100 points, above the average for all indexed companies.

Vienna, 23 February 2024

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

Simply reliable.

In 2023, Austrian Post's revenue increased 8.7% year-on-year. The Parcel & Logistics Division saw particularly strong development, predominantly in Türkiye.

Find out more about business development starting on page 47.

1. Group Overview and Market Environment

1.1 Business Operations and Organisational Structure

Österreichische Post Aktiengesellschaft, hereinafter also referred to as the Austrian Post Group, the Group or Austrian Post, is an international postal, logistics and service provider which is central to Austria's economy, with annual revenue of EUR 2.7bn and more than 27,000 employees. The company is firmly focused on the very highest quality and offers a comprehensive product and service portfolio to provide the best possible match for current customer needs. Its core business primarily encompasses the transportation of traditional letter mail, direct mail, parcels and express mail items. Business process solutions, e-commerce & logistics solutions and digital services, for example for advertising, supplement the service portfolio. In addition to its physical solutions, Austrian Post always strives to offer hybrid and digital services. On top of traditional services, our nationwide branch network in Austria also offers financial services, which are equally available to customers online. Our focus in Southeast and Eastern Europe, as well as Türkiye and Azerbaijan, is on parcel and logistics services.

Austrian Post groups its activities into three operating divisions: Mail, Parcel & Logistics and Retail & Bank. In addition, the Corporate Division mainly offers services relating to Group administration and management, as well as the development of new business models. These four divisions match the structure used to report to the Management Board in accordance with IFRS 8. Logistics for letter mail and parcels in Austria is bundled in the internal logistics network production unit, which charges its services to the operating divisions based on the costs incurred.

The product and service portfolio of the Mail Division encompasses the distribution, collection, sorting and delivery of letters and document shipments, addressed and unaddressed direct mail, newspapers and magazines, as well as online services such as e-letters and cross-media solutions. The offering is complemented by additional physical and digital services in customer communications and document processing. In 2023, Austrian Post delivered 541 million letters, 335 million addressed and 2.6 billion unaddressed direct mail items, 292 million print media items and 322 million regional media items.

The core business of the Parcel & Logistics Division encompasses the transportation of parcels and express mail items. The company offers comprehensive, one-stop solutions spanning the entire value chain. In addition to conventional parcel products, express delivery and food delivery, the portfolio also includes tailored fulfilment solutions ranging from warehousing and order picking to returns management, web shop logistics and web shop infrastructure. Valuable goods and cash are also transported in line with the very highest security standards. In 2023, Austrian Post transported 476 million parcels, express mail items and documents across the Group. A regional breakdown shows that the company is the leading service provider in Austria, delivering 200 million mail-order business and private customer parcels and B2B items. Internationally, the Parcel & Logistics Division is represented in eleven countries through its subsidiaries. Austrian Post transported 206 million parcels and documents in Türkiye and Azerbaijan in 2023, and an additional 70 million parcels in Southeast and Eastern Europe.

The range of services offered by the Retail & Bank Division comprises the branch and financial services business of Austrian Post. The division operates in the company's home market of Austria along with the subsidiary bank99 AG (hereafter referred to as bank99). Austrian Post customers have access to 1,701 postal service points, including 361 company-operated postal branches and 1,340 postal partners. With a frequency of around 65 million customer contacts every year, Austrian Post's branch network is one of the largest private customer networks in the country. In addition to postal services, the branch network offers the distribution of telecommunications products and merchandise, as well as the provision of financial services. This allows the company's branches to combine nationwide services offered by A1, bank99 and Austrian Post under one roof as multiservice providers. Austrian Post also offers self-service solutions at numerous locations. Customers can use the 561 drop-off boxes and stations, as well as 93 stamp vending machines, which are available at almost all Austrian Post branches, to stamp and send parcels and letters or to drop off returns. Customers can use 575 pick-up stations, which can be found at Austrian Post branches and the numerous dispersed locations, to collect their parcels and letters that have been delivered to 113,731 post office boxes. At Austrian Post's drop-off stations, customers can stamp and send parcels and letters or drop off postage-paid returns conveniently around the clock. All Austrian Post self-service solutions are accessible 24/7 and are very popular among the company's customers. A cross-channel approach covers the entire spectrum of postal services from the Post app to the branch. Bank99 offers financial services throughout Austria. It flexibly combines modern digital products with Austrian Post's strong branch network to meet its customers' individual needs. As a digital bank, bank99 offers a large product range such as bank accounts, payment transaction and transfer services, consumer loans, investment and savings options, housing finance and insurance in combination with Austrian Post's postal service points. bank99's 339 employees (full-time equivalents) serve around 280,000 customers across Austria.

1.2 Sales Markets and Market Position

Austrian Post is represented in 13 countries together with its Group companies. 79% of revenue was generated in the home market of Austria in 2023. Here Austrian Post holds a leading market position in the delivery of letters, direct mail items, newspapers and parcels. The company holds a 54% market share of the overall Austrian parcel volume. The market share of parcel volumes in the private customer segment is 63%, while the figure for the business parcel segment (B2B) comes to 30% (source: Branchenradar CEP Services in Austria, 2024).

The Group companies of Austrian Post also have a good market position on an international level. When it comes to parcel deliveries, Austrian Post ranks among the top players in Slovakia, Hungary, Croatia, Serbia, Slovenia, Montenegro, and Bosnia and Herzegovina. Austrian Post is also one of the top two market participants in Türkiye. In 2023, Austrian Post entered the Azerbaijan market via a participation entered into by its Turkish subsidiary, Aras Kargo.

1.3 Economic Environment

According to the International Monetary Fund, inflation is now dropping back from the peak it reached in 2022. At the same time, however, the increased interest rates used to combat inflation and the withdrawal of fiscal support in response to high debt levels are likely to put pressure on growth in 2024. The IMF estimates that global economic growth of 3.1% in 2023 will be followed by growth of 3.1% and 3.2% in 2024 and 2025 respectively. Global headline inflation is expected to fall from 6.8% in 2023 to 5.8% in 2024 and 4.4% in 2025. (IMF, January 2024)

Growth in the euro area was particularly subdued in 2023 due to the weak consumer climate, the ongoing impact of high energy prices and a cautious approach to investment in the corporate sector. The IMF predicts that GDP growth in the euro area will bounce back from 0.5% in 2023 – when it was hit hard by the war in Ukraine – to 0.9% in 2024 and 1.7% in 2025, driven by higher levels of consumption among private households, as the impact of the energy price shock starts to wane and inflation starts to fall. The expected inflation rate for the euro area is 2.8% in 2024 and 2.1% in 2025. (IMF, January 2024)

Overall economic production in Austria contracted in the first half of 2023. According to the Austrian Institute of Economic Research (WIFO), Austria's economic output (GDP) fell by 0.8% in 2023 as a whole. Inflation put pressure on the purchasing power of private households and triggered a stagnation in consumer spending. The global slump in goods production and trade, coupled with the after-effects of the energy price shock, also hit Austrian industry, which saw its value added fall sharply in 2023. Rising real incomes are expected to bolster private consumption in 2024 and 2025. However, the industrial sector is lagging in its recovery. This means that Austria's economy will only grow by 0.9% in 2024. GDP is tipped to increase by 2.0% in 2025. (Austrian Institute of Economic Research (WIFO), December 2023)

According to WIFO, inflation is expected to fall to an annual average of 4.0% in 2024 and drop back further to an average of 3.1% in 2025. Energy prices are no longer likely to dampen inflation in 2025, while the upward trend in prices for industrial goods, food and, first and foremost, services will remain intact. (Austrian Institute of Economic Research (WIFO), December 2023)

These circumstances also left their mark on other markets in which Austrian Post operates in 2023. For Germany, the IMF estimates GDP growth of minus 0.3% in 2023, compared to 1.8% a year earlier. Growth of 0.5% and 1.6% is projected for 2024 and 2025, respectively. The IMF predicts GDP growth of 4.1% for Europe's emerging markets in both 2023 and 2024, followed by growth of 4.2% in 2025. Türkiye reported GDP growth of 4.0% in 2023, down from 5.5% the previous year. Looking ahead to 2024 and 2025, the IMF expects GDP to increase by 3.1% and 3.2% respectively. The IMF predicts inflation of 51.2% in 2023 as against 72.3% in the previous year. The inflation forecast is 62.5% and 52.5% for 2024 and 2025, respectively. (IMF, October 2023, January 2024)

1.4 Industry Environment

In addition to the overall economic environment, the business development of Austrian Post is impacted mainly by the following international trends, which pose risks but also offer new opportunities.

Electronic substitution continues in the addressed letter mail sector. This global trend impacts all postal companies and is essentially beyond the company's control. This trend is being reinforced by customers using new digital solutions to take pressure off their cost structures. Customers in the public sector, too, are trying to reduce mail volumes. Austrian Post continues to expect an ongoing decline as a result. Generally, the direct mail business heavily depends on the economic situation, the particular sector and the level of advertising activity on the part of companies. Due to structural difficulties in the retail sector, mail volumes are expected to decline.

Private customer parcel volumes are consistently high thanks to the strong role played by the online retail segment. There is still real potential for e-commerce in the CEE/SEE markets, as well as in Türkiye and Azerbaijan, which tends to lead to a more dynamic market environment.

On the other hand, the development of the international parcel and freight business depends largely on general economic trends as well as on international trade flows and related price developments. Competition and price pressure remain high in this area. Trade flows and the required logistics services are becoming increasingly globalised.

Another important market trend is the ever-increasing importance of non-financial issues in the areas of Economy & Customers, Environment & Climate and People & Social. This is accompanied by increasing transparency requirements imposed on companies with regard to sustainability (ESG – Environment, Social, Governance). Considerable awareness of sustainability is also leading to growing demand for the resource-friendly transport of goods. Austrian Post has been responding to this demand since 2011 by offering CO_2-neutral delivery and the gradual decarbonisation of logistics, the quest being to improve the carbon footprint of both Austrian Post and its customers. In addition to improving efficiency and compensating for emissions, using alternative technologies is particularly important for Austrian Post. The ambitious goal is to ensure that all last-mile deliveries in Austria are CO_2-free by 2030. This means that only vehicles that run on non-fossil fuels are used.

1.5 Legal Framework

The legal framework for Austrian Post's business operations is mainly based on the Austrian Postal Market Act, which has been in effect since 1 January 2011.

- Austrian Post has been Austria's universal service provider since the complete liberalisation of the market, thus guaranteeing the provision of high-quality postal services throughout Austria. As required by law, the regulatory authority (Post Control Commission) examined, most recently in 2021, whether other postal companies are capable of providing the universal postal services defined in the statutory universal service obligation. This is not the case.
- Universal service is limited primarily to mail posted at the legally defined access points, e.g. post offices or letter boxes, on the basis of general terms and conditions (not individually negotiated). The aim is to ensure the basic provision of postal services to the Austrian population and economy. Postal services for mail items brought to logistics centres by large customers are not included in the universal service, with the exception of newspapers.
- An amendment to the Postal Market Act took effect on 27 November 2015, enabling Austrian Post to offer not only letters (with strict delivery time standards) but also non-priority letters as part of its universal services with delivery times of up to four days on a regular basis. Since 1 July 2018, Austrian Post has offered the ECO Letter as part of its universal services and has expanded its product range accordingly. In the universal service, senders therefore have the option of choosing between a delivery time of two to three days for items that are not time-sensitive and the quicker PRIO letter, which continues to be delivered the day after the letter is posted.

2. Business Development and Economic Situation

2.1 Changes to the Scope of Consolidation

There were no significant changes in the scope of consolidation in the 2023 financial year. A complete overview of all changes to the scope of consolidation in the 2023 financial year can be found in the consolidated financial statements under Note 6.2.

2.2 Financial Performance

2.2.1 Development of Revenue

The Austrian Post Group's revenue rose by 8.7% to EUR 2,740.8m in 2023. The Parcel & Logistics Division recorded strong revenue growth of 16.6% in 2023 with its Turkish business. Excluding the parcel business in Türkiye, the division generated sales growth of 10.2% in 2023. G 13

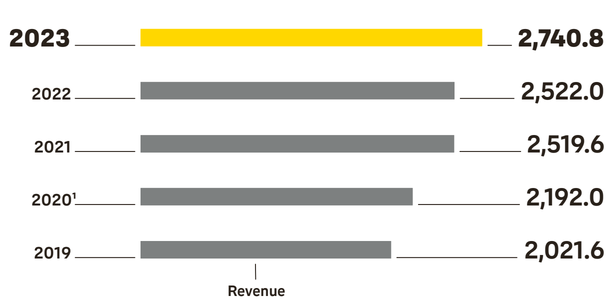
The Mail Division accounted for 42.9% of Austrian Post's revenue in 2023. The division's revenue of EUR 1,190.4m was impacted by the structural decline in the volume of addressed letters due to electronic substitution, but has benefited from the positive effect of the latest price adjustments. The advertising environment is also subdued due to the economic downturn in specific retail segments.

The Parcel & Logistics Division generated 51.0% of Group revenue, or EUR 1,416.5m, in the reporting period. The parcel business showed very positive development in all regions. Logistics Solutions saw lower revenue due to the discontinuation of special logistics services commissioned due to the pandemic.

The Retail & Bank Division achieved a 6.1% share of Group revenue in the 2023 financial year with revenue of EUR 168.6m. The development of the interest rate landscape in the 2023 financial year made a positive contribution to revenue in this division. G 14 T 03

G 13 Revenue Development

EUR m



[1] Change in the presentation of financial services

T 03 Revenue by Division

EUR m	2021	2022	2023	Change %	Change EUR m
REVENUE	**2,519.6**	**2,522.0**	**2,740.8**	**8.7**	**218.8**
Mail	1,224.2	1,218.0	1,190.4	–2.3	–27.6
Parcel & Logistics	1,245.7	1,214.6	1,416.5	16.6	201.9
Retail & Bank	74.7	122.5	168.6	37.6	46.1
Corporate/Consolidation	–25.0	–33.2	–34.7	–4.7	–1.6
Working days in Austria	252	250	248	–	–

A regional breakdown of Austrian Post's revenue shows that 78.7% of revenue was generated in Austria inthe 2023 financial year. International markets were responsible for 21.3% of Austrian Post's revenue in 2023. Türkiye (and Azerbaijan) accounted for 13.0% and the Southeast and Eastern Europe region for 7.0% of revenue. 1.3% of revenue was generated in Germany. G 15

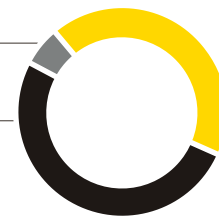
Revenue in the Mail Division amounted to EUR 1,190.4m in 2023, 63.0% of which can be attributed to the Letter Mail & Business Solutions business, 26.1% to Direct Mail and 10.9% to Media Post. G 16 G 17

At EUR 750.4m, revenue in the Letter Mail & Business Solutions business fell short of the prior-year level by 2.3% in the 2023 financial year. Volumes continued to decline as a result of the substitution of letters by electronic forms of communication. While letter volumes hardly fell from 2021 to 2022, supported by positive special effects such as the election of the Austrian president and campaigns to send out energy and climate bonuses, the decline in 2023 was more pronounced in the absence of as many special effects. The average for the last two years (2021–2023) was around 6% p.a. Inflationary pressure on all cost types led to adjustments in the product and price structure, as well as to necessary efficiency improvements in internal processes. International letter mail was influenced by a reduction or shift in volume towards parcel products. Business Solutions reported slightly lower figures.

Revenue from direct mail fell by 3.9% to EUR 310.2m in the 2023 financial year. The advertising environment, which was subdued due to economic challenges and structural decline in specific customer segments (mail order), was only partially offset by adjustments to the price structure. There are also signs of consolidation in bricks-and-mortar retail (e.g. furniture sector).

G 14 Revenue by Division — 2023

%



G 15 Revenue by Region — 2023

%

The revenue from media post, i.e. the delivery of newspapers and magazines, rose by 2.5% year-on-year to EUR 129.9m. This increase is mainly due to adjustments to the product and price structure. T 04

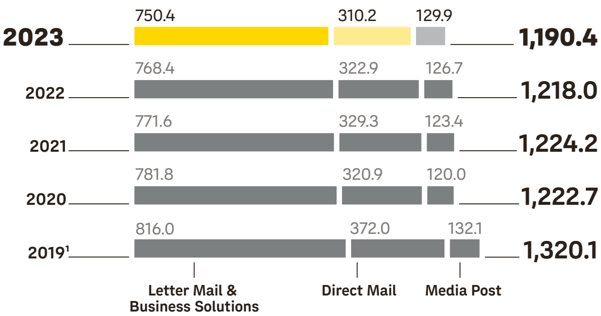
Revenue in the Parcel & Logistics Division rose by 16.6% to EUR 1,416.5m in the 2023 financial year. The parcel business showed very positive development in all regions. G 18

T 04 Development of Revenue in the Mail Division

EUR m	2021	2022	2023	Change %	Change EUR m
REVENUE	**1,224.2**	**1,218.0**	**1,190.4**	**−2.3**	**−27.6**
Letter Mail & Business Solutions	771.6	768.4	750.4	−2.3	−18.0
Direct Mail	329.3	322.9	310.2	−3.9	−12.7
Media Post	123.4	126.7	129.9	2.5	3.2
Revenue intra-Group	3.0	3.8	4.7	23.0	0.9
TOTAL REVENUE	**1,227.2**	**1,221.9**	**1,195.2**	**−2.2**	**−26.7**
thereof revenue with third parties	1,214.6	1,201.9	1,175.2	−2.2	−26.6

G 16 Mail Revenue by Product Group

EUR m



[1] Adjustment to segment reporting

G 17 Share of Mail Revenue by Product Group 2023

%

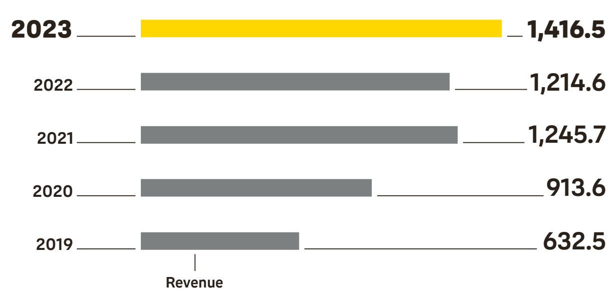
The Austrian parcel business saw revenue increase by 10.9% to EUR 806.4m in the reporting period. Parcel growth showed a positive volume trend of 10% in 2023, helped along by high levels of confidence in the quality offered by Austrian Post and rising volume flows from Asia.

Revenue in Türkiye and Azerbaijan (Parcel Türkiye) increased by 41.0% compared to 2022 to EUR 355.1m. On the one hand, this high growth can be traced back to increasing volumes. On the other, the increases/fluctuations in revenue in the individual quarters of 2023 are influenced by high inflation and the exchange rate of the Turkish lira (accounting in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies).

The parcel business in Southeast and Eastern Europe (Parcel CEE/SEE) continues to show positive growth rates, with revenue up 15.2% at EUR 198.1m in the 2023 financial year. There was also a sharp increase in volumes from Asia in this region (+29%).

G 18 Revenue Parcel & Logistics Division

EUR m



Logistics Solutions (including consolidation) reported a drop of 10.7% to EUR 56.9m in the current reporting period. This effect is due primarily to the discontinuation of special logistics services commissioned in response to the pandemic in previous years. T 05

T 05 Development of Revenue in the Parcel & Logistics Division

EUR m	2021	2022	2023	Change %	Change EUR m
REVENUE	**1,245.7**	**1,214.6**	**1,416.5**	**16.6**	**201.9**
Parcel Austria	716.3	727.2	806.4	10.9	79.2
Parcel Türkiye	290.7	251.7	355.1	41.0	103.3
Parcel CEE/SEE	165.3	172.0	198.1	15.2	26.1
Logistics Solutions/Consolidation	73.4	63.7	56.9	–10.7	–6.8
Revenue intra-Group	0.9	0.7	0.7	5.5	0.0
TOTAL REVENUE	**1,246.6**	**1,215.3**	**1,417.2**	**16.6**	**201.9**
thereof revenue with third parties	1,227.6	1,195.1	1,395.0	16.7	199.9

A breakdown by region shows that 61.1% of the division's revenue was generated in Austria in 2023. 38.9% of divisional revenue was generated by the international business of the subsidiaries, with 25.1% generated in Türkiye (and Azerbaijan), 13.6% in Southeast and Eastern Europe, and 0.2% in Germany. G 19

Revenue in the Retail & Bank Division increased by 37.6% from EUR 122.5m to EUR 168.6m in the 2023 financial year, with 75.9% attributable to income from financial services and 24.1% to branch services. Income from financial services rose by 54.2% to EUR 128.0m in the current reporting period. This is due primarily to what is now an improved interest rate environment in Europe. Branch services reported an increase of 2.8% to EUR 40.6m in 2023 due to price adjustments for merchandise to reflect inflation. G 20 T 06

2.2.2 Earnings Development

The structure of expenses at Austrian Post features a high share of staff costs. Accordingly, 45.7% of total operating expenses incurred in 2023 were attributable to staff costs. The second largest expense item, at 31.3%, was the cost of raw materials, consumables and services used, which largely includes outsourced transport services. Furthermore, 14.6% could be attributed to other operating expenses and 7.6% to write-downs. Expenses for financial services account for 0.8% of total operating expenses. G 21

Staff costs in the 2023 financial year amounted to EUR 1,215.4m, up by 6.2% or EUR 71.2m. The change includes salary adjustments under collective bargaining agreements in operating staff costs, which are offset by a high level of cost discipline. The Austrian Post Group had an average of 27,254 employees (full-time equivalents) in the 2023 financial year, compared to an average of 27,132 employees in the same period of the previous year (+0.4%).

G 19 **Parcel Revenue by Region** 2023

%

G 20 **Retail & Bank Division** 2023

%

Non-operating staff costs relate to termination benefits and changes in provisions, which can be attributed primarily to the specific employment situation of civil servant employees. In the 2023 financial year, there were no significant negative effects, unlike in the previous year.

Raw materials, consumables and services used increased by 11.0% to EUR 832.4m. Transport by external service providers in particular contributed to this increase due to higher volumes in all parcel regions.

T 06 **Development of Revenue in the Retail & Bank Division**

EUR m	2021	2022	2023	Change %	Change EUR m
REVENUE	**74.7**	**122.5**	**168.6**	**37.6**	**46.1**
Income from financial services	32.9	83.0	128.0	54.2	45.0
Branch services	41.8	39.5	40.6	2.8	1.1
Others	0.1	0.1	0.0	–34.3	0.0
Revenue intra-Group	186.3	192.1	192.3	0.1	0.2
TOTAL REVENUE	**261.0**	**314.6**	**360.9**	**14.7**	**46.3**
thereof revenue with third parties	74.4	122.1	168.2	37.8	46.1

T 07 Financial Performance of the Group

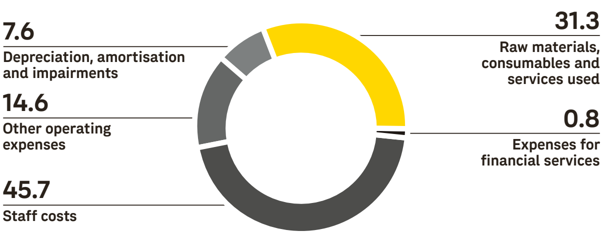
EUR m	2021	2022	2023	Change %	Change EUR m
REVENUE	**2,519.6**	**2,522.0**	**2,740.8**	**8.7**	**218.8**
Other operating income	95.2	107.3	100.3	-6.5	-6.9
Raw materials, consumables and services used	-715.7	-750.1	-832.4	-11.0	-82.3
Expenses for financial services	-5.4	-11.3	-21.6	-90.6	-10.3
Staff costs	-1,160.1	-1,144.2	-1,215.4	-6.2	-71.2
Other operating expenses	-363.8	-352.3	-387.4	-10.0	-35.1
Results from financial assets accounted for using the equity method	0.6	-0.3	2.1	>100	2.5
Net monetary gain	0.0	1.8	5.1	>100	3.3
EBITDA	**370.4**	**372.7**	**391.6**	**5.0**	**18.8**
Depreciation and amortisation	-159.6	-181.6	-189.7	-4.4	-8.1
Impairment losses	-6.1	-2.7	-11.6	<-100	-8.9
EBIT	**204.7**	**188.4**	**190.2**	**1.0**	**1.8**
Financial result	11.7	-24.7	-3.0	87.8	21.7
PROFIT BEFORE TAX	**216.4**	**163.7**	**187.2**	**14.4**	**23.5**
Income tax	-58.0	-35.6	-48.5	-36.4	-12.9
PROFIT FOR THE PERIOD	**158.4**	**128.1**	**138.7**	**8.3**	**10.6**
ATTRIBUTABLE TO:					
Shareholders of the parent company	152.3	125.7	132.6	5.5	6.9
Non-controlling interests	6.1	2.5	6.2	>100	3.7
EARNINGS PER SHARE (EUR)[1]	**2.25**	**1.86**	**1.96**	**5.5**	**0.10**

[1] Undiluted earnings per share in relation to 67,552,638 shares

Other operating income fell by 6.5% to EUR 100.3m in 2023. While the current reporting period included a gain of EUR 19.3m from the sale of a property, the previous year's figure included COVID-19 refunds from the federal government and a positive one-off effect in connection with Aras Kargo (option valuation). The EBIT effect in 2022 in connection with Aras Kargo (option valuation), including the IAS 29 hyperinflation valuation and goodwill amortisation, amounted to EUR 13.6m.

G 21 Structure of Expenses 2023

%



Other operating expenses increased by 10.0% to EUR 387.4m. There was a particular increase in the area of IT services.

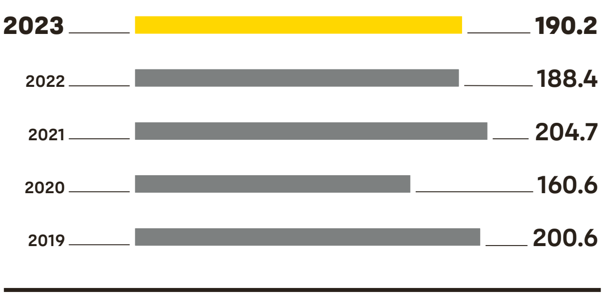
The accounting standard IAS 29 (Financial Reporting in Hyperinflationary Economies) is to be applied for the Turkish subsidiaries. Accordingly, items in the income statement and non-monetary items were adjusted on the basis of the general price index (see Notes to the consolidated financial statements, Note 3.3 Hyperinflation). The profit or loss from net monetary items is presented as a separate item in the income statement. In the 2023 financial year, the gain from net monetary items amounted to EUR 5.1m.

EBITDA in 2023 came to EUR 391.6m, 5.0% above the previous year's level of EUR 372.7m, corresponding to an EBITDA margin of 14.3%.

Depreciation and amortisation in 2023 were up by 4.4% or EUR 8.1m year-on-year to EUR 189.7m. The increase is due predominantly to investments in new parcel logistics infrastructure locations. Impairment losses totalling EUR 11.6m in connection with software and right-of-use assets related to buildings are also included.

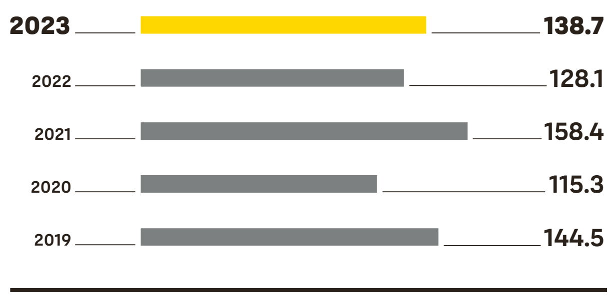
G 22 EBIT

EUR m



G 23 Profit for the Period

EUR m



EBIT increased by 1.0% in the financial year under review from EUR 188.4m in the previous year to EUR 190.2m, despite higher depreciation and amortisation. The EBIT margin for 2023 came to 6.9%. G 22

The Group's financial result improved from minus EUR 24.7m to minus EUR 3.0m in 2023. The change is due to the fact that the previous year included a valuation effect from financial parameters related to the option liability for the remaining 20% of the shares in Aras Kargo in the amount of minus EUR 18.8m.

Income tax increased from minus EUR 35.6m to minus EUR 48.5m in 2023.

This resulted in a profit for the period of EUR 138.7m for the 2023 financial year, compared with EUR 128.1m in the previous year (+8.3%). Basic earnings per share were EUR 1.96 compared to EUR 1.86 in the same period of the previous year (+5.5%).

Earnings (EBIT) for the 2023 financial year rose from EUR 188.4m to EUR 190.2m (+1.0%), reflecting a very positive revenue trend (+8.7%) as well as cost increases due to inflation. G 23 T 07

In terms of divisional result, the Mail Division achieved EBIT of EUR 152.3m in 2023 as against EUR 157.6m in the previous year (–3.3%). This decrease is due to the steady drop in volumes and cost increases in all areas, which could only be partially offset by the pricing measures implemented.

The Parcel & Logistics Division generated EBIT of EUR 89.5m in the 2023 financial year, compared to EUR 88.8m in the previous year (+0.8%). Looking at the year-on-year comparison, it is important to note that increased positive special effects had an impact in 2022 (primarily the option valuation related to the increase in the stake in Aras Kargo). From a regional perspective, the operating parcel business in Austria, Türkiye and Azerbaijan showed positive development, while earnings in Southeast and Eastern Europe were lower due to market pressure in a number of countries. In addition, business performance in Türkiye is more affected by inflation and currency translation than other markets. The discontinuation of special logistics services commissioned in response to the pandemic in the current reporting year had a negative impact on the division's result.

T 08 EBIT by Division

EUR m	2021	2022	2023	Change %	Change EUR m	Margin 2023[1]
EBIT	**204.7**	**188.4**	**190.2**	**1.0**	**1.8**	**6.9%**
Mail	155.2	157.6	152.3	–3.3	–5.3	12.7%
Parcel & Logistics	118.1	88.8	89.5	0.8	0.7	6.3%
Retail & Bank	–39.2	–26.7	–13.7	48.6	12.9	–3.8%
Corporate/Consolidation[2]	–29.3	–31.3	–37.9	–20.9	–6.6	–

[1] Margin of the divisions related to total earnings
[2] Also includes the intra-group apportionment procedure

The Retail & Bank Division reported EBIT of minus EUR 13.7m in the 2023 financial year, compared to minus EUR 26.7m in the previous year, meaning that earnings improved by a significant 48.6% or EUR 12.9m. The positive trend in the financial services business, based on increased interest income, made a significant contribution to this. Special expenses in connection with the bank99 core bank migration project had a negative effect running into the upper single digits.

EBIT in the Corporate Division (incl. consolidation and the intra-Group apportionment procedure) changed from minus EUR 31.3m to minus EUR 37.9m, mainly due to higher energy costs and expenses associated with IT services. The Corporate Division provides non-operating services which are essential for the purpose of the administration and financial control of a corporate group. In addition to conventional governance tasks, these activities include the management and development of 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. T 08

2.3 Assets and Financial Position

T 09 Balance Sheet as at 31 December

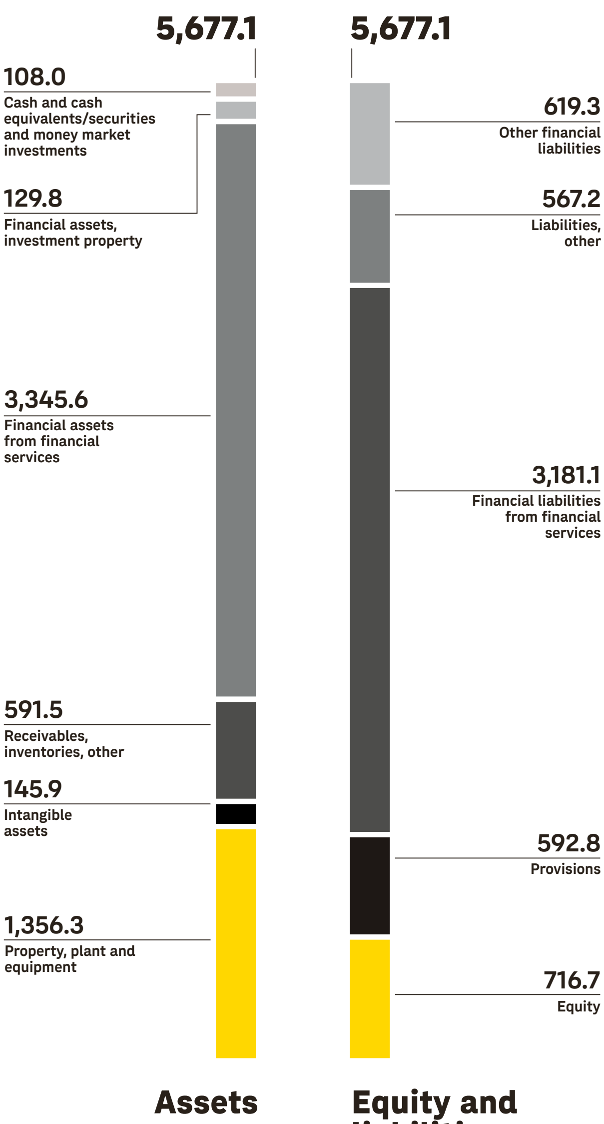
EUR m	31 Dec. 2021	31 Dec. 2022	31 Dec. 2023	Structure 31 Dec.2023
ASSETS				
Property, plant and equipment	1,206.5	1,333.6	1,356.3	23.9%
Intangible assets and goodwill	143.8	161.5	145.9	2.6%
Investment property	76.3	84.2	94.6	1.7%
Financial assets accounted for using the equity method	8.2	7.2	28.3	0.5%
Inventories, trade and other receivables	519.1	545.9	591.5	10.4%
Other financial assets	37.0	71.6	27.4	0.5%
thereof securities/money market investments	31.4	65.3	20.4	–
Financial assets from financial services	2,715.8	3,125.1	3,345.6	58.9%
Cash and cash equivalents	85.8	54.8	87.5	1.5%
Assets held for sale	0.1	0.0	0.0	0.0%
	4,792.6	**5,383.9**	**5,677.1**	**100%**
EQUITY AND LIABILITIES				
Equity	672.2	710.4	716.7	12.6%
Provisions	687.9	627.5	592.8	10.4%
Other financial liabilities	404.4	580.1	619.3	10.9%
Trade and other payables	484.6	500.3	567.2	10.0%
Financial liabilities from financial services	2,543.5	2,965.6	3,181.1	56.0%
	4,792.6	**5,383.9**	**5,677.1**	**100%**

2.3.1 Balance Sheet Structure

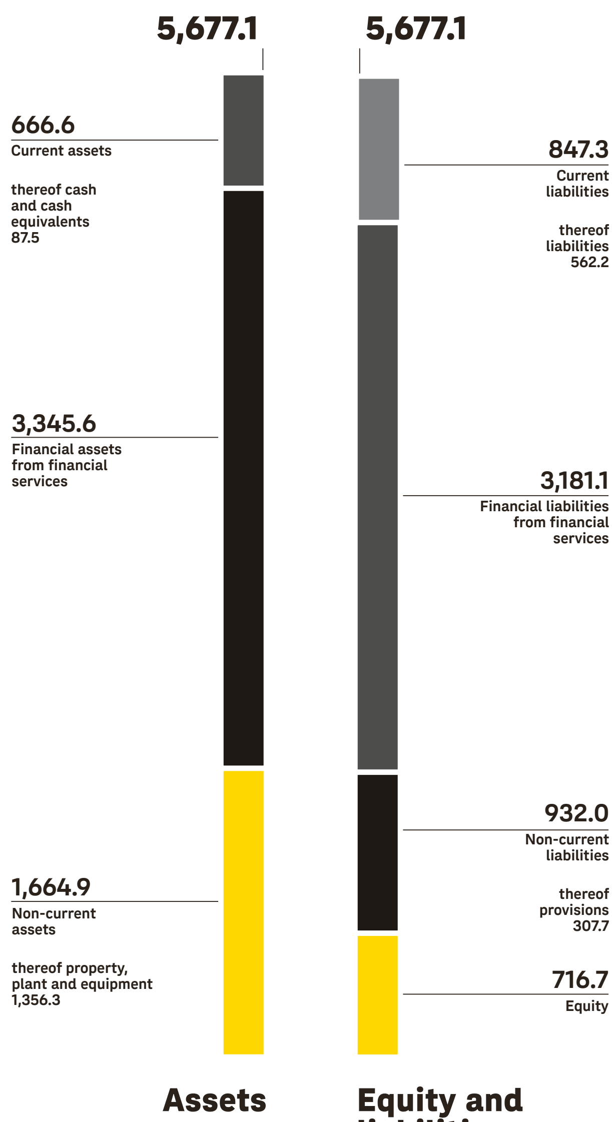
Austrian Post's total assets of EUR 5.7bn as at 31 December 2023 have expanded significantly since the inclusion of bank99 in 2020. On the assets side, the consolidated balance sheet as at 31 December 2023 showed cash and cash equivalents of bank99 amounting to EUR 0.8bn and loans of bank99 amounting to EUR 1.8bn. On the liabilities side, the consolidated balance sheet includes customer deposits of bank99 amounting to EUR 3.1bn.

Including bank99, the balance sheet is as follows: property, plant and equipment of EUR 1,356.3m was one of the largest balance sheet items and included right-of-use assets under leases of EUR 372.2m. In addition, there were intangible assets and goodwill from business combinations, which are reported in the amount of EUR 145.9m as at 31 December 2023. The balance sheet shows receivables of EUR 436.7m, which include current trade receivables of EUR 332.0m. Other financial assets amounted to EUR 27.4m as at 31 December 2023. Financial assets from financial services amounted to EUR 3,345.6m at the end of 2023 and mainly result from the business activities of bank99.

G 24 Balance Sheet Structure by Item 2023
EUR m



G 25 Balance Sheet Structure by Maturity 2023
EUR m



Austrian Post held securities and money market investments that are included in other financial assets amounting to EUR 20.4m at the end of the year (excl. bank99). The securities and money market investments held by Austrian Post carry an investment grade rating or comparable credit rating, which is why 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 in the amount of EUR 87.5m as at 31 December 2023. Cash and cash equivalents including money market and securities investments and excluding cash and cash equivalents of bank99 amounted to EUR 108.0m as at 31 December 2023. bank99's cash and cash equivalents amounted to EUR 839.1m at the end of 2023. Including bank99, cash and cash equivalents amounted to EUR 947.0m as at 31 December 2023.

On the equity and liabilities side of the balance sheet, the equity of the Austrian Post Group amounted to EUR 716.7m as at 31 December 2023 (equity ratio of 12.6%). The pro forma equity ratio, taking into account bank99 using the equity method, came to 29% at the end of December 2023. Furthermore, provisions of EUR 592.8m are shown on the equity and liabilities side as at 31 December 2023. Around 70% of the provisions were staff-related provisions, with EUR 145.3m attributable to provisions for underutilisation. A further EUR 184.5m relates to legally and contractually required provisions for social capital (termination and jubilee benefits) and EUR 94.5m to other staff-related provisions. Other provisions totalled EUR 168.4m. In total, 42% of the provisions at Austrian Post have a maturity of more than three years, 10% of more than one year. 48% of the provisions are current provisions with a maturity of less than one year. Other financial liabilities amounted to EUR 619.3m and included non-current lease liabilities of EUR 326.0m. As at 31 December 2023, trade and other payables (incl. contractual and tax liabilities) of EUR 567.2m included current trade payables of EUR 269.7m. Financial liabilities from financial services amounting to EUR 3,181.1m result mainly from the business activities of bank99 (deposit and investment business of bank99's customers). G 24 T 09

The analysis of the balance sheet structure by maturity shows that 29% of total assets, or EUR 1,664.9m, are accounted for by non-current assets. At EUR 1,356.3m, property, plant and equipment plays a significant role within non-current assets. Financial assets from financial services account for 59% of total assets, or EUR 3,345.6m. This item mainly includes cash and cash equivalents and central bank balances, as well as receivables from customers. The largest items in current assets, which account for 12% or EUR 666.6m, include trade and other receivables of EUR 426.7m and cash and cash equivalents of EUR 87.5m.

On the equity and liabilities side, total assets are made up of equity (13%), non-current liabilities (16%), financial liabilities from financial services (56%) and current liabilities (15%) as at 31 December 2023. Non-current liabilities in the amount of EUR 932.0m primarily include provisions in total of EUR 307.7m and other financial liabilities in the amount of EUR 553.4m. Financial liabilities from financial services of EUR 3,181.1m include liabilities to customers of EUR 3,076.4m. Current liabilities in the amount of EUR 847.3m are dominated by EUR 496.3m in liabilities and provisions in the amount of EUR 285.1m. G 25

2.3.2 Cash Flow

Gross cash flow from earnings amounted to EUR 320.6m in the 2023 financial year, compared with EUR 330.6m in 2022 (–3.0%). At EUR 254.5m, cash flow from operating activities outstripped the previous year's figure of minus EUR 80.0m. The most significant effects here are the changes in bank99's core banking assets in the amount of minus EUR 44.2m (2022: EUR –334.3m), which resulted primarily from a less pronounced increase in receivables from customers (lending) and lower investments in government bonds compared to 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 central bank balances, meaning that they encompass the deposit and investment business of bank99. Cash flow from operating activities excluding core banking assets amounted to EUR 298.6m in the 2023 financial year as against EUR 254.3m a year earlier (+17.4%).

Cash flow from investing activities amounted to minus EUR 95.7m in 2023 after minus EUR 190.4m in the previous year (–49.7%). Expenses for the acquisition of property, plant and equipment and investment property (CAPEX) amounted to EUR 155.3m in the reporting period as against EUR 151.8 in the previous year (+2.3%).

Austrian Post relies on operating free cash flow as an indicator in order to assess the financial strength of its operating business and to cover the dividend for the financial year. Operating free cash flow, excluding the change in core banking assets, amounted to EUR 221.6m in the current reporting period, compared to EUR 183.1m in the previous year (+21.0%). The increase also includes the proceeds from the sale of a property.

Cash flow from financing activities totalled minus EUR 149.8m in 2023 as against minus EUR 90.3m in the previous year and mainly included distributions of minus EUR 121.0m in the current financial year, as well as a loan taken out in 2023 with a three-year term in the amount of EUR 75m. T 10

T 10 Cash Flow

EUR m	2021	2022	2022
Gross cash flow	442.4	330.6	320.6
CASH FLOW FROM OPERATING ACTIVITIES	**493.3**	**–80.0**	**254.5**
Thereof core banking assets from financial services business (CBA)	193.2	–334.3	–44.2
CASH FLOW FROM OPERATING ACTIVITIES EXCL. CBA	**300.1**	**254.3**	**298.6**
Cash flow from investing activities	255.1	–190.4	–95.7
thereof maintenance CAPEX	–81.2	–64.3	–105.9
thereof growth CAPEX	–80.1	–87.5	–49.3
thereof cash flow from acquisitions/divestments	337.4	1.6	–14.3
thereof acquisition/disposal of securities/money market investments	80.0	–33.3	45.0
thereof other cash flow from investing activities	–1.0	–6.9	28.8
Free cash flow	748.4	–270.3	158.8
OPERATING FREE CASH FLOW[1]	**217.9**	**183.1**	**221.6**
Cash flow from financing activities	–123.3	–90.3	–149.8
thereof dividends	–120.0	–136.3	–121.0
Change in cash and cash equivalents	617.0	–373.5	–4.0

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

The analysis of the development of cash, securities and money market investments in 2023 shows the following picture: as at 1 January 2023, Austrian Post's cash and cash equivalents amounted to EUR 995.9m. Excluding cash and cash equivalents of bank99, the figure came to EUR 120.2m. In 2023, cash flow generated from operating activities amounted to EUR 254.5m. Including the change in core banking assets of EUR 44.2m and less the payments for maintenance CAPEX of EUR 105.9m in the 2023 financial year, the operating free cash flow amounts to EUR 221.6m. The planned dividend payment for the 2023 financial year of EUR 120.2m (proposal to be made to the Annual General Meeting on 18 April 2024) can be covered by the operating free cash flow in full. After taking into account the growth CAPEX of EUR 49.3m and the cash flow from financing activities, as well as the acquisitions and divestments, cash and cash equivalents as at 31 December 2023 amounted to EUR 947.0m after deducting the change in core banking assets. Cash and cash equivalents, including money market and securities investments, excluding the cash and cash equivalents of bank99, amounted to EUR 108.0m as at 31 December 2023. G 26

2.3.3 Dept

The Austrian Post Group reported financial debt of EUR 121.8m at the end of 2023. Including leases (IFRS 16), the value as at 31 December 2023 was EUR 511.3m. Leases are material in the Austrian Post Group due to the structure of the company. As at 31 December 2023, Austrian Post mainly leases land and buildings with rights of use amounting to EUR 362.6m, which mainly have a useful life of 5 to 15 years.

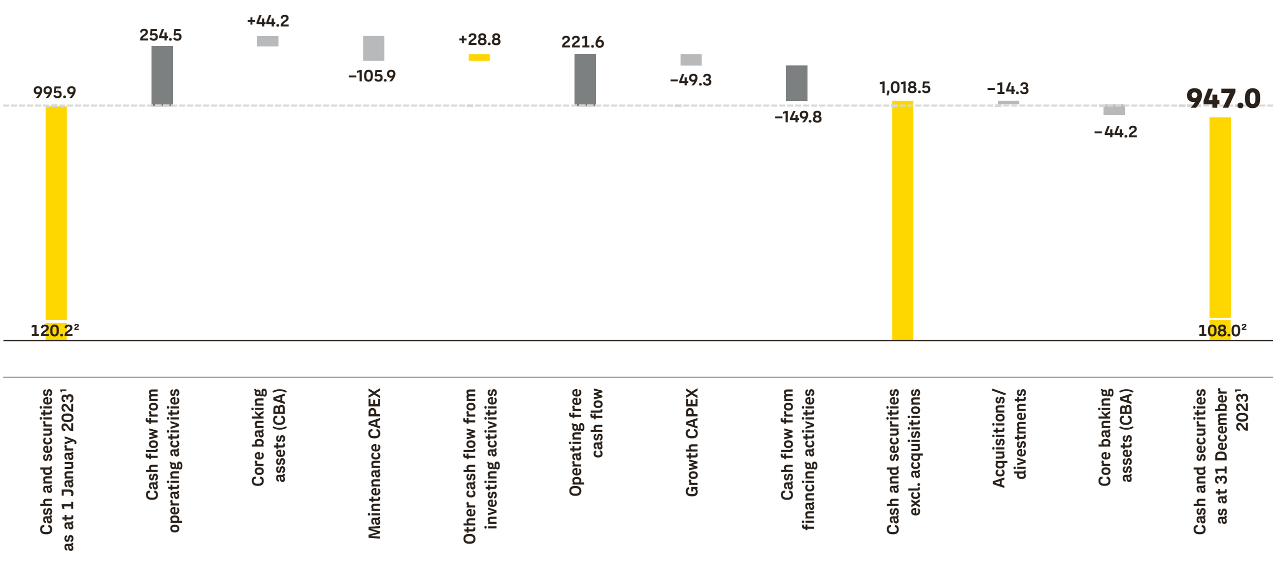
The Group holds loans totalling EUR 225m with a maturity of 3 to 6 years that will have to be refinanced in 2026 (EUR 75m), 2027 (EUR 100m) and 2029 (EUR 50m). This is offset by cash and cash equivalents (cash, money market and securities investments) totalling EUR 108.0m. T 11

The change in the debt level in recent years is due to the extensive investment programme to expand the sorting capacities of our logistics system in Austria. During the period from 2018 to 2023, more than EUR 430m was invested in growth CAPEX.

The ratio of financial debt to EBITDA as at 31 December 2023 is 0.3. This aim is for debt not to exceed 1.0 × EBITDA.

G 26 **Cash Flow Development** **2023**

EUR m



[1] Cash, money market investments and securities incl. cash and cash equivalents of bank99
[2] Cash, money market investments and securities excl. cash and cash equivalents of bank99

As part of its dividend policy, Austrian Post aims to continue to achieve a payout ratio of at least 75% of the net profit attributable to its shareholders in the coming years, provided that the successful business performance continues and that no extraordinary circumstances arise.

2.3.4 Capital Expenditures and Acquisitions

Austrian Post Group's capital expenditure in the 2023 financial year totalled EUR 238.8m, of which EUR 70.4m was attributable to right-of-use assets (IFRS 16 Leases) and EUR 168.4m to traditional core investments.

Viewed by category, the investment total is distributed as follows (see chart): G 27

Other equipment, furniture and fittings constituted 39.3% of Austrian Post's capital expenditure programme. In addition to ongoing capital expenditures in the vehicle

T 11 **Financial Debt**

EUR m	31 Dec. 2021	31 Dec. 2022	31 Dec. 2023
+ Other financial liabilities excl. IFRS 16	70.7	180.2	229.8
– Interest-bearing receivables	–31.4	–65.3	–20.4
– Cash and cash equivalents	–85.8	–54.8	–87.5
FINANCIAL DEBT/FINANCIAL LIQUIDITY (+/–)	**–46.5**	**60.0**	**121.8**
+ Liabilities IFRS 16	333.7	399.9	389.6
FINANCIAL DEBT INCL. IFRS 16	**287.2**	**459.9**	**511.3**
FINANCIAL DEBT/EBITDA	**–**	**0.2**	**0.3**
FINANCIAL DEBT INCL. IFRS 16/EBITDA	**0.8**	**1.2**	**1.3**

fleet, this area included in particular equipment and furnishings for branch offices and various types of hardware. Land/buildings and investment property constituted 39.0% in the reporting period, while payments received in advance and assets under construction constituted 6.6% of the CAPEX programme, primarily for the parcel expansion programme and delivery vehicles. In addition, 11.1% can be attributed to technical equipment and machinery in the logistics centres. Intangible assets constituted 4.0%.

The majority of the investments were made as part of the capacity programme to expand the logistics infrastructure in the parcel sector and to switch the vehicle fleet over to CO_2-free delivery. More than EUR 40m was invested in electric vehicles.

A detailed profitability assessment is carried out for investments in both new and replacement assets. Investments in replacement assets are made if either the newer technology enables increased productivity achieving an ongoing reduction in costs for the company's own or external staff or in the purchase of transport services, or if the investments come at the optimal time, i.e. the life-cycle costs (in particular maintenance costs) exceed the cost of newer equipment.

Capital expenditure is approved and the funds are released by a committee both during various planning phases and in the procurement phase. Depending on the size of the expenditure, this committee is made up of divisional managers, one or all members of the Management Board and/or the Supervisory Board of Austrian Post. In addition to actual and target comparisons, a follow-up

G 27 Investments by Category — 2023

%

review is conducted for capital expenditure at the conclusion of the investment phase, in particular with regard to major projects.

In addition to the return on investment (ROI), which serves as the main decision-making parameter for capital expenditure and acquisitions, the amortisation period and the present value of the capital expenditure are also taken into consideration, both in the planning phase as well as when monitoring key performance indicators.

The cash outflow for the acquisition and disposal of subsidiaries as well as for financial assets accounted for using the equity method amounted to EUR 14.3m in 2023. In general, every acquisition is preceded by a consistent Group-wide selection process. Decisions are made on the basis of a due diligence test followed by an evaluation based on a discounted cash flow method and, if applicable, validation of the plausibility of the determined values based on comparisons.

T 12 Capital Employed

			Group excl. bank99[1]	Group
EUR m	31 Dec. 2021	31 Dec. 2022	31 Dec. 2023	31 Dec. 2023
+ Property, plant and equipment, intangible assets, goodwill	1,313.5	1,450.8	1,467.1	
+ Investment property	76.3	84.2	94.6	
+ Financial assets accounted for using the equity method	8.2	7.2	28.3	
+ Inventories	16.5	21.2	22.7	
+ Trade payables, other receivables, contract assets and tax assets[2]	432.8	482.3	530.7	
NON-INTEREST BEARING ASSETS	**1,847.3**	**2,045.5**	**2,143.4**	**2,184.2**
– Non interest-bearing debt[3]	–720.4	–734.6	–781.1	–802.5
CAPITAL EMPLOYED	**1,126.9**	**1,310.9**	**1,362.2**	**1,381.7**

[1] bank99 was not included in the calculation as these key figures are only relevant for the logistics business in terms of content
[2] Less interest-bearing receivables (= est. leasing receivables, temporary receivables, loans to financial assets accounted for using the equity method)
[3] Includes provisions (excluding interest-bearing provisions such as termination benefits, jubilee benefits, underutilization), trade payables and other liabilities (excluding temporary liabilities), contract liabilities, tax liabilities and deferred tax liabilities

T 13 Ratios

%	2021	2022	2023
EBITDA margin[1]	14.7	14.8	14.3
EBIT margin[2]	8.1	7.5	6.9
ROE[3]	29.5	23.9	23.5
ROCE[4]	21.0	16.7	14.1

[1] EBITDA margin = EBITDA/revenue
[2] EBIT margin = EBIT/revenue
[3] Return on equity = Profit for the period/(equity on 1 January less dividend payment)
[4] Return on capital employed = EBIT/average capital employed; bank99 was not included in the calculation as this key figure is only relevant for the logistics business in terms of content

2.4 Value-based Key Performance Indicators

2.4.1 Capital Employed

The capital employed of the Austrian Post Group came to EUR 1,381.7m as at 31 December 2023.

As this indicator is only relevant for the logistics business, the detailed calculations are presented without bank99: capital employed amounted to EUR 1,362.2m as at 31 December 2023, compared with EUR 1,310.9m in the previous year. The increase is mainly due to higher assets compared to the same period of the previous year. T 12

Austrian Post aims to optimise the capital employed based on industry-specific circumstances. In light of this, capital expenditure is made extremely selectively and systematically in order to, in particular, facilitate productivity increases and profitable growth. Goodwill is tested for impairment on an ongoing basis and is written down accordingly if there is any indication impairment.

The main focus of Austrian Post's receivables management is the continuous monitoring of outstanding receivables. The management is regularly informed about the level of outstanding receivables in order to be able to take appropriate measures. Payment terms may be switched without undue delay to advanced payment or payment in cash or a bank guarantee may be requested if the customer is designated as a risk.

2.4.2 Ratios

Austrian Post's EBITDA margin came in at 14.3% in 2023 compared to 14.8% in the previous year. The EBIT margin in the current financial year was 6.9% as against 7.5% in 2022. The return on equity (ROE) changed slightly from 23.9% to 23.5% and the return on capital employed (ROCE) amounted to 14.1% in the 2023 financial year as against 16.7% a year earlier. T 13

2.5 Employees

The average number of employees at Austrian Post in 2023 was 27,254 full-time equivalents. This corresponds to an increase of 122 full-time equivalents compared to the previous year. The majority of the Group's employees work for Austrian Post (a total of 17,020 full-time equivalents). T 14

T 14 Average for the period in full-time equivalents

	2021	2022	2023	Share in 2023
Mail	886	882	854	3.1%
Parcel & Logistics	9,003	9,050	9,418	34.6%
Retail & Bank	1,970	2,057	2,035	7.5%
Corporate	2,012	2,162	2,308	8.5%
OPERATING DIVISIONS	**13,872**	**14,151**	**14,615**	**53.6%**
Logistics network	13,404	12,981	12,639	46.4%
GROUP	**27,275**	**27,132**	**27,254**	**100%**

3. Research and Development/Innovation Management

An essential key to sustainable success in changing markets is the development and market launch of innovative products and business models and the expansion of the existing product portfolio within the core business. In particular, mounting sustainability requirements and changing lifestyles mean that Austrian Post has to constantly question and improve its own processes and services. As a result, Austrian Post is always working on adding and improving its products and services, optimising existing processes and work flows and opening up completely new business areas based on internal research and development measures.

The investments and innovations include not only expanded and improved services, but also expansion and improvement measures for the logistical backbone made up of the company's locations and vehicle fleet. Innovative solutions are explored and developed either inhouse or in collaboration with business partners. In many cases, this leads to new standards being set for the entire logistics sector. Thanks to the systematic innovation strategy pursued in recent years, which has involved capacity expansion featuring new technologies and innovative business approaches, Austrian Post was also able to successfully overcome the challenges it faced in an economically demanding 2023. The basis for this success is a research and innovation model that is ideally suited to meet requirements while being efficient at the same time.

Combining central management of innovation activities with decentralised innovation teams working in different business areas of Austrian Post remains a successful approach. Austrian Post's central innovation management team spurs innovation in every area of the company by identifying market requirements and future trends at an early stage and launching initiatives in response.

A partner screening process is established in the central innovation department to ensure that we have an efficient procedure in place for deciding which partnerships to enter into. This GATE process involves identifying effective partnerships and possible M&A targets based on criteria submitted by different business areas. This structured approach allows us to identify the best partnership opportunities in a targeted, efficient and transparent manner.

Austrian Post is committed to open innovation. The company benefits in many ways from networking on a regular basis at various events as well as through internal and external programmes. One prime example of an external programme is the company's participation in the VERBUND Accelerator Programme 2023, which resulted in pilot projects being implemented in the two key areas of generative artificial intelligence and alternative energy generation.

One particularly successful use case from last year's Accelerator programme relates to battery management for electric vehicles, which was awarded first place in the Postal Innovation Award 2023. This recognition serves as testimony to Austrian Post's outstanding performance and innovative strength in this field.

Another key example of Austrian Post's successful networking is its partnership with other postal companies as part of the "Postal Innovation Platform". This collaboration facilitates intensive dialogue on a whole number of trending topics, which was particularly intensified in 2023. This strategic cooperation not only strengthens Austrian Post's network, but also promotes the exchange of knowledge with peers in a similar market environment.

One example of a programme with more of an inhouse focus is "innovation time". This implementation-oriented format gives people at Austrian Post a platform to present their ideas for improvement and the necessary framework to implement these ideas independently with a high level of motivation.

Market needs and future trends are constantly monitored and analysed for their relevance to Austrian Post so that corresponding initiatives can be launched. Given the general debate about generative artificial intelligence, in the spring we took an inventory of all initiatives in the field of artificial intelligence, some of which have been ongoing for years now, and ideas for possible further projects were raised. This allows Austrian Post to strengthen its long-term competitive position and drive innovation forward in the industry.

Austrian Post also has long-standing partnerships with reputable Austrian universities, universities of applied sciences, other research facilities and various subsidy providers. Key partners include the Austrian Research Promotion Agency (FFG), the University of Applied Sciences Upper Austria, the Austrian Climate and Energy Fund, and the Rail Infrastructure Service Society (Schieneninfrastruktur-Dienstleistungsgesellschaft). The objective of the partnership is to further intensify the focus on innovation and develop products and services that are based on sound scientific research findings. To ensure the best possible coordination between research topics and numerous research partners, a central platform was set up for partnerships in the field of research. When it comes to innovation, key factors include investment in stateoftheart technologies and continual improvement and expansion of the Austrian Post infrastructure.

One outstanding example of the successful collaboration between Austrian Post and three renowned Austrian universities is the joint hackathon on the current hot topic of "NFTs and Crypto". This innovative format was launched at the start of the 2023 summer semester and brought together the strengths of Austrian Post, the Vienna University of Technology, the University of Vienna and the Vienna University of Economics and Business.

While a number of projects are initiated and handled in the product management teams within the divisions, end customer services are developed centrally to ensure service leadership. The aim is to use the latest technologies to improve core services and to create and explore new business models on the end customer side. The online services provided by Austrian Post feature a high level of security, flexibility, efficiency and trustworthiness.

Numerous new products and services in the core business once again led to new offerings and improvements in the user experience for Austrian Post customers in the 2023 financial year. Thanks to the new Amarillo design system, Austrian Post can efficiently ensure a uniform look and feel at all digital contact points with our customers – the user interface is standardised across the board and is also fully accessible. The switch from mobile phone signatures to the new ID Austria standard provides our customers with an additional identification method to enable convenient use of the extended range of services – e.g. delivery options or redirection orders. Other improvements for Austrian Post customers include a user experience revamp of the popular parcel stamp and the inclusion of the pick-up service in the Post app to create a new parcel dispatch experience from the comfort of the customer's own home.

Austrian Post and the University of Applied Sciences in Upper Austria have spent the last few years researching reusable packaging. Post Loop was launched this year – a brand new service that allows business customers to offer their customers reusable packaging for shipping purposes. After receiving their items, customers can fold up the empty packaging – available in various designs for different uses – and return it using Austrian Post's convenient network of touchpoints – post boxes, branches, etc. The packaging is then reused. This packaging was developed with partner companies, and is made from wood fibre and recycled PET. Austrian Post offers two different versions of this service, including a premium option called Post Loop Service Plus through which the packaging is rented and Austrian Post handles all of the steps involved. Following a successful market launch with selected lead customers, various large mail order companies are also poised to start using the service for sustainable shipping. In addition to the positive market response, the fact that this project has also won the Logistics Sustainability Award from the Austrian logistics association BVL, alongside numerous other prizes, is particularly encouraging.

A simplified concept has been developed and is now being implemented for the "in-home delivery" innovation project – delivering parcels inside people's homes using smart lock technology.

As for stamps, the success story continued in 2023 with the launch of the crypto stamp 5.0. Austrian Post has reached the milestone of one million crypto stamps sold, making it one of the most successful and enduring crypto and NFT projects in the world. The company also scored with a technical innovation that allows crypto stamp 5.0 designs to interact with each other for the first time, creating entirely new NFT designs.

Austrian Post also impressed with innovations in the field of conventional stamps, such as a stamp made from old railway station signs from Austrian Federal Railways (ÖBB).

The "branch of the future" concept has also been rolled out to other locations. The aim is to make personal advice, 24/7 self-service stations and the digital services offered by bank99 even more accessible to customers of Austrian Post and bank99. In addition to convenience for customers and modern service orientation, the "branch of the future" focuses on sustainable components in terms of both its services and equipment.

The Mail Division of Austrian Post continued with its systematic innovation journey this year, too. The focal topic was advertising, where key digitalised advertising aspects were emphasised to underline Austrian Post's significance as a comprehensive provider on the advertising market. By way of example, Austrian Post has been focussing on the digital out-of-home (DOOH) advertising trend for two years now. With more and more attractive locations and targeting options thanks to the technical upgrade to new software, Austrian Post has been able to attract numerous high-profile advertising customers and, at the same time, continuously expand its DOOH solutions.

With the digital enhancement of the flyer, Austrian Post is offering its advertising customers a new cross-channel solution to boost their reach. Anyone who sends flyers using the Austrian Post Das Kuvert advertising medium also receives digital ad impressions – in the form of programmed online banners combined with the Aktionsfinder platform. Since its relaunch with the new app and desktop version, Aktionsfinder is performing well and attracting more users. In line with the trend towards digital extension, this year will see the launch of the digital extension feature for direct mail items. Every time 25,000 or more direct mail items are sent out, a banner campaign is displayed using targeted online banners based on a customer-defined keyword list. adverserve is also reinforcing its market position. As a full-service agency for advertising technology, digital & classic media, adverserve supports well-known Austrian customers.

The Business Solutions segment is the leading provider of innovative, physical and digital business process solutions. Following the merger of the subsidiaries D2D, EMD, Scanpoint and sendhybrid under the new Post Business Solutions brand name, business customers are offered the full potential of efficient business solutions in the areas of business process outsourcing, input and output management, document logistics services and digital information process automation.

Last year, a new milestone was set in the field of AI by identifying use cases for the megatrend of large language models (e.g. ChatGPT, BERT, LLaMA, etc.), which are currently being analysed from various standpoints (commercial viability, legal aspects, etc.). One of these use cases – see above – is also being developed further in collaboration with start-ups as part of the VERBUND Accelerator.

With regard to Logistics Solutions, Austrian Post continuously develops tailor-made customer solutions for warehousing and fulfilment as well as various value-added services, such as two-person handling, delivery at specified times or sustainable packaging and return solutions.

Post Systemlogistik focuses on automation and robotics, with investments in innovative technologies – such as fully automated forklift trucks and smart conveying technology – increasing efficiency and precision at all stages in the supply chain. The planned introduction of picking robots in conjunction with the new Autostore facility commissioned in 2023 promises an impressive 23.5 hours of operation per day and will significantly streamline order processing.

In cooperation with ACL advanced commerce labs as a strong IT partner, customers can choose to have their entire e-commerce value chain handled by professionals. As a result, Austrian Post's Logistics Solutions area is able to offer its customers a one-stop shop for everything from online shopping and order management to (mobile first) omnichannel software for branch employees and customer service.

In terms of innovation, ACL focussed on AI-supported automation and green IT last year. For example, predictive analytics is being used to continuously automate and improve processes in the Customer Care Centre.

Post Wertlogistik is also fully committed to digitalisation in cash logistics – examples of the topics covered include predictive analytics for cash forecasting, dynamic route planning and digitally supported journey optimisation. Aimed at online platforms and senders, Post Wertlogistik has developed the "Wertpaket Premium" product, which is the only one of its kind in Austria and enables the secure delivery of valuable goods to consumers. Since 2023, Post Wertlogistik has been the very first logistics company in Austria to offer a manufacturer-independent emergency call and service centre.

In the area of processes and procedures, a major focus of research and development on strengthening sustainability. In this context, Austrian Post is making ongoing investments in measures to improve CO_2-neutral and pollution-free delivery, the aim being to achieve zero-emission delivery across the country by 2030. Austrian Post already generates some of the electricity it requires itself: photovoltaic systems with an output of around 4.3 megawatt-peak (MWp) have been installed throughout Austria. Systems with a further 4.5 MWp are under construction and further expansion is planned. Only green electricity from Austria is purchased. Austrian Post is also setting new standards in its moves to convert its truck fleet. In 2023, three new trucks fuelled with hydrotreated vegetable oils (HVO) were deployed in the greater Vienna and Graz regions. Thanks to this bridging technology, which is intended to be used until electric or hydrogen-powered trucks become available, this part of Austrian Post's fleet should also be able to achieve significant CO_2 savings.

Austrian Post's most innovative parcel logistics centre opened its doors in Vienna Inzersdorf over an area spanning more than 22,000 m², with capacity to handle up to 25,500 parcels per hour.

The “Flat Roof Biodiversity – Monitoring at Vomp Postal Logistics Centre” project was launched in partnership with the University of Innsbruck to analyse the importance of green roofs for biodiversity using the logistics centre in Vomp (Tyrol). The project yielded some impressive results in its first year. 64 plant species and over 1,000 insect species were identified, including 51 species of butterfly. This project demonstrates Austrian Post’s commitment to the environment and will be rolled out to other logistics centres over the coming years so that we can continue exploring the positive contribution that green roofs can make to sustainability.

Austrian Post consistently seeks out funding opportunities for innovation and investment. The funding management unit within the CSR & Environmental Management department advises and supports all the areas concerned and also coordinates the research tax credits.

In addition to the COVID-19 investment grant scheme run by Austria Wirtschafts GmbH (AWS) – which is due to come to an end in 2024 – the ENIN funding programme operated by the Austrian Research Promotion Agency (FFG) plays a particularly important role in the Group’s funding efforts, as funds from the scheme are being used to increase the proportion of electric vehicles in Austrian Post’s fleet.

Austrian Post plays a proactive role in consortia with a strong research focus. Many of these research partnerships are awarded funding. In the “QuanTD” project, for example, Austrian Post is working with research partners to develop an algorithm for evaluating the quality of data records, while the “ISAAK” project is providing valuable insights into methods which could be used to model the movement of small parcels in order to improve sorting systems.

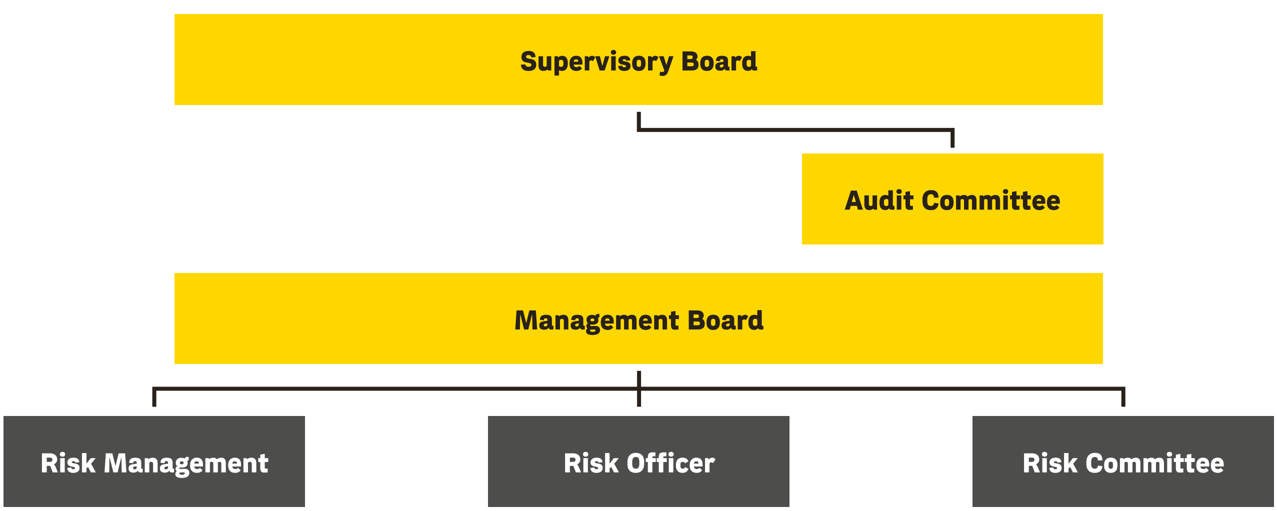
The above-mentioned projects provide a selection, but not an exhaustive list, of research projects.

4. Opportunities and Risks

4.1 Risk Management System

Austrian Post operates a comprehensive risk management system integrating all business units and subsidiaries. This risk management system complies with the CO-SO standard "Enterprise Risk Management – Integrated Framework" in the version dated June 2017. The objective of risk management is to identify risks at an early stage and to analyse and evaluate them before going on to take appropriate measures designed to ensure that the company meets its business targets. Risks are identified, evaluated, monitored and documented in their overall context by a Group-wide risk management system in accordance with uniform principles. The Management Board defines the risk strategy and policy of the company and sets out a framework for the risk management system. G 28

G 28 **Governance Structure of Risk Management**

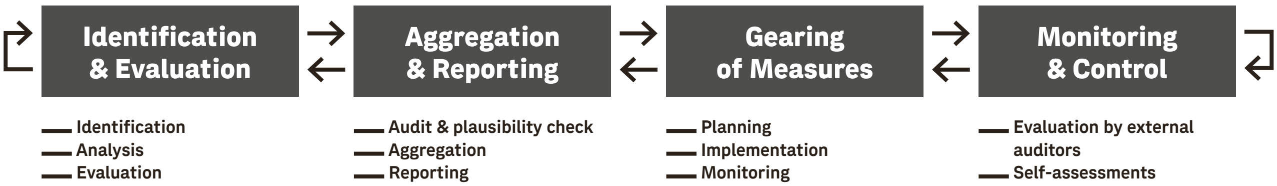


Austrian Post's risk policy focuses on safeguarding and sustainably increasing enterprise value and is incorporated into the corporate and sustainability strategy.

Austrian Post is prepared to take risks provided that the resulting portfolio of opportunities and risks is well-balanced and that they remain commensurate 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.

For those risks that cannot be avoided, controlling measures are taken to safeguard the company's assets and achieve a sustainable increase in shareholder value.

G 29 Risk Management Process



The most important steps in the risk management process are presented below:

1. **Identification and Evaluation** Risks are defined as the potential deviation from business targets. For each identified risk, a decision is made on who is responsible for evaluating, managing and monitoring that risk. Every six months, the risk management officers in the individual areas of the company assist in analysing and updating the risk situation. Within the context of analysis and evaluation, risks are depicted in scenarios and are subsequently quantified to the greatest possible extent with respect to the dimensions of potential consequences and probability of occurrence. Non-quantifiable risks are evaluated on the basis of pre-defined qualitative criteria. In addition, the central risk management team provides periodic support to the individual business areas in the form of proactive risk assessments and workshops with regard to their risks. The results of the identification and evaluation process are documented in a specially designed risk management software.
2. **Aggregation and Reporting** The central risk management team gathers information and reviews the identified and evaluated risks. The financial impacts of potential overlap are taken into account in the aggregation process. The overall risk position of the Austrian Post Group is determined by using statistical methods. Stress tests are carried out to assess risk-bearing capacity. The risk portfolio is also analysed by a Risk Management Committee and is subject to a plausibility check. The Risk Management Committee is composed of representatives from governance functions, including Corporate Social Responsibility, and operational functions. The results are integrated in the half-year report of the central risk management team to the Management Board focusing on risks and their development. Risks which arise unexpectedly are reported directly to the Management Board on an ad-hoc basis. The Supervisory Board and Audit Committee are also regularly informed about the risk situation.
3. **Gearing of Measures** The control of risks is based on defining appropriate measures aimed at avoiding or reducing risks or otherwise transferring them to third parties. The business areas examine the potential measures on the basis of a cost-benefit analysis, and subsequently implement them. These measures are monitored and adjusted within the context of the biannual analysis. The Austrian Post Group operates internal insurance management to systematically deal with insurable risks. Its primary responsibility is to continuously optimise the insurance situation and processes relating to the handling and settling of claims.
4. **Monitoring and Control** In conformity with the Austrian Corporate Governance Code, the reliability and performance of the risk management system are subject to annual evaluation by the auditor. Moreover, the design, suitability and effectiveness of the risk management system are evaluated, monitored and controlled on a regular basis. G 29

4.2 Main Opportunities and Risks

Austrian Post's opportunities and risks result from the overall risk environment and from the trends and changes that the company is exposed to or confronted with. We have identified significant opportunities and risks in the following areas:

4.2.1 Mail Market

Austrian Post is continually expanding its range of services in the mail segment to include various additional physical and electronic services, and is adapting its product portfolio in the Mail Division to meet the needs of its customers. These adjustments to the product and service portfolio are complemented by pricing measures.

Nevertheless, the trend towards the electronic substitution of letters and especially towards electronic delivery will continue in future. This development, which is being facilitated by legislation, could lead to a significant decline in mail volumes and may thus negatively impact earnings.

What is more, 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. The substitution of letter mail by electronic media is expected to accelerate further as a result of the E-Government Act coming into force and further digitalisation measures by the federal government.

The direct mail business is influenced by general economic conditions and consumer purchasing power, and is heavily dependent on the intensity of corporate advertising. However, bricks-and-mortar retailers – the most important customer group for direct mail – will continue to face structural trends. Market consolidation is increasing, while bricks-and-mortar retailers continue to suffer from the 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. Customer interest in reducing paper volumes and the ongoing challenging economic environment could also have an adverse impact. In addition, digital advertising and uncertainties regarding GDPR may reduce physical mailings.

4.2.2 Parcel Market

E-commerce continues to offer growth potential. This opens up opportunities in terms of volume and price development. In the e-commerce segment, 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. Nevertheless, competition remains intense. The risk associated with volume splitting by customers and the intensive expansion of self-collection solutions, also by competitors, are adding to the pressure. This can lead to shifts in market share or to price and volume risks. Furthermore, parcel growth is dominated by large online mail order companies that are still growing at a disproportionately fast rate compared to the market itself. Notable losses in volume 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 further increases in activities carried out by this major customer. Increased customer requirements associated with supply chain due diligence regulations could translate into volume losses in the event of non-compliance. Fluctuating fuel costs have an impact on price and earnings development.

4.2.3 Staff Costs and Structure of Employment Contracts

The business model of Austrian Post has a high staff cost structure. The current economic situation, the associated inflation and the tight labour market continue to increase the risk of rising staff costs.

There is also a risk of rising costs associated with hiring external staff to help out when workloads peak. Furthermore, a large number 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 can have an additional negative impact. As a result, there are both opportunities and risks regarding earnings effects resulting from the increased establishment or reduction in provisions due to the age structure, as well as staff optimisation measures.

4.2.4 Logistics and Infrastructure Costs

The shift in mail volumes from letter mail to parcels is resulting in adjustments in the logistics process. There is an opportunity to achieve productivity gains in this area. This opportunity is countered by the 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, coupled with the rise in fuel costs, the company is exposed to the risk of cost increases. Austrian Post takes this new environment into account in its projections, meaning that a less dramatic increase in costs is to be assessed as an opportunity.

4.2.5 Key Investments

Aras Kargo (Türkiye) Austrian Post holds an 80% stake in the Turkish parcel services provider Aras Kargo a.s. Türkiye is a market that offers considerable potential in the field of e-commerce. This comes hand-in-hand with real opportunities for parcel volume growth. In the current environment, there is a risk that overall economic conditions could develop to the detriment of Austrian Post. The exchange rate and ongoing high inflation are the most important economic parameters. While the exchange rate is reflected in Austrian Post's result due to currency translation, inflation developments can have an effect on the cost structure and purchasing power, impacting the business. One risk relates to the development in staff costs. Like the core business in Austria, Aras Kargo's business is personnel-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 more intense competition and increased self-delivery by large mail order companies will continue. Aras Kargo has held a stake in Star Express (Azerbaijan) since April 2023. Aras Kargo can influence the development of the participating interest.

bank99 (Austria) The development of bank99's revenue and earnings depends primarily on how interest rates develop. The recent increase seen in key rates presents an opportunity for bank99's business. By contrast, unfavourable developments in the interest rate environment, staff and IT costs or intense competition from local banks could have a negative impact on financial performance. These opportunity and risk aspects could result in the earnings reported by bank99 deviating from Austrian Post's expectations. The ongoing global uncertainty could have an impact on the financial industry and lead to the risk that, in the event of the resolution of a member of the Austrian deposit guarantee scheme (ESA), bank99 would also have to make a contribution. Austrian Post has 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 extra capital resources.

4.2.6 Financial Instruments

Detailed information on the risks associated with financial instruments and risk management can be found in the 2023 Annual Report, Consolidated Financial Statements, Note 29.2.

4.2.7 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 and sustainability strategy. ESG issues are a top priority, which is why Austrian Post welcomes and supports climate and environmental protection measures. In order to take account of the increased focus on sustainability, Austrian Post has further enhanced its risk management system to create an integrated risk management system that takes ESG opportunities and risks into account.

For a detailed list of ESG opportunities and risks, aswell as measures to exploit these opportunities or reduce risks, please refer to the 2023 Sustainability Report.

4.2.8 Overall Legal/Regulatory Conditions

Given the large number of products and services that it offers, the Austrian Post Group operates in a highly complex legal and regulatory environment, which is subject to, for example, the Austrian Postal Market Act, data protection regulations, tax regulations, and capital market and competition law, as well as more stringent anti-corruption regulations.

As a result, it is impossible to rule out a scenario in which, despite the greatest possible care taken by Austrian Post, other authorities, e.g. tax authorities, supervisory authorities or courts, could take a different legal view, and that this could lead to additional payments, penalties or compensation payments.

4.2.9 IT and Other Technical Facilities

To a significant degree, the Austrian Post Group is dependent upon the use of complex technical systems. Its postal services heavily rely on the support provided by data processing systems, modern communications media and other technical equipment. Against this backdrop, the Austrian Post Group is investing in IT and other technical facilities for its distribution and delivery networks on an ongoing basis. In this regard, the performance of the company is closely linked with the functioning of key sites. In the case of a temporary or permanent technical system failure, or should unauthorised data access or data manipulation occur, for instance as a result of cybercrime, this could potentially lead to disruptions in Austrian Post's business and logistics operations with associated revenue losses, as well as a loss of reputation and customer defections and additional expenses.

4.3 Overall Assessment of the Group's Risk and Opportunity Situation

The company continuously monitors the above described risks and opportunities. In response, appropriate measures are carried out and initiatives launched. A look at the company's main opportunities and risks shows that, while the issues that Austrian Post is facing are changing and shifting, the company's opportunities and risks are stable overall. As a result, there is no threat to the company's survival from today's perspective.

5. Other Legal Disclosures

5.1 Internal Control System and Risk Management with Regard to the Accounting Process

As an international postal and logistics services provider, the Austrian Post Group is subject to a variety of operational risks in carrying out its business operations. The company deals with these risks proactively. The focus on its core business activities along with decades of experience in the business have enabled the Austrian Post Group to identify risks at an early stage, evaluate them and quickly implement suitable precautionary measures. Austrian Post also has years of experience in the area of financial services as a contractual partner of a bank and, since 2020, with its own bank, which also involves compliance with the particularly stringent requirements in the area of risk management and internal control system for banks. A standardised risk management system has been set up for the entire Austrian Post Group, encompassing all organisational units and important Group companies as well as an internal control system for all important processes. For the specific area relating to the bank, the internal control system and risk management have been expanded and adapted to meet the specific requirements for banks. The internal control system serves as part of the risk management system and encompasses risk-oriented procedures integrated into business operations. Section 82 of the Austrian Stock Corporation Act (AktG) also sets out the obligation to establish an accounting and internal control system that meets the company's requirements. In particular, the accounting, financial and sustainability reporting processes as well as the upstream business processes are considered here. The particular business unit is responsible for carrying out controls.

5.1.1 Controlling Environment

The standardised methods of accounting and valuation applied throughout the Group are contained in the Group manual. Revisions to IFRS are continually monitored by Group Accounting and are regularly published on a Group-wide basis. In addition to the Group manual, there are guidelines and specialised concepts on selected Group processes, particularly changes in the scope of consolidation.

Group companies compile comprehensive and appropriate IFRS Reporting Packages in a timely manner on the basis of the standardised accounting and valuation rules in force. The IFRS Reporting Packages serve as the starting point for further processing within the context of system-supported Group consolidation. Group Accounting is responsible for preparing the consolidated financial statements. Its duties and responsibilities mainly focus on the structured transfer of the reported data stemming from Group companies, the carrying out of consolidation and elimination measures, the analytical processing of the data compiled in the consolidated accounts and the corresponding preparation of internal and external financial reports. The process governing the preparation of the consolidated financial statements is based on a schedule requiring strict adherence.

5.1.2 Risk Assessment

The internal control system is set up in a risk-oriented manner. The existing interface between the internal control system and the compliance and risk management system ensures a coordinated approach between these areas.

The effectiveness of the internal control system is also regularly evaluated by Group Auditing.

5.1.3 Control Measures

The consolidated financial statements of Austrian Post are compiled on a monthly basis and use a simultaneous consolidation method carried out in SAP SEM-BCS. The compilation of the notes to the accounts and the calculation of deferred taxes are also performed in SAP SEM-BCS. Centralised processes for data entry and data changes have been defined for the master data area (e.g. SAP SEM positions, SAP Group account charts and customer data). SAP R/3 is predominantly used to compile the monthly accounts. The transition to IFRS is accomplished employing parallel (dual) SAP accounting. The transfer of reporting data to SAP SEM-BCS is undertaken using an automated upload. For monitoring and control purposes, the consolidated financial statements are subject to an EBIT-based reconciliation. In this process, reconciliation from individual financial statements to Group financial statements is carried out, taking into account bookings as well as eliminations in the Group.

Multitiered quality assurance measures are implemented to avoid the incorrect presentation of transactions with the objective of accurately compiling IFRS Reporting Packages for consolidation purposes. In turn, Group Accounting takes the financial accounts compiled by the Group companies and subjects them to several levels of comprehensive plausibility and data quality checks. The carrying out of quality checks at all levels is a prerequisite for the authorisation to publish the Group's consolidated financial statements.

5.1.4 Information and Communication

Preliminary data from the consolidated financial statements is provided to top management levels to enable them to fulfil their monitoring and control duties. The following reports are issued in the context of preparing the consolidated financial statements: Supervisory Board report, monthly report, report on the performance of subsidiaries, data analysis and evaluation. The quarterly Supervisory Board reports are primarily provided for the Management Board and Supervisory Board of Austrian Post. Other internal reports are also prepared throughout the year containing detailed comments on selected financial statement items, earnings reconciliations and performance indicators in addition to the Supervisory Board report and the legally stipulated notes/annual report, interim financial reports and non-financial reporting. These are made available to the relevant management levels so that they can perform their monitoring and control functions in addition to strategic and operational management, especially with regard to proper accounting and reporting. The monthly report provides an overview of key financial and performance indicators of the company – also at segment level. Group Controlling prepares a monthly report which contains information on the business development of Austrian Post's Group companies. In addition to the reporting on key financial indicators, the Audit Committee also receives a report every six months regarding the current status of the internal control system and the audits carried out. Communications with shareholders of Austrian Post take place in accordance with the stipulations contained in the Austrian Corporate Governance Code. Communications are conveyed through the Investor Relations website (post.at/investor) as well as through direct discussions with investors. Published information is made available to all investors simultaneously. In addition to these publications, investors are also provided with extensive additional information on the Austrian Post Investor Relations website, including investor presentations, information on the Austrian Post share, published inside information and the financial calendar.

5.1.5 Monitoring

The key focus of Austrian Post's operational risk management is the identification, evaluation and control of major risks which arise from the company's core business. This process is coordinated by key managers of the divisions. The Austrian Post Group is structured into the divisions operating on the market, the Mail Division, the Parcel & Logistics Division and the Retail & Bank Division, as well as the Corporate Division, which additionally provides Group administration services. The Group companies within the Austrian Post Group are assigned to the various divisions in accordance with the particular focus of their business activities. The major business risks in these operational units are continuously identified and monitored, serving as the basis for determining appropriate risk management measures. Additional key instruments to control and counteract risks include Group-wide risk management and internal control system guidelines for dealing with major risks, planning and control processes as well as ongoing reporting. These guidelines encompass, for example, definition and monitoring of limits and procedures designed to limit financial risks and strict adherence to the principle of having dual control to oversee all business transactions. In addition, regular reviews of the reliability, regularity and legality of the accounting and reporting process are carried out by the Group's Internal Audit department. The planning and control processes serve as an early warning system, and simultaneously as the basis to evaluate the effectiveness of the controlling measures being implemented. In addition to the Report to the Entire Management Board containing the main indicators, there are also monthly performance reviews on operating units, which continue on a hierarchical manner in line with the integrated planning and reporting processes.

5.2 Information Pursuant to Section 243a of the Austrian Commercial Code (UGB)

The share capital of Austrian Post amounts to EUR 337,763,190 and is divided into 67,552,638 non-par value shares with a nominal value of EUR 5 per share. There are no voting rights restrictions or syndicate agreements that the company is aware of.

Through Österreichische Beteiligungs AG (ÖBAG), the Republic of Austria has a 52.8% shareholding in Austrian Post, based on the number of outstanding shares (a total of 67,552,638). Austrian Post is not aware of any other shareholders holding more than 10% of the company's shares.

To the company's best knowledge, there are no shareholders owning shares with special controlling interests. Employees who are shareholders of Austrian Post exercise their voting rights on an individual basis. There are no rules with regards to the appointment or dismissal of members of the Management Board or the Supervisory Board, or as regards to changes to be made to the company's Articles of Association which can be directly inferred from legal regulations.

Authorised Capital In accordance with Section 5a of the Articles of Association of Austrian Post, the Management Board is authorised until 16 June 2025, subject to approval of the Supervisory Board, to increase the share capital, in accordance with Section 169 of the Austrian Stock Corporation Act (AktG), by up to EUR 16,888,160 through the issuance of up to 3,377,632 new, ordinary bearer shares (non-par value shares) in exchange for cash and/or contributions in kind, and in some cases also by excluding shareholder subscription rights. This amendment to the Articles of Association was entered in the commercial register on 6 August 2020.

Conditional Capital In accordance with Section 5b of the Articles of Association of Austrian Post, the share capital of the company was increased by up to EUR 16,888,160 by issuing up to 3,377,632 non-par value shares in accordance with Section 159 of the Austrian Stock Corporation Act (AktG). The capital increase may only be carried out for the purpose of granting rights of exchange and subscription rights to creditors of financial instruments pursuant to Section 174 of the Austrian Stock Corporation Act (AktG). The Management Board is authorised, contingent upon approval of the Supervisory Board, to set the further conditions associated with conducting the conditional increase in capital. This amendment to the Articles of Association was entered in the commercial register on 06 August 2020.

Share Buy-Back Programme The Annual General Meeting of Austrian Post held on 21 April 2022 authorised the Management Board pursuant to Section 65 Para 1 (4) and (8), Para 1a and 1b of the Austrian Stock Corporation Act (AktG) to acquire non-par value bearer or registered shares of the company, with this to amount to up to 10% of the company's share capital, over a period running from 1 May 2022 to 31 October 2024, on or outside stock exchanges, and only from individual shareholders or a single shareholder, especially ÖBAG, at a lowest equivalent value of EUR 20 per share, and at a highest equivalent value of EUR 60 per share.

Trading in treasury shares is excluded as the objective of the purchase. The authorisation can be exercised in part or in full or several amounts and for the purposes of realising one or more objectives by the company, a subsidiary (Section 228 Para 3 of the Austrian Commercial Code [UGB]) or by a third party acting on a paid commission basis on behalf of the company. The acquisition by the Management Board may especially be performed in cases in which the shares are to be offered to employees, senior managers and members of the Management Board of the company or of one affiliated with it in conjunction with an employee participation programme, a stock option programme and/or a private foundation, whose primary purpose is to hold and manage the shares for one or more of the aforementioned persons (such as an employee share participation foundation in accordance with Section 4d Para 4 of the Austrian Income Tax Act [EStG]).

The Management Board of Austrian Post can resolve to make this purchase on a stock exchange. In such cases, the Supervisory Board has to be subsequently informed of this resolution. A purchase not made via an exchange requires the prior approval of the Supervisory Board. In a case of a purchase not made on the exchange, this purchase can be undertaken in a way excluding the proportionate right of sale (reverse exclusion of subscription rights).

The Management Board is authorised for a term of five years starting with approval of the resolution pursuant to Section 65 Para 1b of the Austrian Stock Corporation Act (AktG), with the approval of the Supervisory Board but without requiring the Annual General Meeting's passing of a resolution, to pass a resolution stipulating that treasury shares are to be sold or used in a way other than their sale via an exchange or through a public offer, appropriately adhering to the rules established for the exclusion of subscription rights held by shareholders, especially with respect to shares to be offered to employees, senior managers and/or members of the Management Board of the company or of one affiliated with it in conjunction with an employee participation programme or with a stock option programme and/or issued to a private foundation, whose primary purpose is to hold and manage the shares for one or more of the aforementioned persons (such as an employee share participation foundation in accordance with Section 4d Para 4 of the Austrian Income Tax Act (EStG)) and to determine the terms and conditions of the sale. The authorisation can be exercised in part or in full or several amounts and for the purposes of realising one or more objectives by the company, a subsidiary (Section 228 Para 3 of the Austrian Commercial Code (UGB)) or by a third party acting on a paid commission basis on behalf of the company.

The Management Board is also authorised to reduce the share capital with the consent of the Supervisory Board and, if necessary, this is to be undertaken through the withdrawal of treasury shares and does not require the Annual General Meeting's passing a resolution, in accordance with Section 65 Para 1 (8) last sentence in conjunction with Section 122 of the Austrian Stock Corporation Act (AktG). The Supervisory Board is authorised to resolve upon amendments to the Articles of Association arising from the withdrawal of shares.

Financial Instruments as Defined by Section 174 of the Austrian Stock Corporation Act (AktG) The Management Board was also authorised, with the consent of the Supervisory Board, to issue, up to 16 June 2025, financial instruments, as defined by Section 174 of the Austrian Stock Corporation Act (AktG), with these especially including convertible bonds, income bonds and profit participation rights, featuring a total nominal amount of up to EUR 250,000,000. This authorisation comprises the rights of exchange of and/or subscription rights for up to 3,377,632 shares of the company and/or is configured in a way permitting the shares to be reported as equity. This issuance is to be allowed to be undertaken in one or more tranches and in a variety of combinations, also incorporating the direct rendering of a guarantee for the issuance of financial instruments by an affiliated company, and with this extending to the granting of rights of exchange and/or subscription rights for the shares of the company.

To satisfy rights of exchange and/or subscription, the Management Board is entitled to make use of conditional capital or treasury shares, or a combination of both.

The price and terms of issuance of financial instruments are to be set by the Management Board with the approval of the Supervisory Board. The setting of this price has to adhere to recognised financial and mathematical methods of calculation and the share price of the company, within the context of a recognised pricing procedure.

The Management Board is authorised to exclude shareholders' subscription rights to the financial instruments, as stipulated in Section 174 of the Austrian Stock Corporation Act (AktG), contingent upon approval of the Supervisory Board.

There are no significant contractual agreements to which the company is a party, which would take effect, cause major changes or expire in the event of a change in ownership resulting from a takeover.

No compensation agreements exist between the members of the Management Board and Supervisory Board or with employees in case of a public takeover offer.

5.3 Non-Financial Information

Austrian Post and its fully consolidated Group companies are obliged to publish a non-financial report in accordance with the requirements set out in the Austrian Sustainability and Diversity Improvement Act (NaDiVeG) and Sections 267a and 243b of the Austrian Commercial Code (UGB). Austrian Post and its fully consolidated Group companies meet this obligation by publishing a separate non-financial report (hereinafter referred to as the "Sustainability Report"). The Sustainability Report is prepared in accordance with the requirements of Sections 267a and 243b of the Austrian Commercial Code, the sustainability reporting standards of the Global Reporting Initiative (2021 GRI Standards) and Article 8 of the EU Taxonomy Regulation ((EU) 2020/852) in conjunction with the applicable Delegated Acts of the European Commission. The Sustainability Report is audited by an independent third party as part of a limited assurance engagement.

6. Outlook for 2024

The macroeconomic environment in Austrian Post's markets remains dominated by high inflation and weak economic momentum. This is having a knock-on effect on the willingness of companies to invest, but also on consumer purchasing behaviour. Changes are evident in the retail sector in particular. There are signs of a further decline in bricks-and-mortar retail alongside growth in national and international e-commerce.

Revenue Growth in 2024

In order to meet the market challenges, it is important for Austrian Post to achieve positive revenue development through innovative solutions, new products and services, as well as price adjustments. Based on current forecasts, growth in the low to mid-single-digit range is expected for the 2024 financial year.

In the Mail Division, a slight dip in revenue is forecast. The fundamental trend towards declining volumes in the traditional mail segment will continue. In addition, the weak economy is expected to result in difficult conditions for the retail sector and, as a result, in a reduced volume of direct mail and media post. Various elections in Austria at local and national level, as well as price adjustments for various products, should have a positive effect in 2024.

In the Parcel & Logistics Division, growth is expected to be in the mid-single-digit range. Further trends will be heavily reliant on economic developments in our markets and, as a result, on consumer purchasing power. In the Turkish market in particular, the economic environment and inflation, as well as the exchange rate of the Turkish lira, make forecasting more difficult.

The Retail & Bank Division is likely to achieve stable to single-digit growth in revenue depending on the interest rate environment. The most important goal here for 2024 will be finalising the transformation programme for core bank migration.

Group Net Profit in 2024

Revenue growth on the one hand, but also cost discipline and efficiency on the other, are necessary in order to ensure the stability that Austrian Post is aiming to achieve. In both mail and parcel logistics, Austrian Post is forging ahead with solutions that offer a high level of customer benefit, but also enable efficient processes that are easy to plan. Having achieved stable earnings in 2023, Austrian Post is therefore also aiming to achieve earnings (EBIT) that are on a par with the previous year in the 2024 financial year.

Investment Programme in 2024

The large-scale investment programme implemented in recent years – which has almost tripled sorting capacity in Austria – has now been completed. Investments in the coming years will focus on expanding international logistics and on e-mobility. For example, the company is aiming for last-mile delivery to be completely CO_2-free by 2030. This means that overall investment requirements should decline slightly in 2024. All in all, the plan for 2024 is to invest around EUR 70–80m in maintenance CAPEX (automation, digitalisation, maintenance) and around EUR 40m in green transformation (electric vehicles, photovoltaic systems), as well as EUR 30m in growth CAPEX, primarily now in Türkiye and Southeast and Eastern Europe.

Austrian Post's aim remains to offer a combination of growth and strong dividends. The growth opportunities that are emerging are being secured by making appropriate structural investments. In addition, the cash flow generated from operations should continue to ensure the necessary basic investments, as well as an attractive dividend policy.

The Management Board will propose to the Annual General Meeting scheduled for 18 April 2024 that it approve the distribution of a dividend in the amount of EUR 1.78 per share. In doing so, the company is continuing its attractive dividend policy: Austrian Post continues to pursue the objective of distributing at least 75% of the Group's net profit to its shareholders.

Vienna, 23 February 2024

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 Financial Statements

Simply reliable.

A solid balance sheet and strong cash flow reflect the 2023 earnings.

Consolidated Income Statement

for the 2023 financial year

EUR m	Note	2022	2023
Revenue	(8.)	2,522.0	2,740.8
thereof income from financial services	(9.)	82.6	127.6
thereof income from effective interest		33.9	72.6
Other operating income	(12.1)	107.3	100.3
TOTAL OPERATING INCOME		**2,629.3**	**2,841.2**
Raw materials, consumables and services used	(10.)	−750.1	−832.4
Expenses from financial services	(9.)	−11.3	−21.6
Staff costs	(11.)	−1,144.2	−1,215.4
Depreciation, amortisation and impairment losses	(16., 17., 18., 19., 20.)	−184.3	−201.3
Other operating expenses	(12.2)	−352.3	−387.4
thereof impairment losses in accordance with IFRS 9		−7.8	−10.5
TOTAL OPERATING EXPENSES		**−2,442.3**	**−2,658.2**
Results from financial assets accounted for using the equity method	(6.4.2)	−0.3	2.1
Net monetary gain		1.8	5.1
EARNINGS BEFORE FINANCIAL RESULT AND INCOME TAX (EBIT)		**188.4**	**190.2**
Financial income		8.1	30.8
Financial expenses		−32.8	−33.8
FINANCIAL RESULT	(13.)	**−24,7**	**−3.0**
PROFIT BEFORE TAX		**163,7**	**187.2**
Income tax	(14.)	−35,6	−48.5
PROFIT FOR THE PERIOD		**128.1**	**138.7**
ATTRIBUTABLE TO:			
Shareholders of the parent company	(25.)	125.7	132.6
Non-controlling interests	(25.)	2.5	6.2

EARNINGS PER SHARE (EUR)

EARNINGS PER SHARE (BASIC AND DILUTED)	(15.)	**1.86**	**1.96**

Consolidated Statement of Comprehensive Income

for the 2023 financial year

EUR m	Notes	2022	2023
PROFIT FOR THE PERIOD		**128.1**	**138.7**
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:			
Currency translation differences and hyperinflation adjustment – investments in foreign businesses	(25.)	17.7	–3.5
TOTAL ITEMS THAT MAY BE RECLASSIFIED		**17.7**	**–3.4**
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:			
Changes in fair value FVOCI – equity instruments	(29.)	0.7	0.4
Tax effect of changes in the fair value	(14.)	–0.1	–0.1
Revaluation of defined benefit obligations	(26.)	11.7	–12.5
Tax effect of revaluation	(14.)	–3.7	3.5
TOTAL ITEMS THAT WILL NOT BE RECLASSIFIED		**8.5**	**–8.7**
OTHER COMPREHENSIVE INCOME		**26,2**	**–12.2**
TOTAL COMPREHENSIVE INCOME		**154.3**	**126.6**
ATTRIBUTABLE TO:			
Shareholders of the parent company	(25.)	149.6	121.8
Non-controlling interests	(25.)	4.7	4.7

Consolidated Balance Sheet

as at 31 December 2023

EUR m	Notes	31 Dec. 2022	31 Dec. 2023
ASSETS			
NON-CURRENT ASSETS			
Goodwill	(16.)	59.8	60.0
Intangible assets	(17.)	101.7	85.9
Property, plant and equipment	(18.)	1,333.6	1,356.3
Investment property	(20.)	84.2	94.6
Financial assets accounted for using the equity method	(6.4.1.)	7.2	28.3
Other financial assets	(23.2)	6.2	7.0
Contract assets		0.0	0.4
Other receivables	(22.)	11.1	9.9
Deferred tax assets	(14.)	26.5	22.6
		1,630.2	**1,664.9**
FINANCIAL ASSETS FROM FINANCIAL SERVICES	(23.1)		
Cash, cash equivalents and central bank balances		875.8	839.1
Receivables from banks		30.3	34.2
Receivables from customers		1,596.1	1,791.9
Investments		553.4	633.7
Other		69.6	46.7
		3,125.1	**3,345.6**
CURRENT ASSETS			
Other financial assets	(23.2)	65.3	20.4
Inventories	(21.)	21.2	22.7
Contract assets	(8.2)	3.6	0.5
Trade and other receivables	(22.)	378.9	426.7
Tax assets	(14.)	104.7	108.7
Cash and cash equivalents	(24.)	54.8	87.5
		628.5	**666.6**
		5,383.9	**5,677.1**

Consolidated Balance Sheet

as at 31 December 2023

EUR m	Notes	31 Dec. 2022	31 Dec. 2023
EQUITY AND LIABILITIES			
EQUITY	(25.)		
Share capital		337.8	337.8
Capital reserves		91.0	91.0
Revenue reserves		275.7	290.0
Other reserves		–24.8	–35.5
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		**679.7**	**683.3**
NON-CONTROLLING INTERESTS		**30.7**	**33.4**
		710.4	**716.7**
NON-CURRENT LIABILITIES			
Provisions	(26.)	329.9	307.7
Other financial liabilities	(28.2)	488.2	553.4
Other liabilities	(27.)	60.4	69.9
Contract liabilities	(8.2)	2.2	0.6
Deferred tax liabilities	(14.)	0.3	0.4
		881.1	**932.0**
FINANCIAL LIABILITIES FROM FINANCIAL SERVICES	(28.1)		
Borrowings from banks		99.6	75.6
Liabilities to customers		2,847.6	3,076.4
Other		18.4	29.0
		2,965.6	**3,181.1**
CURRENT LIABILITIES			
Provisions	(26.)	297.6	285.1
Tax liabilities	(14.)	2.8	4.2
Other financial liabilities	(28.2)	91.9	65.9
Trade and other payables	(27.)	404.5	460.8
Contract liabilities	(8.2)	30.1	31.2
		826.8	**847.3**
		5,383.9	**5,677.1**

Consolidated Cash Flow Statement

for the 2023 financial year

EUR m	Notes	2022	2023
OPERATING ACTIVITIES			
Profit before tax		163.7	187.2
Depreciation, amortisation and impairment losses		184.3	201.3
Results from financial assets accounted for using the equity method	(6.4.)	0.3	–2.1
Provisions – non-cash		–10.4	24.2
Net position of monetary items – non-cash		11.6	6.1
Other non-cash transactions	(30.1)	–18.9	–96.1
GROSS CASH FLOW		**330.6**	**320.6**
Trade and other receivables		–6.0	–65.4
Inventories		–6.0	–2.3
Contract assets		–0.5	2.7
Provisions		–43.2	–46.7
Trade and other payables		21.5	71.2
Contract liabilities		0.1	–0.3
Financial assets/liabilities from financial services	(30.1)	–334.3	–44.2
Interest received from financial services		32.5	75.2
Interest paid from financial services		–4.9	–14.0
Taxes paid		–69.9	–42.3
CASH FLOW FROM OPERATING ACTIVITIES		**–80.0**	**254.5**
INVESTING ACTIVITIES			
Acquisition of intangible assets		–19.1	–9.4
Acquisition of property, plant and equipment/investment property		–151.8	–155.3
Sale of property, plant and equipment/investment property		7.6	30.8
Acquisition of subsidiaries/non-controlling interests/business units	(6.2)	-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
Payouts for hedging foreign currency transactions		–0.7	0.0
Payments for hedging foreign currency transactions		0.8	0.0
Acquisition of financial investments in securities/money market investments		–118.1	–50.0
Sale of financial investments in securities/money market investments		84.9	95.0
Loans granted	(30.1)	0.4	0.0
Dividends received from financial assets accounted for using the equity method		0.0	1.2
Interest received and income from securities		4.2	6.2
CASH FLOW FROM INVESTING ACTIVITIES		**–190.4**	**–95.7**
FREE CASH FLOW		**–270.3**	**158.8**

Consolidated Cash Flow Statement

for the 2023 financial year

EUR m	Notes	2022	2023
FINANCING ACTIVITIES			
Acceptance of long-term financing		150.0	75.2
Settlement of lease liabilities		–59.9	–66.8
Changes of short-term financial liabilities	(30.1)	–40.5	–27.8
Dividends paid		–136.3	–121.0
Interest paid		–6.7	–10.2
Payments from non-controlling interests		3.0	0.9
CASH FLOW FROM FINANCING ACTIVITIES		**–90.3**	**–149.8**
Currency translation differences in cash and cash equivalents		–3.3	–3.0
Monetary loss on cash and cash equivalents		–9.6	–10.0
CHANGE IN CASH AND CASH EQUIVALENTS		**–373.5**	**–4.0**
Cash and cash equivalents as at 1 January		1,304.1	930.6
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	(30.1)	**930.6**	**926.6**

Consolidated Statement of Changes in Equity

for the 2022 financial year

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 due to 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	125.7	0.0	0.0	0.0	125.7	2.5	128.1
Other comprehensive income	0.0	0.0	0.0	9.4	0.5	13.9	23.9	2.3	26.2
TOTAL COMPREHENSIVE INCOME	**0.0**	**0.0**	**125.7**	**9.4**	**0.5**	**13.9**	**149.6**	**4.7**	**154.3**
Dividends paid	0.0	0.0	–128.4	0.0	0.0	0.0	–128.4	–7.9	–136.3
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	3.0	3.0
TRANSACTIONS WITH OWNERS	**0.0**	**0.0**	**–128.0**	**0.0**	**0.0**	**0.0**	**–128.0**	**–5.4**	**–133.4**
BALANCE AS AT 31 DECEMBER 2022	**337.8**	**91.0**	**275.7**	**–23.0**	**1.5**	**–3.3**	**679.7**	**30.7**	**710.4**

Consolidated Statement of Changes in Equity

for the 2023 financial year

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 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	132.6	0.0	0.0	0.0	132.6	6.2	138.7
Other comprehensive income	0.0	0.0	0.0	–8.3	0.3	–2.8	–10.7	–1.4	–12.2
TOTAL COMPREHENSIVE INCOME	**0.0**	**0.0**	**132.6**	**–8.3**	**0.3**	**–2.8**	**121.8**	**4.7**	**126.6**
Dividends paid	0.0	0.0	–118.2	0.0	0.0	0.0	–118.2	–2.8	–121.0
Payments to subsidiaries with non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.9
TRANSACTIONS WITH OWNERS	**0.0**	**0.0**	**–118.2**	**0.0**	**0.0**	**0.0**	**–118.2**	**–1.9**	**–120.1**
Acquisition 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 31 DECEMBER 2023	**337.8**	**91.0**	**290.0**	**–31.2**	**1.8**	**–6.1**	**683.3**	**33.4**	**716.7**

Notes to the Consolidated Financial Statements for the 2023 Financial Year

1. Reporting Entity

Österreichische Post AG (hereinafter referred to Austrian Post) and its subsidiaries are postal, logistics and service companies in the mail, parcel, branch network and financial services segments. The business activities of the Austrian Post Group include the provision of postal and parcel services, specialised logistics such as express mail delivery and value logistics, sales of telecommunications products and retail goods in the branch network and the provision of financial services. Moreover, the range of services includes fulfilment services, various online services such as the e-letter and cross-media solutions, data and output management as well as document collection, digitalisation and processing, amongst other services.

The headquarters of Austrian Post are located in Vienna, Austria. The mailing address is Österreichische Post AG, Rochusplatz 1, 1030 Vienna. The company is registered in the company register at the Vienna Commercial Court under the registry number FN 180219d.

2. Summary of Accounting Principles

The consolidated financial statements of Austrian Post for the 2023 financial year have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as of 31 December 2023, as adopted by the European Union, and the additional requirements of section 245a of the Austrian Commercial Code (UGB).

The consolidated financial statements of Austrian Post consist of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated cash flow statement, the consolidated statement of changes in equity and the notes to the consolidated financial statements. The consolidated income statement has been prepared using the nature of expense method. Consolidated cash flow from operating activities is presented using the indirect method.

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

3. Accounting Policies

The annual financial statements of subsidiaries included in the consolidated financial statements are based on standard accounting and measurement methods (together the accounting policies). The Management Board must make judgements in the application of accounting policies. The summary of the significant accounting policies also includes disclosures on the use and impact of these judgements.

3.1 Scope of Consolidation and Financial Assets Accounted for Using the Equity Method

3.1.1 PRINCIPLES OF CONSOLIDATION

All companies in which Austrian Post has a controlling interest (subsidiaries) are fully consolidated in the consolidated financial statements of Austrian Post Group. Full consolidation of the subsidiary begins at the point in time when Austrian Post gains control and ends when control is terminated.

Companies which are jointly managed according to IFRS 11 (joint ventures) as well as companies in which a significant influence can be exercised as defined by IAS 28 (associates) are included in the consolidated financial statements using the equity method. The existence of significant influence is assessed based on the criteria in IAS 28.5 et seq. In cases where the existence of significant influence cannot be clearly determined, the Management Board must make discretionary decisions. The focus is not primarily on formal criteria, but on whether there is an actual possibility to participate in the financial and operating policy decisions.

3.1.2 BUSINESS COMBINATIONS

The acquisition costs correspond to the fair value of the consideration transferred (in particular cash and cash equivalents, other assets transferred and contingent consideration). The identifiable assets acquired and liabilities assumed are measured at fair value on the acquisition date. Intangible assets are determined using an appropriate valuation method, depending on the type of asset and the availability of information. As a rule, the income approach is used for customer relationships and trademark rights. As a rule, the fair value of land and buildings is determined by independent experts or experts in the Austrian Post Group.

Analogous to the recognition of assets acquired and liabilities assumed, all available information about the circumstances at the acquisition date is also used for the initial accounting treatment of contingent purchase-price liabilities. In this case, additional information about the facts and circumstances prevailing at the time of acquisition that become known during the valuation period leads to a retrospective restatement of the reported provisional amounts. Changes resulting from events after the acquisition date (for example, the achievement of an earnings target) are not treated as adjustments within the valuation period, but instead lead to the adjustment of the purchase price liability through profit or loss.

In a step acquisition, the previously held equity interest is remeasured at fair value on the acquisition date and the resulting profit or loss is recognised in the income statement.

Non-controlling interests are initially recognised based on their proportionate share of the acquiree's identifiable net assets on the acquisition date. Changes in the Group's stake in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Positive differences resulting from first-time inclusion are recognised as goodwill, whereas negative differences are reported immediately in profit and loss. Auxiliary acquisition costs are recognised in profit and loss.

3.1.3 FINANCIAL ASSETS ACCOUNTED FOR USING THE EQUITY METHOD

Pursuant to the equity method, investments are recognised at cost and subsequently increased or reduced by the respective changes in equity in proportion to the particular stake held by Austrian Post. Negative changes in equity are recognised in excess of other non-current interests (e.g. loans) at amortised cost inasmuch as they in substance form part of the net investment in the associate or joint venture.

On each balance sheet date, an assessment is made as to whether there are indications of impairment of net investments in associates within the meaning of IFRS 9. If such indications exist, an impairment test is conducted. An impairment loss is recognised if the carrying amount of the net investment exceeds its recoverable amount. If the recoverable amount subsequently increases, the impairment loss is reversed by up to a maximum of the original impairment. The pro-rata portion of the impairment loss attributable to the carrying amount of the shares is presented in results from financial assets accounted for using the equity method. The presentation of impairment losses on the carrying amounts of other elements of net investment depends on the nature of these elements.

3.2 Currency Translation

The consolidated financial statements are prepared in euros, the functional currency of Austrian Post. The euro is the functional currency for Group companies in Austria and in countries of the European Economic and Monetary Union. The functional currency of the remaining companies included is the respective local currency.

Foreign Currency Transactions Group companies record business transactions in their financial statements in the functional currency at the exchange rate on the transaction date. Monetary items are subsequently measured at the European Central Bank's reference exchange rate applicable on the balance sheet date. Exchange gains and losses are recognised in profit or loss.

Translation of a Foreign Operation For the purposes of translating the financial statements of subsidiaries whose functional currency is not the euro, balance sheet items, with the exception of equity, are translated at the European Central Bank's reference exchange rate as applicable on the balance sheet date, while any equity items are translated using the historical rate on the acquisition or origination date. Expenses and income are translated using the average reference exchange rate for the month in question in order to comply with IAS 21 even in cases involving more pronounced exchange rate fluctuations. The resultant currency translation differences are recognised directly in equity.

Financial statements of subsidiaries whose functional currency is the currency of a hyperinflationary economy are translated using the European Central Bank's reference exchange rate that applies on the reporting date after restatement in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies.

3.3 Hyperinflation

Due to changes in the general purchasing power of the functional currency in Türkiye (Turkish lira, TRY), the financial statements of the Turkish subsidiaries had to be included by applying IAS 29 Financial Reporting in Hyperinflationary Economies for the first time in the 2022 financial year. This means that the following adjustments are made prior to translation into the Group currency:

- For non-monetary items in the balance sheet carried at cost or amortised cost, the restatement is based on a general price index from the acquisition or production date. Monetary items in the balance sheet are not restated.
- Restatements for equity components are based on a general price index dating from the time of their addition.
- All items in the income statement and statement of comprehensive income are restated using a general price index from the date on which the income and expenses in question were first recognised in the financial statements.
- Differences between the carrying amount of individual assets and liabilities in the balance sheet and their tax base are accounted for in accordance with IAS 12 Income Taxes.
- In accordance with IAS 21.42(b), no adjustment is made to the comparative figures for the previous period.

The profit or loss from the net monetary position is shown in a separate item in the income statement under earnings before financial result and income tax (EBIT). The inflation adjustment effect resulting from the translation of the financial statements is presented as part of the exchange difference in the currency translation reserves. The adjustment of non-monetary assets is included in the currency translation differences.

The financial statements of the Turkish subsidiaries are based on the historical cost concept. The consumer price index (2003) published by the Turkish Statistical Institute was used for the adjustment. The consumer price index stood at 1,859.38 as at 31 December 2023 (31 December 2022: 1,128.45).

The change in the consumer price index in the current reporting period is shown below:

Monthly Change in Consumer Price Index – Türkiye

%	2022	2023
January	11.10	6.65
February	4.81	3.15
March	5.46	2.29
April	7.25	2.39
May	2.98	0.04
June	4.95	3.92
July	2.37	9.49
August	1.46	9.09
September	3.08	4.75
October	3.54	3.43
November	2.88	3.28
December	1.18	2.93

3.4 Presentation of the Provision of Financial Services within the Consolidated Financial Statements

In the interests of ensuring the transparent presentation of the consolidated financial statements, the specific line items resulting from the financial services business are presented separately in the consolidated income statement, the consolidated balance sheet and the consolidated cash flow statement.

3.4.1 FINANCIAL ASSETS AND LIABILITIES FROM FINANCIAL SERVICES

In the consolidated balance sheet, financial assets and liabilities from financial services include, in particular, those items that result directly from the deposit, lending and investment business of bank99 AG or arise from the settlement of P.S.K. Orders (for example payment of pensions, unemployment benefits and similar benefits in the name, and for the account, of third parties). Cash and cash equivalents, demand deposits held at banks and central bank balances of bank99 AG are also reported in these line items. The items are presented in order of liquidity. Explanatory information on measurement is provided in Note 3.16 Financial Instruments.

Assets and liabilities outside the deposit, lending and investment business are reported under other non-current and current assets and liabilities in accordance with their maturity (e.g. intangible assets and property, plant and equipment as well as contract assets and liabilities).

3.4.2 RESULT FROM FINANCIAL SERVICES

The result from financial services comprises the following items:

- Income from financial services
- Expenses from financial services
- Impairment losses in accordance with IFRS 9
- Revaluation and derecognition income

Income from Financial Services Income from financial services forms part of revenue and includes all interest and commission income from the provision of financial services. In the consolidated income statement, the income is shown separately with a "thereof" note in the interests of ensuring the most transparent presentation possible.

Interest Income Interest income includes all interest income from the lending and investment business. Interest income from financial assets and liabilities measured at amortised cost and financial assets measured at fair value through other comprehensive income is recognised using the effective interest method. Interest income also includes commission income which, as an integral part of the effective interest method, falls within the scope of IFRS 9. Interest income calculated using the effective interest method is disclosed separately in the consolidated income statement using a "thereof" note.

Commission Income Commission income includes fees and commission income from the financial services offered. At present, this mainly includes commission from the current account business, payment transactions, the lending business, the custody of securities, insurance brokerage and the disbursement of P.S.K. orders. Fees and commission that form an integral component of the effective interest rate of a financial instrument are covered by IFRS 9. For fees and commission that do not form an integral component of the effective interest rate, the provisions set out in IFRS 15 are applied and the revenue is recognised at a specific point in time. Fees and commission from services relating to a particular period are recognised over the corresponding period. This relates, among other things, to flat-rate one-off fees from cooperation agreements with third-party providers.

Expenses from Financial Services Expenses for financial services include interest expenses and commission expenses from the provision of financial services and are presented as a separate item in the consolidated income statement.

Interest Expense Interest expense includes all interest expenses from the deposit business, as well as negative interest from the investment business. Interest expense from financial assets and liabilities measured at amortised cost and financial assets measured at fair value through other comprehensive income is recognised using the effective interest method.

Commission Expense Commission expense includes fees and commission expenses in connection with the financial services offered. At present, this mainly relates to commission from the current account business, payment transactions, the lending business and the custody of securities.

Impairment Losses in Accordance with IFRS 9 Impairment losses in accordance with IFRS 9 are recognised in other operating expenses. Please refer to Note 3.16.3 Impairment Losses for further explanatory information.

Valuation and Derecognition Income The valuation and derecognition income is shown under other operating income/other operating expenses and mainly includes any ineffectiveness from hedge accounting, as well as disposal results from the premature termination of loans.

3.4.3 PRESENTATION OF FINANCIAL SERVICES IN CASH FLOW

In the consolidated cash flow statement, the cash flows resulting from the deposit, lending and investment business are reported within cash flow from operating activities in the items Financial assets/liabilities from financial services, Interest received from financial services and Interest paid from financial services.

The item Financial assets/liabilities from financial services shows the change in financial liabilities from financial services and financial assets from financial services with the exception of cash and cash equivalents and central bank balances. This item largely comprises all inflows and outflows of customer deposits, mortgage loans, consumer loans and current account overdrafts, securities and money market investments in the financial services business, as well as the change in other financial assets and liabilities resulting from the settlement of payment transactions. Cash and cash equivalents and central bank balances are included in the item Cash and cash equivalents (see also Note 30.1 Consolidated Cash Flow Disclosures).

The items Interest received from financial services and Interest paid from financial services only comprise the interest cash flows resulting from the deposit, lending and investment business.

Cash flows not relating to the deposit, lending and investment business, which also include inflows and outflows of commission and fees, as well as outflows for intangible assets and property, plant and equipment, are shown in the appropriate other items.

3.5 Revenue from Contracts with Customers

MAIL

Letter Mail, Direct Mail and Media Post The Austrian Post Group performs services involving the collection, sorting and delivery of various letter mail items, direct mail and print media. Under IFRS 15, such performance obligations are considered to be fulfilled over time. On balance, the existing contracts or services to be provided in this business area are characterised by a very high degree of uniformity and very short lead times in providing the services. As a universal service provider, Austrian Post is generally obligated to accept and deliver every mail item. As a rule, additional services (e.g. registered mail) are not classified as a distinct performance in the contractual context and are thus recognised together with the mail item as a single performance obligation. Overseas items are usually delivered to the recipients abroad in cooperation with international postal operators.

Statistical empirical values from, among other things, regularly conducted runtime measurements are used to measure the stage of completion of the contract activity. The amount of revenue to be realised is determined based on the ratio of costs incurred to date to the total costs of the delivery of letter mail, direct mail and print media (cost-to-cost method).

The collection of a mail item at an Austrian Post drop-off point (i.e. at the beginning of the performance obligation) triggers invoicing and thus the related recognition of revenue and a receivable. That portion of the performance obligation which has not yet been provided is recognised as deferred income and reported as a contract liability.

The transaction price is paid either by prepayment of the contracted transport service (sale of postage stamps or cash franking at the branch office), or in the case of business customers, after the fact with an average payment target of one or two months. Accordingly, receivables at Austrian Post do not normally have a significant financing component.

For prepayments received in connection with postage stamps and revenue from senders' franking machines, the performance yet outstanding is recognised as a deferral under contract liabilities. The outstanding performance is calculated based on empirical values (in the case of postage stamps) or by transferring historical data as part of the loading process (in the case of sender franking machines).

With respect to the sale of letter mail, direct mail and print media products to business customers, volume discounts are often agreed upon based on the revenue of a financial year. These discounts must be classified as variable consideration within the meaning of IFRS 15. Revenue from these sales is recognised in the amount of the price stipulated in the contract less the estimated volume discount. The expected volumes are estimated based on historical values and are updated every reporting date. Necessary adjustments are made cumulatively in the period in which the estimate is revised.

Business Solutions Business Solutions services include outsourcing services for the digitalisation and automation of business processes in B2B information management. This includes, among other things, the digitalisation of incoming mail including intelligent data reading, data processing with the help of robotic process automation and the like, as well as transactional printing or the electronic delivery of items.

These performance obligations are predominantly satisfied over time, with a period of performance that is generally less than one month. As a result, revenue is recognised over time. As a rule, payment is made after performance with an average payment term of one or two months.

PARCEL & LOGISTICS
The Austrian Post Group collects, accepts, sorts and delivers various parcel and Austrian Post express mail items. Under IFRS 15, such performance obligations are considered to be fulfilled over time. A high degree of standardisation, shipment tracking and very short throughput times characterise the services performed in this business area. As a rule, additional services (e.g. cash on delivery) are not classified as a distinct performance in the contractual context and are thus recognised together with the parcel item as a single performance obligation. Austrian Post uses various subcontractors and freight companies which take over parts of the delivery process within Austria. Overseas items are usually delivered to the recipients abroad in cooperation with international postal operators and parcel services providers.

Data from shipment tracking for each parcel is used to measure the stage of completion. The amount of revenue to be realised is determined based on the ratio of costs incurred to date to the total costs of the parcel delivery (cost-to-cost method).

The collection of a mail item at an Austrian Post drop-off point (i.e. at the beginning of the performance obligation) triggers invoicing and thus the related recognition of revenue and a receivable. That portion of the performance obligation which has not yet been provided is recognised as deferred income and reported as a contract liability.

With respect to the sale of parcels to business customers, volume discounts are often agreed upon based on the revenue of a financial year. These discounts must be classified as variable consideration within the meaning of IFRS 15. Revenue from these sales is recognised in the amount of the price stipulated in the contract less the estimated volume discount. The expected volumes are estimated based on historical values and are updated every reporting date. Adjustments are made in the period in which the estimate is revised.

RETAIL & BANK
Branch Services The services provided by the branch network include the sale/brokering of various items of merchandise and postal and telecommunication products.

Revenue from the sale of retail goods is recognised at a specific point in time when the goods are handed over to the customer. Payment of the transaction price is due immediately as≈soon as the customer purchases a retail good.

In addition, the Austrian Post Group provides brokerage services, in particular for telecommunications contracts and products for its partner A1 Telekom Austria AG. Accordingly, this revenue is recognised at the time the brokerage service is provided (e.g. when the A1 customer signs a telecommunications contract or a mobile telephone is handed over to the A1 customer) in the amount of the commissions received (net method).

Financial Services For information on revenue from contracts with customers from financial services, please refer to Note 3.4.2 Result from Financial Services.

3.6 Income Tax

Disclosures on Tax Groups The Austrian Post Group has used the option granted in Austria to form corporate tax groups for purposes of joint taxation. There are two groups of companies with the group parents: Österreichische Post AG and Post 001 Finanzierungs GmbH. All group members have their registered office in Austria.

In the tax groups, the group parent generally uses tax allocations to charge or credit the group members with the amounts of corporate income tax that are attributable to them. This includes offsetting positive and negative tax allocations of 24% of the taxable earnings (standalone method).

Disclosures on Income Taxes Income taxes include current and deferred taxes. They are always presented in the consolidated income statement except to the extent that the taxes result from transactions that have been recognised in other comprehensive income (OCI) or in equity or they result from a business combination.

The Austrian Post Group is of the opinion that potential interest expenses and penalties in connection with income tax payments do not fulfil the definition of income taxes pursuant to IAS 12. Accordingly, any such amounts are generally recognised pursuant to the provisions of IAS 37.

Measurement of Current Taxes Current taxes include the expected tax payments or credits for the current year and the adjustments made in the current year to the expected subsequent tax payments or tax credits from previous years. The recognised amount represents the best possible estimate and includes withholding taxes from distributions.

In certain circumstances, current tax assets and liabilities can be presented at net. This is the case in the Austrian Post Group when the tax relates to income tax levied by the same taxation authority and the company has a legally enforceable right to offset tax assets and liabilities.

Measurement of Deferred Taxes Deferred taxes are measured using the balance sheet liability method for all temporary differences between the carrying amounts as per the IFRS consolidated financial statements and the corresponding tax bases. However, Austrian Post does not make use of the option to recognise deferred taxes in the following cases:

- Temporary differences arising from the initial recognition of an asset or liability other than in a business combination and which, at the time of the transaction, do not affect either the accounting profit or taxable profit (tax loss) (Initial Recognition Exemption, "IRE"), whereby, as an exception, the amendment to IAS 12 (on deferred taxes related to assets and liabilities arising from a single transaction), which came into force in the EU on 1 January 2023, has already been applied accordingly within the scope of the interpretation since the introduction of IFRS 16 Leases on 1 January 2019
- Temporary differences related to investments in subsidiaries, branches, associates and interests in joint arrangements to the extent that the parent is able to control the timing of the reversal of the differences and it is probable that the reversal will not occur in the foreseeable future
- Taxable differences in connection with the initial recognition of goodwill

Deferred tax assets from temporary differences from balance sheet items as well as from loss carryforwards are recognised to the extent to which a) sufficient deferred tax liabilities are available or b) it is probable based on a history of profit that taxable income will be available in the foreseeable future and the tax expense will thus be realisable. Deferred taxes are not recognised if a company has a history of recent taxable losses (in one of the last two years). The unrecognised deferred taxes are reassessed at each balance sheet date and if applicable, recognised if there is a reasonable belief that the tax benefit can be realised.

Deferred tax assets and liabilities can be presented at net under certain circumstances. The disclosures above under "Measurement of current taxes" apply analogously to deferred taxes.

Deferred taxes are measured based on the tax rates applicable in the individual countries at the balance sheet date or at the rates already announced as applicable for the period in which the deferred tax assets and tax liabilities will be realised.

The following table shows the tax rates applied when calculating deferred income taxes:

Country	2022	2023
Bosnia and Herzegovina	10%	10%
Bulgaria	10%	10%
Germany	33%	30%
Croatia	18%	18%
Montenegro	9%	9%
Austria	23–24%	23%
Serbia	15%	15%
Slovakia	21%	21%
Slovenia	19%	19%
Hungary	9%	9%
Türkiye	20%	25%
Azerbaijan	n/a	20%

3.7 Determination of Fair Value according to IFRS 13

The Austrian Post Group measures fair value pursuant to the principles in IFRS 13.

For this purpose, the fair values are assigned to the following levels of the measurement hierarchy based on the inputs used in the valuation techniques:

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Market price quotations that are observable for the asset or liability, either directly or indirectly
- Level 3: Input factors that are not observable on the market

The Austrian Post Group uses market-based, cost-based and income-based valuation techniques, depending on the asset and the available inputs. The use of observable inputs is given the highest priority.

3.8 Impairment in Accordance with IAS 36

On each balance sheet date, an assessment is made as to whether there are indications of impairment of the carrying amounts of intangible assets, property, plant and equipment, right-of-use assets from leases and investment property. If such indications exist, an impairment test is conducted. In addition, intangible assets with indefinite useful lives and goodwill are subject to annual impairment tests irrespective of whether there are any such indications.

The recoverable amount of the individual particular asset or CGU is determined during the impairment test and compared to the respective carrying amount. The recoverable amount is the higher amount of the fair value less costs to sell and the value in use. If the recoverable amounts are determined by using net present value methods, the weighted average cost of capital (WACC) is used as the discount rate using the capital asset pricing model (CAPM). Appropriate surcharges are factored into the discount rate to reflect country, currency and price risks. If the cash inflows are denominated in foreign currencies, the recoverable amount in the foreign currency is determined and then converted into euros using the exchange rate on the balance sheet date.

Impairment losses and reversals of impairment are recognised in the income statement under depreciation, amortisation and write-downs or under other operating income.

Goodwill Goodwill is allocated to the individual cash-generating units (CGUs) within the Austrian Post Group. Goodwill from the acquisition of a foreign operation is carried in its functional currency and converted at the rate on the balance sheet date.

At Austrian Post, impairment testing is performed in accordance with the value-in-use concept. In this case, the recoverable amount of the cash-generating unit (CGU) is determined on the basis of the value in use.

In order to determine the value in use in logistics (Mail, Parcel & Logistics, Corporate Divisions), the expected future cash flow is discounted to its present value with the help of the discounted cash flow method by using the weighted average cost of capital (WACC) after tax. Market data from peer group companies, among other things, is used to determine a standard market cost of capital in the logistics sector. The cash flow forecasts in the planning period are based on the management-approved planning for the 2024 financial year and the medium-term business planning for a period of an additional three years (2025–2027). The cash flow forecasts are based on both the company's experience in the past as well as economic data collected outside of the company and sector-specific data if available.

The value in use for the financial services CGU (Retail & Bank Division) is generally calculated using an income approach in the form of the dividend discount model. The future distributions accruing to the owners are discounted to their present value using a cost of equity rate. Market data from peer group companies, among other things, is used to determine a standard market cost of equity rate. As in logistics, the expected future distributions in the detailed planning period are based on the business plans approved by the management. The distribution forecasts are based on both the internal assumptions from the business model and the industry-specific, economic and regulatory overall data that is collected externally.

The amount after the detailed planning period is accounted for assuming a perpetual annuity for all CGUs. The maximum amount for the growth rate set for the perpetual annuity is the long-term growth and inflation expectations of the countries and sectors in which the particular CGU generates its cash flow. As a rule, a growth rate of 1.0% (2022: 1.0%) is applied, while necessary retained earnings are taken into account. The main valuation assumptions generally underlying the determination of the recoverable amount are assumptions by the management about the expected short- and long-term business development, the discount rate applied and the expected long-term growth rate.

Corporate Assets Corporate assets in accordance with IAS 36.100f are allocated to the CGUs to which they relate in the context of impairment testing. Within the Austrian Post Group, corporate assets relate primarily to the company headquarters. The logistics network production unit and the branch network also include corporate assets.

3.9 Intangible Assets

Purchased intangible assets are recognised at cost and amortised on a straight-line basis over three to ten years based on their economic lives or contract period. Customer relationships are amortised on a straight-line basis over a period of five to seven years based on their economic lives. Trademarks are generally assumed to have an indefinite useful life as there is no foreseeable end to their economic use. Intangible assets with indefinite useful lives are not amortised, but are subjected to annual impairment testing.

Internally generated intangible assets are recognised if the general recognition criteria and the special application guidance of IAS 38 are met. In this case, the creation process is divided into a research and a development phase. Initial recognition is in the amount of the directly attributable costs from the date on which the internally generated intangible asset meets the recognition criteria of IAS 38. At the Austrian Post Group, this primarily applies to internally developed software.

3.10 Property, Plant and Equipment

Property, plant and equipment is measured at cost less depreciation. Depreciation rates are based on expected economic lives. The economic lives remain unchanged from the previous year's estimates. The following useful lives are applied as standard throughout the Group:

Useful Lives	Years
Buildings	10–50
Buildings – right-of-use assets	5–15
Technical plant and machinery	5–10
Technical plant and machinery – right-of-use assets	2–4
Vehicle fleet	4–10
IT and technical equipment	3–6
Other equipment, furniture and fittings	5–20

In individual cases, there are also right-of-use assets for which the useful lives exceed the ranges shown in the table.

3.11 Leases

3.11.1 LEASES AS THE LESSEE

At inception of a contract, a check is performed to determine whether the contract constitutes a lease in accordance with IFRS 16. For leases, rights-of-use to the leased objects are recognised at cost as assets and the present value of the payment obligations entered into are recognised as liabilities. Right-of-use assets are assigned to the same balance sheet items in the balance sheet in which the underlying assets of leases are stated. Lease liabilities are reported under other financial liabilities.

The present value of **lease liabilities** includes the following lease payments:

- Fixed payments less any lease incentives receivable
- Variable payments that are linked to an index or rate
- Expected residual value payments from residual value guarantees by the lessee
- Exercise prices of purchase options if exercise by the lessee is reasonably certain
- Penalties for the termination of leases, if the lease term takes into account that the lessee will exercise a termination option

The lease payments are discounted using the incremental borrowing rate.

The cost of **right-of-use assets** is comprised as follows:

- Amount of the initial measurement of the lease liability
- Lease payments made upon or prior to provision, less lease incentives received
- All initial direct costs incurred by the lessee
- Estimated costs for restoration obligations

Right-of-use assets are subsequently measured at amortised cost. The right-of-use assets are depreciated on a straight-line basis over the lease term. If ownership is transferred to the lessee at the end of the lease term or the cost of the right-of-use asset reflects that the lessee will probably exercise a purchase option, the asset is depreciated until the end of its economic life. The useful lives taken as a basis are shown in Note 3.10 Property, Plant and Equipment.

When determining the lease term, all facts and circumstances are taken into account that result in the exercise of extension options or the non-exercise of termination options. Within the Austrian Post Group, real estate leases in particular include extension and termination options. Real estate leases are allocated to Group-internal specified term categories in connection with the determination of the lease term.

Payments for short-term leases (less than twelve months) and leases whose underlying assets are of minor value, are recognised on a straight-line basis as an expense in profit or loss. The election under IFRS 16.4 is also applied, according to which the provisions of IFRS 16 are not applied to leases of intangible assets.

Non-recoverable VAT amounts arising from liabilities in connection with leases are not a component of the lease payments and are recognised as an expense.

Deferred taxes are recognised on temporary differences in connection with right-of-use assets and lease liabilities.

3.11.2 LEASES AS THE LESSOR

The Austrian Post Group is the lessor of a large number of properties. As lessor in an operating lease, Austrian Post recognises the assets at amortised cost in property, plant and equipment. The income from rent and leasing is reported for the period in which it is generated under other operating income. As lessor in a finance lease, Austrian Post recognises the asset under trade and other receivables at the amount of the net investment.

3.12 Investment Property

Investment property is property held to earn rental income and/or for capital appreciation, and which could be sold separately. In the case of an owner-occupied portion, the allocation is based on the percentage of use. Investment property is recognised and measured using the cost method. As in the previous year, depreciation is taken on a straight-line basis based on a useful life of 20 to 50 years.

The fair values of the investment properties presented in the notes to the consolidated financial statements were determined by experts at Austrian Post as well as external experts in accordance with the requirements of IFRS 13. Measurement is primarily based on income-based approaches (in particular present value techniques). As a rule, the income approach is used, while the discounted cash flow method is applied for more complex properties. These are Level 3 measurements within the meaning of IFRS 13 (fair value hierarchy). The inputs used comprise in particular property-related data such as lettable space, vacancy rate, rental income and interest rates. The annual rental income used in relation to the market value (gross initial yield) ranges from 3.3% to 13.8% (2022: 3.3% to 13.0%) and the capitalisation rates/property rates used range from 3.4% to 7.6% (2022: 3.3% to 7.1%).

Market-based approaches (in particular sales comparable approaches) are also used for undeveloped land and land under development. These are Level 2 measurements within the meaning of IFRS 13. The inputs used comprise in particular price information from comparable transactions in active markets.

3.13 Provisions for Termination and Jubilee Benefits

Provisions for Termination Benefits The Austrian Post Group's termination benefit obligations include both a defined contribution as well as a defined benefit system.

Provisions for defined benefit obligations are recognised for statutory entitlements on the part of employees. As a general rule, civil servants are not entitled to termination benefits. Within the Austrian Post Group, it is essentially employees of Austrian Post as well as those working for subsidiaries in Austria who are entitled to termination benefits when they reach the legal retirement age or when their employment contracts are terminated by the employer. The amount of the entitlement depends on the number of years of service and the salary drawn at the time of termination or retirement. The provisions are calculated on an actuarial basis using the projected unit credit method.

There are defined contribution obligations with respect to salaried employees of Austrian Post and employees working for Austrian subsidiaries whose employment commenced after 31 December 2002. These termination benefit obligations are settled through the regular payment of corresponding contributions to an employee pension fund. Except for this, there is no other further obligation on the part of the Austrian Post Group; hence there is no requirement to recognise a provision.

Provisions for Jubilee Benefits In some cases, the Austrian Post Group is obliged to pay jubilee benefits to employees who have served the Group for specified periods of time. These obligations apply in particular to employees of Austrian Post. According to Austrian Post's employment rules, civil servants and salaried employees are given jubilee benefits amounting to two monthly salaries after 25 years of service and four monthly salaries after 40 years. Civil servants with at least 35 years of service at the time of their retirement and who have already reached the age of 65 no later than their retirement date can also receive jubilee benefits in the amount of four monthly salaries. Salaried employees subject to the first part of the collective wage agreement receive jubilee benefits totalling one monthly salary for 20 years of service, one and one half monthly salaries for 25 years of service, two and one half monthly salaries for 35 years of service and three and one half monthly salaries after 40 years of service. Provisions for jubilee benefits are calculated based on the actuarial projected unit credit method analogous to the provisions for termination benefits.

Actuarial Parameters In the course of the regular review and to ensure the best possible estimation of actuarial parameters used in determining provisions for termination and jubilee benefits, the Austrian Post Group has defined company-specific parameters as the basis for calculating these provisions that were determined according to uniform Group guidelines.

The following average weighted parameters were used as the basis for calculating provisions for termination and jubilee benefits:

	Termination benefits		Jubilee benefits	
	2022	2023	2022	2023
Discount rate	4.91%	5.62%	4.24%	3.50%
Salary/pension increase	5.65%	6.46%	5.21%–5.46%	4.45%–4.96%
Employee turnover rate	2.00%	2.09%	1.33%–17.49%	1.43%–17.47%

The retirement age used for the calculation is based on the statutory provisions of the country concerned:

Retirement age	2022	2023
Female employees	53–65	55–65
Male employees	56–65	56–65
Civil servants	65	65

The average weighted duration of the defined benefit obligation amounts to 12 years for termination benefits (2022: 11 years) and 11 years for jubilee benefits (2022: 10 years).

An index for senior, fixed-rate corporate bonds (Mercer Pension Discount Yield Curve) serves as the basis for determining the discount rate and then the relevant interest rate is determined based on the duration of the individual obligations.

The biometric assumptions taken into account in actuarial calculations are based, for the Austrian Group companies, on the calculation bases published by the Austrian Actuarial Association (AVÖ) for pension insurance ("mortality tables"). The calculation bases published for pension insurance (AVÖ 2018-P insurance tables for calculating pensions) were used for the purposes of the calculation. Similar actuarial calculation bases are used in other countries.

The salary increases applied come from the derivation of expected future wage and salary increases. These are based on the average of past years and expected future salary increases. The calculation is carried out individually for each provision, taking into account the legal regulations and provisions under collective bargaining agreements, for example bi-annual salary increases for civil servants.

The employee turnover rates applied were determined depending on length of service and based on the empirical values for previous years.

The effects of changes in actuarial parameters lead to actuarial gains and losses, which are reported in other comprehensive income for provisions for termination benefits and in staff costs for jubilee benefits. The effects from changes in the interest rate and changes in future salary increases are included in the actuarial gains and losses from the change in financial assumptions. The reconciliation of the present value of the individual obligations is presented in Note 26.2 Provisions for Termination and Jubilee Benefits.

The interest expense from provisions for termination and jubilee benefits are reported in the financial result. All other changes are reported as staff costs.

3.14 Provisions for Underutilisation

Provisions for employees who lose their jobs or who can no longer carry out their previous activities and can no longer be used to perform any other tasks are subsumed under the provision for underutilisation. These represent provisions for employees who were assigned to the organisational unit Post Internal Labour Market and whose employment contracts were classified as onerous within the meaning of IAS 37. Furthermore, the provisions for underutilisation apply to civil servants who are in the process of entering into retirement for reasons of physical disability, and provisions for employees whose contracts cannot be terminated and who can be utilised within the company on a permanent basis on arm's length terms – but under terms that do not provide for a full recovery of associated staff costs.

Provisions for the Austrian Post Internal Labour Market are recognised for future staff costs of employees whose contracts cannot be terminated (primarily civil servants) who lose their jobs within the context of ongoing internal organisational processes for adaptation to changing market conditions and whose services can no longer be utilised by the company or who can only be utilised to perform minor duties. These employment relationships represent onerous contracts within the meaning of IAS 37. The calculation of the amount allocated to provisions is based on the present value of the expenses incurred up until the employee's retirement based on the application of an average level of underutilisation and in consideration of a discount for employee turnover. If employees whose contracts cannot be terminated cannot be utilised within the company or leased to external companies under terms that do not provide for a full recovery of associated staff costs, the percentage of cost under-absorption is factored into the calculation of the provisions. All parameters are continually evaluated and adjusted to reflect changing conditions.

The provision for underutilisation also includes provisions for employees involved in the programme for potential transfer to various federal ministries based on a framework agreement entered into with the federal government in October 2013 that expired at the end of 2022. In this case, entitlements for employees who have already agreed to be transferred to federal public service will be assumed and correspondingly allocated for a specified period of time.

The provisions for underutilisation encompass future staff costs for civil servants who are in the process of entering into retirement for reasons of physical disability. The provisions are calculated as the present value of the future staff costs for the period of the average expected time until retirement is approved.

The provision for staff cost shortfalls is set up for future personnel expenses relating to employees whose contracts cannot be terminated (primarily civil servants) and who can be utilised within the company on a permanent basis on arm's length terms – under terms that do not provide for a full recovery of associated staff costs. These employment relationships represent onerous contracts within the meaning of IAS 37. The amount of the provision is calculated as the present value of the cost shortfall associated with the employees concerned until their retirement. All parameters are continually evaluated and adjusted to reflect changing conditions.

The present value of the individual provisions is calculated using a discount rate, expected future salary increases and a discount for employee turnover. These parameters are calculated according to the method described under Note 3.13 Provisions for Termination and Jubilee Benefits. The interest expense is recorded under staff costs.

The following parameters were used in calculating provisions for the Post Internal Labour Market, changes to which led – all other factors held constant – to the following changes in the provisions for the Post Internal Labour Market:

Post Internal Labour Market	2022	2023	Change EUR m
Discount rate	4.00%	3.25%	3.6
Salary increase	5.75%	5.00%	–3.4
Employee turnover discount	6.80%	2.70%	4.6
Rate of underutilisation	67.70%	36.8%–100%	2.2

The following parameters were used in calculating provisions for employees in the process of entering into retirement, and provisions for making staff members available:

Other Underutilisation	2022	2023
Discount rate	3.00%–4.00%	3.00%–3.50%
Salary increase	5.00%–7.25%	4.25%–5.25%

3.15 Share-based Payments

In 2009, the Supervisory Board of Austrian Post approved the introduction of a share-based remuneration programme. Corresponding share-based remuneration programmes (Long-term Incentive Programmes) were realised for members of the Management Board and executives in financial years 2010 to 2023. These programmes are a share-based and performance-oriented remuneration model whose tranches extend over a three-year period (performance period) and require a one-time personal investment as a condition of participation. The performance period extends from 1 January of the year in which the particular tranche is issued until 31 December of the third-following year. The number of shares of Austrian Post that must be purchased by Management Board members at the outset of the programme is calculated as a defined percentage of their gross fixed salaries divided by the reference price of the Austrian Post share for the fourth quarter of the respective prior year. The number of Austrian Post shares to be purchased by executives is determined based on the chosen investment category according to the conditions of participation.

Remuneration is paid out on the basis of bonus shares, with payment being made either in the form of shares in Austrian Post or in cash. The decision regarding the form of payment for the bonus shares is at the discretion of the Supervisory Board's Remuneration Committee for the programme for the Management Board, and at the Management Board's discretion for the programme for the executives. However, past business practice indicates that payment in cash can be assumed, which is why the remuneration is accounted for as cash-settled share-based payments.

The fair value of the share-based payments was determined using a model that takes into account performance indicators and the extent of the services rendered by the employee to date. This involves an income-based approach (present value technique) within the meaning of IFRS 13 taking account of the expected goal achievement (based on company planning), employee turnover and an estimate of the future share price. The data used are classified as Level 3 inputs as defined in the fair value hierarchy. Until the liability is settled, the fair value is remeasured at each reporting date and on the settlement date and is reported under provisions. All changes in fair value are recognised in profit or loss under staff costs.

3.16 Financial Instruments

3.16.1 CLASSIFICATION

Financial Assets In the Austrian Post Group, financial assets are classified in the following valuation categories:

- Recognised at amortised cost
- Recognised at fair value through other comprehensive income (FVOCI) – debt instruments
- Recognised at fair value through other comprehensive income (FVOCI) – equity instruments
- Recognised at fair value through profit or loss (FVTPL)

Cash, cash equivalents and central bank balances, receivables from banks, receivables from customers, financial assets and other receivables from financial services, trade receivables and other receivables, money market investments and cash and cash equivalents are held as part of a business model that aims to collect the contractual cash flows. As the cash flow criterion is also met, these financial assets are classified as measured at amortised cost.

The securities included in other financial assets are held as part a business model that aims both to collect the contractual cash flows and to sell the financial assets. As a result, they are measured at fair value through other comprehensive income (FVOCI).

The shares included in other financial assets represent equity instruments for which the FVOCI option was exercised in accordance with IFRS 9.4.1.4. Consequently, they are measured at fair value through other comprehensive income (FVOCI without recycling).

Derivative financial instruments must be assigned to the "fair value through profit or loss measurement" category (FVTPL).

Financial Liabilities Financial liabilities are generally measured at amortised cost. The liability held from the acquisition of financial assets accounted for using the equity method, however, falls under the exemption provided for in IFRS 9.4.2.1 and is to be measured at fair value through profit or loss (FVTPL).

3.16.2 MEASUREMENT

MEASUREMENT AT INITIAL RECOGNITION

Financial assets and liabilities are generally recognised for the first time on the settlement date, i.e. the date on which the financial asset is transferred. At this point in time, the Austrian Post Group measures a financial asset or a financial liability at fair value, which as a rule, corresponds to the transaction price. In the case of a financial asset or financial liability measured at amortised cost or measured at fair value through profit or loss (FVOCI), the transaction costs directly relating to the acquisition of the asset or liability are also recognised. Trade receivables are recognised based on the requirements for revenue recognition in accordance with IFRS 15.

SUBSEQUENT MEASUREMENT AND PRESENTATION

Financial instruments measured at amortised cost are measured using the effective interest rate method. Gains or losses on disposal are recognised directly in the consolidated income statement in the same way as current income and valuation adjustments. The result from the subsequent measurement of liabilities resulting from purchase obligations of non-controlling interests is recognised in the consolidated income statement, with the expenses/income from revised estimates of future results being recognised under other operating expenses/income. Expenses/income from foreign currency valuation, as well as extraordinary inflation adjustments and the expense from the interest cost of the liability are reported as part of the financial result.

Debt instruments measured at fair value through other comprehensive income (FVOCI) are recognised at fair value at the respective balance sheet date. Changes in fair value are recognised in other comprehensive income (OCI) or in the FVOCI reserve. An exception to this is the foreign currency valuation, which is shown in the consolidated income statement. Current income and valuation adjustments are likewise recognised directly in the consolidated income statement. On the disposal of debt instruments measured at FVOCI, the amounts recognised in other comprehensive income are reclassified to the consolidated income statement.

Equity instruments recognised at fair value through other comprehensive income (FVOCI) are recognised at fair value at the respective balance sheet date. Changes in fair value are recognised in other comprehensive income (OCI) or in the FVOCI reserve – i.e. the same as foreign currency measurement. When equity instruments measured at FVOCI are disposed of, the amounts recognised in other comprehensive income are not reclassified in the consolidated income statement; instead, associated amounts in the FVOCI reserve are reclassified to the revenue reserves. Current income is directly recognised in the income statement under the financial result.

Financial instruments measured at fair value through profit or loss (FVTPL) are recognised at fair value through profit or loss on the reporting date. All changes in the carrying amount as well as current income are recognised directly in the consolidated income statement under financial result for the logistics business and under other operating income for the financial services business.

Gains and losses resulting from the disposal of trade receivables in the "amortised cost measurement" category and impairment losses in accordance with IFRS 9 are to be listed as separate items in the consolidated income statement pursuant to IAS 1.82. Due to a lack of materiality, the impairment losses recognised in the financial result in accordance with IFRS 9, which relate to bank balances, money market investments and securities from the logistics business measured at fair value through other comprehensive income (FVOCI), are not reported as a separate item in the consolidated income statement. Gains and losses resulting from the disposal of trade receivables in the amortised cost measurement category are also not recorded separately in the consolidated income statement due to a lack of materiality.

3.16.3 IMPAIRMENT LOSSES

Impairments losses in accordance with IFRS 9 include both impairments on financial assets/contract assets and income/expenses from the provision for off-balance sheet risk positions. Off-balance sheet risk positions are obligations from which a risk may arise, for example in the case of loan commitments or liabilities from guarantees in the context of the banking business.

Impairments are recognised within the Austrian Post Group in the amount of the expected credit losses in accordance with IFRS 9. The specific method depends on the type of financial asset as well as on the occurrence of a significant increase in credit risk. Thus, the following items are to be measured based on the expected credit loss model in accordance with IFRS 9:

- Central bank balances from financial services
- Receivables from banks resulting from financial services
- Receivables from customers from financial services
- Other financial assets from financial services, including long-term financial assets
- Off-balance sheet risk positions (financial services)
- Securities in the category measured at amortised cost
- Securities in the category measured at FVOCI
- Money market investments
- Bank balances
- Trade receivables
- Other receivables incl. lease receivables
- Contract assets

Financial Assets From Financial Services and Off-balance Sheet Risk Positions (Summarised Below as Financial Assets From Financial Services) A distinction is made between three impairment levels for the purposes of calculating the expected credit losses on financial assets from financial services:

- Stage 1: Stage 1 relates to financial assets from financial services for which no significant increase in credit risk has been identified since initial recognition. Impairment losses are recognised in the amount of the 12-month expected credit losses. For investment grade securities, the low credit risk exemption pursuant to IFRS 9.5.5.10 is applied. As long as there is an investment grade rating, a low credit risk is therefore assumed and there is no transfer to stage 2.
- Stage 2: Financial assets from financial services in stage 2 show a significant increase in credit risk since initial recognition. Impairment losses are recognised in the amount of the expected credit losses over their term. Quantitative and qualitative criteria are used to check the significant increase in credit risk. Quantitative criteria are evident from a deterioration in the internal rating scale. Qualitative criteria are checked at account and customer level and include the setting of forbearance indicators, inclusion in the payment reminder process and assignment as an estate. In addition, all of a customer's receivables are transferred to stage 2 if a customer's receivables are overdue by more than 30 days.
- Stage 3: Financial assets from financial services in stage 3 are considered to be in default. Interest income is recognised in such cases using the effective interest rate on the amortised cost (net carrying amount). The business is transferred to stage 3 if the default indicator is set for all of the client's receivables, if the rating is in category 5 and if payment is overdue by more than 90 days.

For financial assets from financial services in stages 1 and 2, the expected credit losses are calculated using standardised model parameters. For stage 3 financial assets from financial services, the calculation depends on the significance of the outstanding amount: if the outstanding amount is less than EUR 0.3m, the expected credit losses are determined using model parameters. If the outstanding amount exceeds EUR 0.3m, the expected credit losses are determined on the basis of an individual estimate.

The following model parameters are used to calculate the expected credit losses:

- Probability of default (PD): The PD stands for the probability that a debtor will not fulfil the latter's financial obligations and will default. The PD calculated is used for non-defaulted receivables positions (stages 1 and 2) and is adjusted annually. A PD of one is used for defaulted receivables (stage 3).
  The default probabilities for receivables from customers required to calculate the expected credit losses are calculated using internal rating models. The necessary input parameters are based primarily on historical empirical values of comparable business models that are obtained externally. The parameters used are validated once a year. If no sufficient history is available, expert estimates are used. External ratings are used to determine probabilities of default for calculating the expected credit losses for receivables from banks and other financial assets from financial services.
- Loss-given default (LGD): LGD embodies the expectation regarding the amount of loss on a defaulted receivable. As the current product landscape also includes collateral for mortgage loans, a distinction is made between unsecured LGD and secured LGD in the risk models. At present, not all products have a corresponding history for LGD modelling and validation. This results in different approaches to LGD depending on the product group. An LGD of 72.0%, derived from historical data, is assumed for current accounts. An LGD of 53.84% is derived from historical data for consumer loans. The LGD for mortgage loans is separated into a secured and an unsecured portion. These amount to 10.0% for the secured part and 42.0% for the unsecured part of the financing.
- Exposure at default (EAD): EAD corresponds to the amount owed at the time of default. Repayment cash flows and carrying amounts are used to determine the amount of the current balance in order to map the EAD trend. The EAD can consist of an on-balance sheet and an off-balance sheet portion.
  As current account products and credit cards do not have a predefined term, the modelled maturities from the liquidity maturity statement are used here. The repayment schedules and the contractual term are used for lending products. In cases involving off-balance sheet transactions, a credit conversion factor (CCF) is also used. This is defined individually depending on the type of product involved. In general, the account limits are deleted when the first default indicator is set.

For financial assets from financial services 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 current cash flow estimates are then recognised in profit or loss as expenses or income in impairment losses.

Trade Receivables The simplified approach permitted under IFRS 9 is used to determine expected credit losses on trade receivables. Accordingly, impairment losses are determined in the amount of the credit losses expected over the term (stage 2 or stage 3) on the basis of an impairment matrix. Impairment losses are recognised by means of this matrix on the basis of historically observed default rates tiered according to (days past due) maturity. Forward-looking information is also evaluated and, if necessary, the default rates used are adjusted. In addition, trade receivables with a carrying amount of more than EUR 0.1m are considered on an item-by-item basis and scrutinised to recognise additional expected credit defaults over their term. Expected credit losses are determined separately for domestic and foreign customers as well as for international postal carriers.

Lease Receivables Impairment losses for lease receivables are measured in the amount of the lifetime expected credit loss (stage 2 or stage 3). Austrian Post applies the simplified approach permitted under IFRS 9. For lease receivables associated with a low default risk, an external rating is considered investment grade.

Miscellaneous Financial Assets Impairment losses on miscellaneous financial assets subject to the IFRS 9 impairment model are recognised in the amount of the 12-month expected credit loss (stage 1). If a significant increase in credit loss occurs, impairment losses are recognised in the amount of the lifetime expected credit losses. Credit risk is assumed to have increased significantly when a trade receivable is more than 30 days overdue (stage 2). An exposure is considered non-performing or impaired (stage 3) if the following factors apply:

- The individual receivable is overdue >90 days
- Insolvency proceedings have been initiated

The effective interest rate for stage 3 receivables is to be applied to the amortised cost (net carrying amount) as opposed to the gross carrying amount.

According to the method used, expected credit losses are determined for securities, balances with banks and money market investments based on the loan loss provisioning model. The expected credit loss is determined as the probability-weighted amount based on the probability of default (PD) and the loss given default (LGD). The company primarily relies on issuer-specific data supplied by Bloomberg to calculate the probability of default. To simplify things, global default rates such as those published by Standard & Poor's or Moody's are taken into account. For other receivables, practical simplifications will be applied in line with IFRS 9.B5.5.35 based on the type and scope of the receivables and to determine impairment losses by using an impairment matrix similar to the one used for trade receivables. The loss rates are derived partly based on historical empirical values and partly based on reasonable estimates. In addition, trade receivables with a carrying amount of more than EUR 0.1m are considered on an item-by-item basis and scrutinised to recognise additional expected credit defaults over their term. The expected credit losses are determined separately for claims for damages and other miscellaneous receivables.

Modified Financial Assets If the contractually stipulated cash flows of a financial asset are renegotiated or modified, an assessment is carried out as to whether the existing financial asset should be written off. If the renegotiation or modification does not lead to derecognition, the gross carrying amount is recalculated taking the modified cash flows into account. An assessment is likewise made at the time of modification and at the subsequent balance sheet dates as to whether there is a significant increase in the credit risk of the financial instrument.

Forbearance Measures In the event of modifications or renegotiations involving financial assets from financial services, a check also has to be performed to determine whether these constitute forbearance measures. Forbearance measures are concessions made to debtors who are at risk of no longer being able to meet their payment obligations. They include contract modifications such as deferrals, term extensions, interest rate reductions or debt waivers, as well as internal debt restructuring. Accordingly, a measure is deemed to constitute a forbearance measure if all of the following three criteria are met:

- This is a transaction that is objectively suitable for providing relief on the repayment terms.
- The transaction represents subjective relief for the debtor that would not have been granted to other debtors with comparable credit ratings and collateral.
- The relief related to a default that had already occurred or it was designed to prevent an impending default.

Forbearance measures are used for risk positions such as loans, debt securities, as well as irrevocable loan commitments. Positions held in the trading portfolio are excluded. Forbearance positions can be both performing and non-performing. Forbearance status is maintained at account level. All measures classified as forbearance must be recorded in the forbearance portfolio for at least two years. At the end of this probationary period, classification as forbearance can be reversed.

Write-offs Receivables and securities that the bank will not, in all probability, be able to recover are to be derecognised in full or in part. A receivable is considered to be irrecoverable if, among other things, insolvency proceedings have been initiated and the chances of success are less than 50%, at least two enforcement procedures have been unsuccessful, if the client's permanent residence cannot be determined in the long term, if the client does not have any sustainable attachable income, or if the client's other liabilities are so substantial that the recoverability of the receivable appears to be have no prospects of success. Receivables and debt securities are also to be derecognised in full or in part if a share or the entire outstanding amount has been waived. This can be the case in the event of a recovery or payment plan, as well as in the case of proceedings for a levy on income in the context of an insolvency, an out-of-court settlement or an advance payment arrangement.

3.16.4 HEDGE ACCOUNTING

In order to hedge interest rate risks arising from fixed-income financial assets from financial services, part of the derivative financial instruments of the Austrian Post Group have been designated as hedging instruments. These hedges (hedge accounting) are accounted for in accordance with the provisions set out in IFRS 9 and correspond to a fair value hedge as defined by IFRS 9.6.5.2a.

Derivative financial instruments designated as fair value hedges are used to hedge recognised assets or liabilities against the risk of a change in fair value. Both the change in the fair value of the hedging instrument and the offsetting change in the fair value of the hedged item, to the extent it is attributable to the hedged risk, are recognised in the consolidated income statement. Fluctuations in the value of the hedged item are generally offset by fluctuations in the value of the hedging instrument; any deviations (hedge ineffectiveness) are recognised in other operating income (in the event of a positive surplus) or in other operating expenses (in the event of a negative surplus).

The derivative designated as a hedging instrument is measured at fair value through profit or loss. Positive market values from the hedging instrument are reported under other financial assets from financial services, while negative market values are shown under other liabilities from financial services. The hedged items in the Austrian Post Group are financial assets from financial services, which are measured at amortised cost and adjusted to reflect the change in the fair value of the hedged risk in the context of the hedge (basis adjustments).

At the inception of the hedge, both the hedge and the risk management objectives and strategies for the hedge are formally designated and documented. The documentation includes the identification of the hedging instrument, the hedged item and the nature of the risk being hedged. The documentation also sets out the method used for assessing whether the hedge meets the requirements for hedge effectiveness. A hedge is only accounted for if the criteria defined in IFRS 9 are met.

Upon termination of the hedge, the adjustments recognised (basis adjustment) on the financial assets designated as hedged items are reversed over the remaining term to maturity and are presented in the consolidated income statement under income from financial services.

4. Changes in Accounting and Valuation Methods

4.1 Mandatory Application of New and Revised International Financial Reporting Standards (IFRS)

The following new and revised standards have been applied on a mandatory basis for the first time during the 2023 financial year:

Mandatory Application of New Standards		Effective date EU[1]
IFRS 17	Insurance Contracts (including Amendments to IFRS 17)	1 Jan. 2023
IFRS 17	Initial Application of IFRS 17 and IFRS 9 – Comparative Information	1 Jan. 2023

Mandatory Application of Revised Standards		Effective date EU[1]
IAS 1/IFRS Practice Statement 2	Disclosure of Accounting Policies	1 Jan. 2023
IAS 8	Definition of Accounting Estimates	1 Jan. 2023
IAS 12	Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 Jan. 2023
IAS 12	Income Taxes – Global Minimum Tax – Pillar II Model Rules	1 Jan. 2023

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

As no insurance contracts are held, IFRS 17 does not apply to the Austrian Post Group. As a result, the new standards have no impact on the consolidated financial statements.

In connection with the amendments to IAS 1 and IFRS Practice Statement 2, the disclosures on accounting policies have been revised accordingly.

The amendment to IAS 12 in connection with the mandatory exception to the requirements regarding initial recognition of deferred tax assets had already been applied early in the 2022 financial year. The application of the amended standards did not have any impact on the consolidated financial statements.

The top-up taxes provided for as part of the introduction of global minimum tax/Pillar II are subject to the provisions of IAS 12. However, the mandatory exception is applied and no related effects on deferred taxes have been determined for the 2023 financial year. Based on the knowledge currently available, the Austrian Post Group will not be affected (either at all or to any considerable degree) by the global minimum tax. Depending on future tax legislation, small amounts of taxes could be incurred in Hungary (low local nominal tax rate) or Türkiye (possible special tax provisions due to inflation). Based on our initial evaluations, we anticipate an insignificant Pillar II-related tax expense. As a result, we do not foresee any significant impact on the Group tax rate.

The other amended standards do not have any impact on the consolidated financial statements.

4.2 Standards Published but not yet Applied and Standards That Have not yet Entered into Force in the EU

The following standards and interpretations have been endorsed or are in the process of endorsement by the European Union. However, mandatory application of these standards will only take place in the future. The following standards have not been applied early.

Revised Standards not yet Applied		Endorsement EU	Effective date EU[1]
IAS 1	Classification of Liabilities as Current or Non-current	19 Dec. 2023	1 Jan. 2024
IAS 1	Non-current Liabilities with Covenants	19 Dec. 2023	1 Jan. 2024
IAS 7/IFRS 7	Supplier Finance Arrangements	to be decided	1 Jan. 2024
IFRS 16	Lease Liability in a Sale and Leaseback	20 Nov. 2023	1 Jan. 2024
IAS 21	Lack of Exchangeability of a Currency	to be decided	1 Jan. 2025

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

The revised standards that are not yet applied are unlikely to have any material impact on the consolidated financial statements of Austrian Post.

5. Future-related Assumptions and Estimation Uncertainties

All assumptions and estimates are continually updated and are based on historical empirical values and other factors, including expectations regarding future events that appear reasonable under the circumstances. The assumptions and estimates derived from this process can differ from the amounts that actually occur.

5.1 Future-related Assumptions and Estimation Uncertainties

The material future-related assumptions and estimates, which carry a significant risk that assets and liabilities may have to be adjusted in future financial years, are set out below and should be read in conjunction with the related notes:

Future-related Assumptions and Estimation Uncertainties	Reference
Assessment of recoverability of intangible assets, goodwill, property, plant and equipment and investment property	Note 3.8; Note 16
Business combinations (determination of fair values, measurement of variable purchase price components, measurement of purchase obligations)	Note 3.1; Note 6.2; Note 27
Determining the terms of leases	Note 3.11; Note 19
Measurement of provisions for termination and jubilee benefits (determination of the parameters used)	Note 3.13; Note 26.2
Measurement of provision for underutilisation (determination of parameters used)	Note 3.14; Note 26.3
Crediting of previous periods of service for (former) civil servants	Note 26.3
Recovery of contributions from the payroll of civil servants	Note 26.4
Recognition of provisions for potential compensation payments under data protection law	Note 26.4
Determination of fair value of financial instruments	Note 29.1.2; Note 29.1.3
Measurement of financial instruments (impairment)	Note 3.16
Recognition and subsequent measurement of income taxes	Note 3.6
Estimation of variable consideration in the context of revenue recognition	Note 3.5

The Group is also confronted with external events and developments that require forward-looking assumptions and estimates and are presented below.

5.2 Climate-related Aspects

As a postal, logistics and service company with international operations, the Austrian Post Group is exposed to climate-related uncertainties and risks that could potentially have a negative impact on the Group's assets, financial and earnings position. To ensure that these are identified and managed at an early stage, a comprehensive risk management system has been established that also covers climate and environmental as well as social and governance risks (ESG risks). These uncertainties and risks require the use of forward-looking assumptions and estimates. Climate-related uncertainties and risks primarily affect activities related to transport and logistics infrastructure. In the course of preparing the consolidated financial statements, potential effects were analysed, in particular on the recoverability of assets in accordance with IAS 36 and IFRS 9, on the useful life of assets and on the recognition of provisions and/or contingent liabilities.

The Austrian Post Group has developed an integrated corporate and sustainability strategy to manage climate-related risks and seize climate-related opportunities. Climate-related risks are incorporated into the Austrian Post Group's financial planning process by implementing measures to minimise climate-related risks. In the context of cash flows, investment expenditure is the area that is most affected by climate-related measures, as these measures include the procurement of electric vehicles and photovoltaic systems. In addition, any climate-related systematic risk factors are taken into account in the weighted average cost of capital (WACC) by applying current market and country risk premiums. As at 31 December 2023, this did not result in any need for impairment.

Furthermore, in the course of the financial planning process for the 2023 financial year, a CO_2e emissions plan for the 2024–2027 period was prepared across the Group, which should highlight the effects of the economic development and planned measures for CO_2e reduction. This makes a direct contribution to the effective management of climate-related opportunities and risks and to the achievement of Austrian Post's climate targets.

Packages of measures have also been defined to avoid CO_2 emissions (e.g. through the use of electric vehicles) and reduce the impact of climate change (e.g. shades to prevent overheating in summer and green area plans at logistics centres). As part of these efforts, the potential impact of climate change in areas with higher daytime temperatures, such as Türkiye, is analysed on an ongoing basis and measures to cope with this are evaluated (e.g. shift plans, uniforms and air conditioning). As the measures will be implemented and further evaluated over a period spanning several years, and the main focus will be on the use of renewable energies, there are no significant conversion or one-off effects and no significant climate-related fluctuations in the results for the 2023 financial year. By the same token, there are no material effects on expected useful lives as at 31 December 2023 on this basis.

There are also no obligations arising from the overall legal framework or any climate changes that would justify the recognition of a provision as defined by IAS 37 as at 31 December 2023.

In connection with the banking business, climate-related risks can arise in both credit risk and operational risk, particularly with regard to property used as collateral in the case of credit risk. Climate risks can be divided into physical risks as a result of changing climatic conditions, and transition risks as a result of the development towards a low-CO_2 economy and society. Stress tests based on the EBA/ECB climate stress tests were carried out at portfolio level with regard to both aspects in order to estimate and quantify them. The outcome was that, while climate risks are relevant to banking business activities, they are not considered to be material from today's perspective. In addition, information on energy efficiency certificates and energy efficiency category data is collected when granting new residential construction loans in order to address and mitigate physical and transition climate risks. A high-risk area check is also carried out as part of the collateralisation process. If collateral is located in the red high-risk area according to the land use plan, the financing will be rejected.

In the area of trade receivables and other receivables, no customers have been identified who are affected by climatic events or climate-related measures or legislation, or whose creditworthiness is impaired. Consequently, there were no climate-related effects on impairment losses.

All in all, there are no material climate-related risks to the consolidated financial statements as at 31 December 2023 and no effects on the company's ability to continue as a going concern. Since further developments are subject to uncertainty, the effects of climate-related risks are continuously monitored and taken into account in the Group's risk management. In addition, climate-related sustainability targets are incorporated into the variable salary components for top management.

5.3 Macroeconomic/Geopolitical Environment

Current developments and uncertainties arising from the macroeconomic and geopolitical environment are monitored on an ongoing basis and any potential effects on the consolidated financial statements are reviewed. While the ongoing war in Ukraine has no direct impact on the Austrian Post Group, analyses in the 2023 financial year focused in particular on developments in interest rates and inflation. This largely relates to the impairment testing of assets according to IAS 36, the recognition and measurement of assets pursuant to IFRS 9 and IFRS 13, and the measurement of employee benefits.

Uncertainty factors arising from macroeconomic developments, in particular from the current inflation and interest rate environment, were taken into account in impairment testing in accordance with IAS 36 via the weighted average cost of capital (WACC). The current inflation environment was also reflected in cash flows. The reviews did not reveal any trigger and consequently no need for impairment for the 2023 financial year.

In addition, the current overall macroeconomic conditions were taken into account when determining the fair values of the investment properties presented in the notes in the relevant parameters such as interest rates, rents and maintenance costs.

With regard to trade receivables, and other receivables no significant observable or expected changes in the estimated default risk resulting from macroeconomic or geopolitical developments were identified in the 2023 financial year. Consequently, there were no material effects on impairment losses.

In relation to receivables from customers from financial services, no significant negative effects on the key risk parameters, probability of default (PD) and loss given default (LGD), were identified – despite the unstable environment. As the macroeconomic indicators remain volatile and the global crises have created an environment of heightened uncertainty, the model calculation adjusted in the 2022 financial year was updated and the additional impairment losses calculated on this basis were increased. This covers the expected uncertainties, particularly with regard to trends in economic growth and the unemployment rate. The effects of these factors were of minor significance.

In view of the sustained high level of inflation in Türkiye, the annual financial statements of the Turkish subsidiaries are still included by applying IAS 29 Financial Reporting in Hyperinflationary Economies. Further explanatory information and the inflation adjustments can be found in Notes 3.3 Hyperinflation, 16 Goodwill, 17 Intangible Assets, 18 Property, Plant and Equipment, 19 Leases and 20 Investment Property.

When it came to measuring employee benefits, the current economic outlook was reflected in the actuarial parameters. This did not have any material impact as at 31 December 2023. Further explanatory information is provided in Notes 3.13 Provisions for Termination and Jubilee Benefits, 3.14 Provisions for Underutilisation, 26.2 Provisions for Termination and Jubilee Benefits and 26.3 Other Employee Provisions.

There were no significant effects in other areas either, meaning that no material impacts on the consolidated financial statements were identified as at 31 December 2023.

6. Scope of Consolidation and Financial Assets Accounted for Using the Equity Method

6.1 List of Shares in Companies

In addition to Austrian Post, 24 domestic (31 December 2022: 24) and 16 foreign (31 December 2022: 15) subsidiaries are included in the consolidated financial statements. Furthermore, two foreign companies (31 December 2022: one) are accounted for using the equity method.

	31 Dec. 2022		31 Dec. 2023	
Company and Location	Interest in %	Method of consolidation[1]	Interest in %	Method of consolidation[1]
ACL advanced commerce labs GmbH, Graz	70.00	FC	70.00	FC
adverserve				
adverserve Holding GmbH, Vienna	100.00	FC	100.00	FC
adverserve digital advertising Services Gesellschaft m.b.H., Vienna	100.00	FC	100.00	FC
adverserve digital advertising Services d.o.o., Zagreb	75.00	FC	75.00	FC
adverserve digital advertising Services Schweiz GmbH, Zurich	100.00	NC	100.00	NC
adverserve digital advertising Services Deutschland GmbH, Hamburg	100.00	NC	100.00	NC
Agile Actors GmbH, Vienna	0.00	n/a	100.00	FC
Agile Actors Hellas Single Member S.A., Chalandri[2,3]	0.00	n/a	80.00	EM
Aras Digital Teknoloji Hizmetleri Anonim Şirketi a.s., Istanbul	80.00	FC	80.00	FC
Aras Kargo Yurtici Yurtdisi Tasimacilik a.s., Istanbul	80.00	FC	80.00	FC
Austrian Post International Deutschland GmbH, Bonn	100.00	FC	100.00	FC
bank99 AG, Vienna	90.00	FC	90.00	FC
City Express d.o.o., Belgrade	100.00	FC	100.00	FC
Express One d.o.o., Sarajevo	100.00	FC	100.00	FC
Express One Hungary Kft., Budapest	100.00	FC	100.00	FC
Express One Montenegro d.o.o., Podgorica	100.00	FC	100.00	FC
Express One Slovenia d.o.o., Komenda (formerly Express One SI d.o.o., Ljubljana)	100.00	FC	100.00	FC
Express One Slovakia s.r.o., Ivanka pri Dunaji	100.00	FC	100.00	FC
feibra GmbH, Vienna	100.00	FC	100.00	FC
M&BM Express OOD, Sofia	76.00	FC	76.00	FC
Medien.Zustell GmbH, Vienna	100.00	FC	100.00	FC
Overseas Trade Co Ltd d.o.o., Hrvatski Leskovac	100.00	FC	100.00	FC
Post 001 Finanzierungs GmbH, Vienna	100.00	FC	100.00	FC
Post 002 Finanzierungs GmbH, Vienna	100.00	FC	100.00	FC
Post 104 Beteiligungs GmbH, Vienna	100.00	FC	100.00	FC
Post 106 Beteiligungs GmbH, Vienna	100.00	FC	100.00	FC
Post 107 Beteiligungs GmbH, Vienna	100.00	FC	100.00	FC
Post 108 Beteiligungs- und Dienstleistungs GmbH, Vienna	100.00	FC	100.00	FC
Post 202 Beteiligungs GmbH, Vienna[4]	100.00	FC	100.00	NC
Post 206 Beteiligungs GmbH, Vienna	100.00	FC	100.00	FC
Post 207 Beteiligungs GmbH, Vienna	100.00	FC	100.00	FC
Post 301 Beteiligungs GmbH, Vienna	100.00	FC	100.00	FC
Post Business Solutions GmbH, Vienna	100.00	FC	100.00	FC

Company and Location	31 Dec. 2022 Interest in %	31 Dec. 2022 Method of consolidation[1]	31 Dec. 2023 Interest in %	31 Dec. 2023 Method of consolidation[1]
Post E-Commerce GmbH, Vienna	100.00	FC	100.00	FC
Post Immobilien GmbH, Vienna	100.00	FC	100.00	FC
Post IT Services GmbH, Vienna	100.00	FC	100.00	FC
Post Systemlogistik GmbH, Vienna	100.00	FC	100.00	FC
Post & Co Vermietungs OG, Vienna	100.00	FC	100.00	FC
Post Wertlogistik GmbH, Vienna	100.00	FC	100.00	FC
PROWERB Gesellschaft für produktive Werbung GmbH, Vienna	100.00	FC	100.00	FC
Scanpoint Slovakia s.r.o., Nitra	100.00	FC	100.00	FC
Slovak Parcel Service s.r.o., Ivanka pri Dunaji	100.00	FC	100.00	FC
Starex Global Yurtici ve Yurtdisi Tasimacilik a.s., Istanbul	0.00	n/a	60.00	FC
Star Express Azerbaijan L.L.C., Baku	0.00	n/a	60.00	FC
Weber Escal d.o.o., Hrvatski Leskovac	100.00	FC	0.00	n/a
ADELHEID/AEP				
ADELHEID GmbH, Alzenau[2,3]	51.52	EM	51.52	EM
AEP GmbH, Alzenau[2,3]	51.52	EM	51.52	EM
EURODIS GmbH, Weinheim	37.60	NC-OI	37.60	NC-OI

[1] FC – Full consolidation, NC – Subsidiary not consolidated due to immateriality, EM – Equity method, NC-OI – Other shares not consolidated due to lack of control or significant influence
[2] The profit for the period of assets accounted for using the equity method corresponds to the proportionate profit for the period of the respective group
[3] No controlling influence due to a contractual agreement or legal circumstances
[4] In liquidation

6.2 Changes to the Scope of Consolidation

The following changes were made to the scope of consolidation and transactions with non-controlling interests in the 2023 financial year:

Company name	Interest		Date of transaction	Comment
	from	to		
PARCEL & LOGISTICS				
Starex Global Yurtici ve Yurtdisi Tasimacilik a.s., Istanbul[1]	0.00%	60.00%	07 Apr. 2023	Acquisition
Star Express Azerbaijan L.L.C., Baku[1]	0.00%	60.00%	07 Apr. 2023	Acquisition
Weber Escal d.o.o., Hrvatski Leskovac	100.00%	0.00%	26 May 2023	Sale
CORPORATE				
Agile Actors GmbH, Vienna	0.00%	100.00%	10 Feb. 2023	Foundation
Agile Actors Hellas Single Member S.A., Chalandri	0.00%	80.00%	22 Feb. 2023	Acquisition

[1] Aras Kargo, Istanbul, which is 80% owned by the Austrian Post Group, holds a 75% share in Starex Global, Istanbul. Starex Global, Istanbul owns 100% of Star Express Azerbaijan, Baku.

PARCEL & LOGISTICS

Starex Global a.s. and Star Express Azerbaijan L.L.C.

On the closing date of 7 April 2023, Aras Kargo a.s. acquired a 75% stake in Starex Global a.s. by way of a capital increase, meaning that it obtained control. Starex Global a.s. became the owner of Star Express Azerbaijan L.L.C. by acquiring 100% of the shares. Both companies have been included in the consolidated financial statements of Austrian Post as fully consolidated companies since the closing date.

Aras Kargo a.s. is using the acquisition to follow its e-commerce customers from its core business in Türkiye, who are now also selling their goods to Azerbaijan. Starex Global a.s. and Star Express Azerbaijan L.L.C. cover the entire value chain, from customs clearance in Türkiye to delivery in Azerbaijan.

For both companies, the identifiable assets totalled EUR 1.1 m and the liabilities assumed amounted to EUR 0.9m at the time control was obtained. The consideration transferred for the capital increase in Starex Global a.s. totalled EUR 1.1m. The cash outflow for the acquisition of Star Express Azerbaijan L.L.C. totalled EUR 0.9m on the closing date. The acquisition resulted in goodwill totalling EUR 0.8m for both companies resulting from the earnings expectations associated with the companies in connection with the parcel business in Azerbaijan.

Aras Kargo a.s. also holds call options, which can be exercised eight and ten years after the closing date, to acquire the remaining 25% of the company. The exercise price depends on the company's results achieved in the year prior to the possible exercise (EBIT multiple).

The effects of this transaction on consolidated revenue and consolidated net profit for the period are of minor significance.

Weber Escal d.o.o.

By way of a purchase agreement concluded on 26 May 2023, 100% of the shares in the subsidiary Weber Escal d.o.o, which was previously fully consolidated in the scope of consolidation of Austrian Post, were sold. As a result of the loss of control, Weber Escal d.o.o. was deconsolidated. This resulted in a loss of EUR 0.5m, which is recognised in the consolidated financial statements under other operating expenses. The derecognition due to the sale had no further significant effects on the Group's assets, financial and earnings position.

CORPORATE

Agile Actors Hellas Single Member S.A.

Austrian Post acquired 80% of the shares in the Greek IT service provider Agile Actors Hellas Single Member S.A. via the newly established holding company Agile Actors GmbH on 22 February 2023. 20% of the shares will remain with the previous owner, Agile Actors Endeavours S.A.

Agile Actors Hellas Single Member S.A. provides high-quality software development services for its customers with a team of over 260 IT experts. The company will continue to grow independently in the coming years in order to meet the growing needs of the Austrian Post Group and the third-party market. The Austrian Post Group expects the acquisition to mitigate the effects of increasingly difficult access to experts on the local labour market and to more cost-effective resources than local service providers. This will not affect Austrian Post's strategy of expanding its local expertise with employees from the Austrian market. The encouraging economic situation and high levels of profitability are other arguments in favour of the investment. These are also reflected in the goodwill.

Based on the agreed corporate governance, the Austrian Post Group will not obtain control over the company for the time being. The provisions of the shareholders' agreement are such that the Austrian Post Group is not able to control the company's relevant activities during the earn-out phase. During this phase, the previous owners will also remain members of the management of Agile Actors Hellas Single Member S.A. As a result, the 80% stake in Agile Actors Hellas Single Member S.A. will be included in the consolidated financial statements of Austrian Post using the equity method in accordance with IAS 28.

The summary of the fair values, identifiable assets and liabilities assumed, as well the reconciliation to the carrying amount of the interest in the associate as at the acquisition date of 22 February 2023 are as follows:

EUR m	Fair values
NON-CURRENT ASSETS	**4.1**
thereof intangible assets	3.4
CURRENT ASSETS	**4.9**
thereof cash and cash equivalents	1.2
NON-CURRENT LIABILITIES	**1.0**
thereof financial liabilities	0.4
CURRENT LIABILITIES	**2.4**
thereof financial liabilities	0.1
TOTAL NET IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED (100%)	**5.6**
RECONCILIATION OF THE CARRYING AMOUNT OF THE 80% SHARE IN THE ASSOCIATE	
Pro-rata balance of total net identifiable assets acquired and liabilities assumed	4.4
Goodwill	16.5
CARRYING AMOUNT OF THE SHARE ACQUIRED IN THE ASSOCIATE	**20.9**

The purchase price, including transaction costs, was recognised as an investment in the amount of EUR 20.9m under financial assets accounted for using the equity method. EUR 12.6m of this amount has already been paid. A further EUR 0.3m is attributable to transaction costs. In addition, contingent considerations subject to a cap were agreed in relation to the achievement of projected EBIT for the years 2023, 2024 and 2025. Based on a best estimate of the variable purchase price, a liability of EUR 8.0m was recognised in this regard at the time of acquisition.

An agreement was also concluded with the previous owners in their capacity as managing directors of Agile Actors Hellas Single Member S.A. If defined non-financial indicators (number of employees) are achieved by 2025, they are entitled to remuneration of up to EUR 3.0m, which will be recognised as deferred income against other operating expenses until payment.

In addition to the acquisition of 80% of the shares, reciprocal options to acquire the remaining 20% of the shares were agreed. Accordingly, Austrian Post has the obligation (put option) to acquire 10% or 20% of the shares in 2028 and 2029 respectively and the right (call option) to acquire the remaining 20% of the shares in the same years. The exercise price depends on the company's results achieved on average in the two years prior to the possible exercise (EBIT multiple).

The pro rata result since the date of acquisition led to an increase in the carrying amount of the associate of EUR 1.7m. The distribution adopted in September reduced the carrying amount by EUR 1.9m.

6.3 Non-controlling Interests

The following table shows the breakdown of material non-controlling interests by company:

EUR m	Non-controlling interests		Interest in %	
	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023
Aras Kargo Yurtici Yurtdisi Tasimacilik a.s., Istanbul	13.5	15.3	20.00	20.00
bank99 AG, Vienna	16.5	16.5	10.00	10.00
Other	0.7	1.6	n/a	n/a
NON-CONTROLLING INTERESTS	**30.7**	**33.4**		

The table below shows information on subsidiaries with significant non-controlling interests before intercompany eliminations:

2022 Financial Year

EUR m	Aras Kargo a.s.	bank99 AG
PERCENTAGE OF NON-CONTROLLING INTERESTS	**20.0%**	**10.0%**
Non-current assets	99.2	45.0
Financial assets from financial services	0.0	3,116.7
Current assets	56.9	8.1
Non-current liabilities	–24.3	–13.2
Financial liabilites from financial services	0.0	–2,924.6
Current liabilities	–64.4	–66.9
NET ASSETS	**67.3**	**165.1**
Net assets of non-controlling interests	13.5	16.5
Revenue/income from financial services	251.7	83.0
Profit for the period	21.2	–21.2
Other comprehensive income	11.2	0.3
TOTAL COMPREHENSIVE INCOME	**32.4**	**–20.9**
Profit attributable to non-controlling interests	4.2	–2.1
Other comprehensive income attributable to non-controlling interests	2.2	0.0
Cash flow from operating activities	41.3	–354.3
Cash flow from investing activities	–3.8	–13.3
Cash flow from financing activities	–43.0	25.2
Currency translation differences in cash and cash equivalents	–3.3	0.0
Monetary loss on cash and cash equivalents	–9.6	0.0
CHANGE IN CASH AND CASH EQUIVALENTS	**–18.4**	**–342.4**

2023 Financial Year

EUR m	Aras Kargo a.s.	bank99 AG
PERCENTAGE OF NON-CONTROLLING INTERESTS	**20.0%**	**10.0%**
Non-current assets	95.9	36.0
Financial assets from financial services	0.0	3,336.5
Current assets	82.4	11.1
Non-current liabilities	–22.4	–11.0
Financial liabilites from financial services	0.0	–3,135.8
Current liabilities	–81.1	–71.6
NET ASSETS	**74.8**	**165.2**
Net assets of non-controlling interests	15.3	16.5
Revenue/income from financial services	354.5	128.0
Profit for the period	27.1	–8.8
Other comprehensive income	–8.6	0.0
TOTAL COMPREHENSIVE INCOME	**18.5**	**–8.8**
Profit attributable to non-controlling interests	5.4	–0.9
Other comprehensive income attributable to non-controlling interests	–1.7	0.0
Cash flow from operating activities	46.7	–40.5
Cash flow from investing activities	–2.1	–3.0
Cash flow from financing activities	–20.4	6.8
Currency translation differences in cash and cash equivalents	–3.0	0.0
Monetary loss on cash and cash equivalents	–9.6	0.0
CHANGE IN CASH AND CASH EQUIVALENTS	**11.6**	**–36.7**

Dividends of EUR 1.8m (2022: EUR 6.9m) were allocated to the non-controlling interests in Aras Kargo a.s. in the 2023 financial year.

6.4 Joint Ventures and Associates

6.4.1 ASSOCIATES

Composition of Carrying Amounts

EUR m	Interest in %	2022	Interest in %	2023
ASSOCIATES				
ADELHEID GmbH, Alzenau	51.52	7.2	51.52	7.6
Agile Actors Hellas Single Member S.A., Chalandri	n/a	n/a	80.00	20.7
NET CARRYING AMOUNT AS AT 31 DECEMBER		**7.2**		**28.3**

ADELHEID GmbH ADELHEID GmbH owns a 100% stake in AEP GmbH, Alzenau, Germany, which supplies pharmaceutical products to pharmacies in Germany. Although the shareholding in ADELHEID GmbH, Alzenau, amounts to 51.5%, there is no controlling interest pursuant to IFRS 10. On the basis of the existing corporate governance, the required voting rights majority to attain control of relevant corporate bodies amounts to 66.6%.

Agile Actors Hellas Single Member S.A. The shares in this company were acquired on 22 February 2023. Information on the acquisition can be found in Note 6.2 Changes to the Scope of Consolidation.

All shares in associates are accounted for using the equity method pursuant to IAS 28 in the consolidated financial statements of Austrian Post. In the Group's opinion, there are no material associates.

The reconciliation of the carrying amounts is as follows:

Reconciliation of Carrying Amounts

EUR m	2022	2023
NET CARRYING AMOUNT AS AT 1 JANUARY	**8.2**	**7.2**
Additions arising from acquisitions	0.0	20.9
Proportionate share of profit for the period	–0.3	2.1
Dividends	0.0	–1.9
Decrease from sale of shares	–0.7	0.0
NET CARRYING AMOUNT AS AT 31 DECEMBER	**7.2**	**28.3**

6.4.2 RESULTS FROM FINANCIAL ASSETS ACCOUNTED FOR USING THE EQUITY METHOD

The following table breaks down the share of the total comprehensive income attributable to associates that are considered insignificant when viewed individually. The table also shows the reconciliation to the total result from financial assets accounted for using the equity method:

Results from Financial Assets Accounted for Using the Equity Method

EUR m	2022	2023
IMMATERIAL ASSOCIATES		
Share of profit for the period	–0.3	2.1
RESULTS FROM FINANCIAL ASSETS ACCOUNTED FOR USING THE EQUITY METHOD	**–0.3**	**2.1**
Share of other comprehensive income	0.0	0.0
SHARE OF TOTAL COMPREHENSIVE INCOME	**–0.3**	**2.1**

7. Segment Reporting

General Information In line with the divisional structure of the Austrian Post Group, the segment reporting is based on the reporting segments Mail, Parcel & Logistics, Retail & Bank and Corporate, and corresponds to the reporting to the Management Board (as Chief Operating Decision Maker according to IFRS 8). The reportable segments are identified on the basis of the difference between products and services. No operating segments were combined as part of the identification of the reporting segments. Logistics for mail and parcels in Austria is bundled in the internal logistics network production unit, which charges its services to the operating divisions based on the costs incurred.

Mail The product and service portfolio of the Mail Division includes the delivery of letters and document shipments, addressed and unaddressed direct mail and newspapers, and online services such as e-letters and business operations such as input management, document logistics and output management. The product portfolio is also supplemented with cross-media solutions and digital advertising. The offering is rounded off by additional physical and digital services in customer communications as well as optimisation in document processing. The division is responsible for the results of its entire product and service portfolio, including distribution, collection, sorting and delivery.

The Mail Division also bears additional expenses resulting from the special ongoing statutory obligations of Austrian Post (in particular its obligations as a universal service provider in Austria and the specific employment situation of civil servant employees).

Parcel & Logistics The Parcel & Logistics Division offers one-stop solutions for parcel and express parcel shipments along the entire value chain. The division is responsible for the results of the entire service provision process, including logistics services purchased both within the Group and externally. In addition to conventional parcel products, express delivery and food delivery, the portfolio in Austria also includes a broad range of value-added services. Tailored fulfilment solutions such as warehousing, order picking, returns management, the transport of valuable goods and cash, web shop logistics and web shop infrastructures are offered. Internationally, the Parcel & Logistics Division is represented in CEE and Türkiye through its subsidiaries. In addition, stationary logistics for pharmaceutical products is offered in Germany through the associate ADELHEID/AEP.

Retail & Bank In addition to the branch business, the Retail & Bank Division comprises bank99 AG – Austrian Post's bank – which has been offering financial services throughout Austria since 1 April 2020. The bank99 AG business model is based in particular on the use of Austrian Post's branches. The division's product offering includes postal and telecommunication products, merchandise, as well as the financial services offered by a retail bank and payment transactions services.

Corporate The Corporate Division is primarily responsible for services in the area of Group administration, the development of new business models, the rental of properties not required for operations and the development of real estate projects. Non-operational services typically provided for the management and control of a corporate Group include, among other things, the management of the company's properties, providing IT support services and the administration of the Internal Labour Market of Austrian Post.

Group Reconciliation The elimination of transactions between segments is shown in the Group Reconciliation column. Furthermore, the column serves the reconciliation from segment figures to Group figures. The depreciation, amortisation and write-downs and segment investments shown in this column mainly relate to the internal logistics network production unit.

INFORMATION ABOUT PROFIT OR LOSS

2022 Financial Year

EUR m	Mail	Parcel & Logistics	Retail & Bank	Corporate	Group Reconciliation	Group
Revenue (segments)	1,218.0	1,214.6	122.5	3.0	–36.2	2,522.0
Revenue intra-Group	3.8	0.7	192.1	0.0	–196.6	0.0
TOTAL REVENUE	**1,221.9**	**1,215.3**	**314.6**	**3.0**	**–232.8**	**2,522.0**
thereof revenue with third parties	1,201.9	1,195.1	122.1	3.0	0.0	2,522.0
thereof income from financial services	0.0	0.0	83.0	0.0	–0.4	82.6
Results from financial assets accounted for using the equity method	0.0	–0.3	0.0	0.0	0.0	–0.3
Depreciation, amortisation and write-downs	–5.8	–36.2	–13.8	–24.1	–104.5	–184.3
thereof impairment losses recognised in profit or loss	0.0	–2.1	–0.6	0.0	0.0	–2.7
Reversal recognised in profit or loss	0.0	2.4	0.0	0.0	0.9	3.2
EBIT	**157.6**	**88.8**	**–26.7**	**–31.2**	**–0.1**	**188.4**
Financial result						–24.7
PROFIT BEFORE TAX						**163.7**
Segment investments	4.5	35.3	21.9	14.7	233.6	310.0

2023 Financial Year

EUR m	Mail	Parcel & Logistics	Retail & Bank	Corporate	Group Reconciliation	Group
Revenue (segments)	1,190.4	1,416.5	168.6	2.4	–37.1	2,740.8
Revenue intra-Group	4.7	0.7	192.3	0.0	–197.7	0.0
TOTAL REVENUE	**1,195.2**	**1,417.2**	**360.9**	**2.4**	**–234.8**	**2,740.8**
thereof revenue with third parties	1,175.2	1,395.0	168.2	2.3	0.0	2,740.8
thereof income from financial services	0.0	0.0	128.0	0.0	–0.4	127.6
Results from financial assets accounted for using the equity method	0.0	0.4	0.0	1.7	0.0	2.1
Depreciation, amortisation and write-downs	–6.2	–37.2	–20.6	–21.9	–115.4	–201.3
thereof impairment losses recognised in profit or loss	0.0	–2.1	–4.1	0.0	–5.4	–11.6
EBIT	**152.3**	**89.5**	**–13.7**	**–37.5**	**–0.4**	**190.2**
Financial result						–3.0
PROFIT BEFORE TAX						**187.2**
Segment investments	8.0	40.5	11.3	11.0	167.9	238.6

Transactions between the segments are executed at market-based prices or based on costs. The settlement of additional expenses resulting from Austrian Post's special statutory obligations is a cost-based process. The accounting treatment of transactions between the segments does not fully correspond to the accounting principles applied within the Austrian Post Group. In particular, the principles for revenue recognition under IFRS 15 are applied in a simplified manner and intra-Group leasing transactions are not fully reflected according to IFRS 16.

INFORMATION ABOUT GEOGRAPHICAL AREAS

Revenue is shown according to the location of the company performing the service and exclusively refers to revenue generated with companies outside of the Austrian Post Group:

2022 Financial Year

EUR m	Austria	Türkiye	Other countries	Group
Revenue	2,049.1	251.7	221.2	2,522.0
Non-current assets other than financial instruments and deferred tax assets	1,425.0	95.6	63.8	1,584.4

2023 Financial Year

EUR m	Austria	Türkiye	Other countries	Group
Revenue	2,156.2	355.0	229.6	2,740.8
Non-current assets other than financial instruments and deferred tax assets	1,447.5	92.5	61.6	1,601.6

8. Revenue from Contracts with Customers

8.1 Revenue from Contracts with Customers

The following table shows the revenue from contracts with customers pursuant to IFRS 15 by type of product/service or region for each reportable segment:

EUR m	2022	2023
Letter Mail	714.9	699.1
Business Solutions	43.1	43.6
Direct Mail	317.1	302.7
Media Post	126.7	129.9
MAIL	**1,201.9**	**1,175.2**
Parcel Austria	727.2	806.4
Parcel Türkiye	251.7	355.1
Parcel CEE/SEE	172.0	198.1
Logistics Solutions/Consolidation	44.2	35.4
PARCEL & LOGISTICS	**1,195.1**	**1,395.0**
Branch Services	39.5	40.6
Commission income from financial services	48.7	47.5
Other	0.1	0.0
RETAIL & BANK	**88.3**	**88.1**
Other revenue	3.0	2.3
CORPORATE	**3.0**	**2.3**
REVENUE FROM CONTRACTS WITH CUSTOMERS	**2,488.2**	**2,660.7**
thereof recognised in revenue	2,488.2	2,660.7

8.2 Assets and Liabilities from Contracts with Customers

The following table shows the status of trade receivables and contract assets and liabilities from contracts with customers in accordance with IFRS 15 as of 31 December 2022 and 31 December 2023.

EUR m	31 Dec. 2022	31 Dec. 2023
Trade receivables	298.7	332.0
Contract assets	3.6	0.9
Contract liabilities	32.2	31.8

The contractual liabilities recognised as at 31 December 2023 relate to advance payments received for services not yet provided in connection with letter and parcel delivery, postage stamps and franking machines used by senders and the financial services business.

Of the contract liabilities recognised as at 1 January 2023, EUR 29.6m (2022: EUR 27.9m) were recognised in revenue.

The relief provided for under IFRS 15.121a is applied, based on which no further disclosures are made on the total amount of the transaction price of those performance obligations not yet fulfilled as at 31 December 2023 that have an expected original term of one year or less.

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9. Result from Financial Services

The income from financial services and the expenses for financial services reported in the consolidated income statement comprise the items shown in the following two tables:

EUR m	2022	2023
Interest income	33.9	80.1
Commission income	48.7	47.5
INCOME FROM FINANCIAL SERVICES	**82.6**	**127.6**

EUR m	2022	2023
Interest expense	–4.9	–16.7
Commission expenses	–6.5	–4.9
EXPENSES FROM FINANCIAL SERVICES	**–11.3**	**–21.6**

Impairment losses in accordance with IFRS 9 that affect financial assets from financial services are recognised in other operating expenses.

No negative interest is recognised in interest expenses in the 2023 financial year (2022: EUR 2.3m).

The total result from financial services is as follows:

EUR m	2022	2023
Interest income	33.9	80.1
thereof income from effective interest	33.9	72.6
Interest income calculated not using the effective interest method	0.0	7.6
Interest expense	–4.9	–16.7
NET INTEREST INCOME / EXPENSE	**29.0**	**63.4**
Commission income	48.7	47.5
Commission expense	–6.5	–4.9
NET COMMISSION INCOME / EXPENSES	**42.2**	**42.5**
NET INTEREST AND COMMISSION INCOME / EXPENSES	**71.2**	**106.0**
Revaluation and derecognition income	0.9	0.4
Impairment losses according to IFRS 9	–6.3	–7.9
RESULT FROM FINANCIAL SERVICES	**65.8**	**98.4**

Interest income mainly results from receivables from customers totalling EUR 47.0m (2022: EUR 29.3m), cash reserves of EUR 18.6m (2022: EUR 2.3m), securities totalling EUR 6.4m (2022: EUR 2.0m) and interest income from hedging instruments in the context of hedge accounting totalling EUR 7.6m (2022: EUR 0.0m). EUR 21.0m (2022: EUR 18.3m), or the lion's share, of the commission income relates to the current account business and payment transactions, while EUR 22.1m (2022: EUR 23.1m) relates to the other service business and EUR 4.0m (2022: EUR 6.9m) is attributable to the securities business.

10. Raw Materials, Consumables and Services Used

EUR m	2022	2023
MATERIAL		
Fuels	35.9	32.7
Merchandise	8.1	7.5
Supplies, clothing, stamps	30.8	30.4
Other	4.1	2.4
	78.8	**73.0**
SERVICES USED		
International postal carriers	52.7	53.8
Unaddressed mailing lists	7.7	6.6
Addressed mailing lists	7.9	8.9
Energy	24.1	38.8
Transport	392.3	430.1
Contract and leasing staff	42.8	50.1
Other	143.9	171.2
	671.3	**759.4**
	750.1	**832.4**

11. Staff Costs

EUR m	2022	2023
Wages and salaries	881.9	935.4
Termination benefits	15.8	15.1
Statutory levies and contributions	225.1	226.3
Other staff costs	21.4	38.6
	1,144.2	**1,215.4**

Expenses for termination benefits can be broken down as follows:

EUR m	2022	2023
Management Board	0.1	0.1
Senior executives	–0.2	0.3
Other employees	15.9	14.7
	15.8	**15.1**

In the 2023 financial year, contributions to the Mitarbeitervorsorgekasse (MVK) (employee pension fund) relating to defined contribution termination benefit obligations were recognised as expenses in the amount of EUR 7.0m (2022: EUR 6.8m).

The statutory levies and contributions include pension cover contribution margins for civil servants to the Republic of Austria. There are no pension commitments to civil servants or employees, as their pension benefits are generally paid by the Republic of Austria. Due to legal regulations, however, the Austrian Post Group is obligated to pay a pension contribution margin to the Republic of Austria. The contributions for civil servants (including the civil servants' own employee contributions) amount to a maximum of 24.8% of the remuneration paid to active civil servants depending on age and contribution basis. Contributions on behalf of salaried employees are based on the currently valid provisions of the Austrian General Social Security Act (ASVG).

The average number of employees during the financial year was:

	2022	2023
Blue-collar employees	6,521	6,844
White-collar employees	17,980	17,942
Civil servants	4,288	3,936
Trainees	123	242
TOTAL HEADCOUNT	**28,912**	**28,964**
CORRESPONDING FULL-TIME EQUIVALENTS	**27,132**	**27,254**

12. Other Operating Income and Expenses

12.1 Other Operating Income

EUR m	2022	2023
Leases	31.9	35.2
Work performed by the enterprise and capitalised	3.1	6.1
Unchargeable expenses	18.3	3.9
Settlements of damage claims	3.3	4.7
Disposal of property, plant and equipment/investment properties	6.3	24.2
Personnel leasing and administration	0.9	0.7
Other	43.5	25.5
	107.3	**100.3**

Other operating income from leases relates to assets leased in part (property, plant and equipment and investment property), which are classified as operating leases. Please refer to Note 19 Leases for further explanatory information.

Work performed by the enterprise and capitalised is mainly related to the capitalisation of internally generated software.

Income from unchargeable expenses relates to compensation payments in connection with COVID-19 made to employees from COVID-19 high-risk groups who had to be released from their duties subject to the continued payment of their salaries, as well as to employees who were granted special care leave.

The disposal of property, plant and equipment/investment properties includes other operating income of EUR 19.3m resulting from the sale of the logistics centre in Hall in the 2023 financial year. The income is mainly recognised in the Mail Division (EUR 11.0m) and in the Parcel & Logistics Division (EUR 8.1m).

Furthermore, the remaining other operating income includes a large number of individual immaterial amounts.

12.2 Other Operating Expenses

EUR m	2022	2023
IT services	75.6	89.9
Maintenance	72.6	75.4
Travel and mileage	29.4	30.3
Damages	13.7	13.2
Communications and advertising	25.9	24.4
Consultancy	14.1	11.3
Waste disposal and cleaning	15.9	17.5
Leasing and rental payments	17.3	17.8
Other taxes (excl. income taxes)	17.0	19.4
Insurance	11.1	12.4
Telephone	4.9	4.9
Expenses – call centre	2.3	1.4
Contract and leasing staff	6.4	11.8
Training and professional development	3.6	4.9
Impairment losses according to IFRS 9	7.8	10.5
Losses from the disposal of property, plant and equipment	1.4	1.7
Other	33.3	40.5
	352.3	**387.4**

The item Impairment losses in accordance with IFRS 9 relates to the banking business in the amount of EUR 7.9m (2022: EUR 6.3m) and logistics in the amount of EUR 2.6m (2022: EUR 1.5m).

The remaining other operating expenses include a large number of individual immaterial amounts.

13. Financial Result

EUR m	Note	2022	2023
FINANCIAL INCOME			
Interest income		3.4	11.0
Income from securities		0.5	0.5
Income from revaluation of financial assets and derivatives		0.0	0.1
Income from foreign currency valuation		4.1	19.2
		8.1	**30.8**
FINANCIAL EXPENSES			
Interest expense from lease liabilities		–4.8	–6.1
Interest expense for other financial liabilities		–1.8	–4.7
Interest expense for other liabilities		–7.9	–8.5
Interest expense (interest effects of provisions)	(26.2)	–4.0	–7.9
Expenses from revaluation of financial assets and derivatives		–0.4	–1.5
Results from revaluation of realised derivatives		–0.9	0.0
Expenses from foreign currency valuation		–13.0	–5.1
Other		0.0	–0.1
		–32.8	**–33.8**
		–24.7	**–3.0**

Income/expenses from foreign currency valuation relates, on the one hand, to inflation effects associated with the liabilities resulting from purchase obligations of non-controlling interests in the amount of minus EUR 11.5m (2022: EUR 10.9m) and, on the other hand to valuations of the cash and cash equivalents and money market investments in Turkish lira in the amount of EUR 2.5m (2022: EUR 4.1m).

Interest expense for other payables mainly relates to expenses from the subsequent measurement of liabilities resulting from purchase obligations of non-controlling interests amounting to EUR 7.4m (2022: EUR 7.9m). For further information on liabilities resulting from purchase obligations of non-controlling interests, please refer to Note 27. Trade and Other Payables.

Impairment losses in accordance with IFRS 9 on money market investments, bank balances and securities measured at fair value through other comprehensive income (FVOCI) are reported under expenses and income from the revaluation of financial assets and derivatives. Due to the immaterial amounts involved, they are not disclosed as separate items in the income statement in accordance with IAS 1.82.

14. Income Tax

EUR m	2022	2023
Income tax expense for the current year	24.6	41.0
Tax credits/arrears from prior tax years	–0.5	–0.7
Deferred tax expense/income	11.4	8.2
	35.6	**48.5**

Tax Reconciliation The Group tax rate is defined as the ratio of recognised income tax to profit before tax and is 25.9% in the 2023 financial year (2022: 21.7%).

Tax reconciliation at the Austrian Post Group is based on the statutory tax rate of the parent company in Austria amounting to 24%. Deviations from the statutory tax rates for subsidiaries are displayed in a dedicated reconciliation item.

The reconciliation of the expected income tax with the recognised income tax expense is as follows:

EUR m	2022	2023
PROFIT BEFORE TAX	**163.7**	**187.2**
EXPECTED TAXES ON INCOME	**40.9**	**44.9**
TAX DEDUCTIONS DUE TO		
Write-down of subsidiaries to lower going concern value	–1.8	–0.7
Adjustments to foreign tax rates	–0.9	–0.5
Profits not affecting taxes (accounted for using the equity method)	0.0	–0.5
Asset revaluation in tax law/Hyperinflation Local Gaap/Tax[1]	–10.2	–5.8
Other tax-reducing items	–6.5	–4.0
	–19.4	**–11.5**
TAX INCREASES DUE TO		
Impairment losses on goodwill	0.5	0.2
Changes in the consolidation scope	0.0	0.1
Losses not affecting taxes (accounted for using the equity method)	0.1	0.0
Appreciation – subsidiaries	0.1	0.5
Non-tax penalties	0.0	1.2
Adjustment – earn-out valuation[2]	0.4	0.9
Adjustment – hyperinflation	5.3	7.4
Effects from Ecosocial Tax Reform Act	1.9	0.2
Other tax-increasing items	4.9	3.0
	13.2	**13.6**
INCOME TAX EXPENSE FOR THE PERIOD	**34.8**	**47.0**
Adjustment of withholding tax	1.4	0.5
Adjustment of current tax income/expense from prior years	–0.5	–0.7
Adjustment of deferred tax income/expense from prior years	0.0	0.9
Change in unrecognised deferred tax assets	–0.1	0.9
CURRENT TAX EXPENSE	**35.6**	**48.5**

[1] in Türkiye
[2] see Note 13 Financial Result and Note 27 Trade and Other Payables

INFORMATION ON DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Temporary differences between the amounts shown in the consolidated financial statements and those recognised for tax purposes have the following effect on the deferred taxes reported on the balance sheet:

	Deferred tax assets		Deferred tax liabilities	
EUR m	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023
Goodwill	0.1	0.1	–0.3	–0.4
Customer relationships	0.4	0.3	–2.6	–2.4
Trademarks	0.0	0.0	–5.2	–6.4
Other intangible assets	0.0	0.1	–2.3	–1.4
Property, plant and equipment	8.9	6.5	–2.9	–5.7
Right-of-use assets	0.0	0.0	–89.3	–86.2
Financial assets (write-down to lower going concern value)	3.6	2.4	0.0	0.0
Other financial assets	0.0	0.0	–0.4	–0.5
Inventories	0.0	0.0	–0.2	0.0
Receivables	0.7	1.2	0.0	–0.1
Financial assets from financial services	0.0	0.0	0.0	–2.4
Contract assets	0.0	0.0	–0.1	–0.1
Provisions	24.1	24.5	0.0	–0.1
Payables and contract liabilities	2.3	3.9	–0.6	–0.7
Financial liabilities from financial services	0.0	2.4	0.0	0.0
Lease liabilities	89.2	87.2	0.0	0.0
Tax loss carryforwards	0.7	0.0	0.0	0.0
	130.0	**128.7**	**–103.8**	**–106.4**
Depreciation deferred tax assets and loss carryforwards	–0.1	–0.1	0.0	0.0
Offsetting	–103.5	–106.0	103.5	106.0
DEFERRED TAXES – BALANCE SHEET APPROACH	**26.5**	**22.6**	**–0.3**	**–0.4**

The development of deferred taxes and the division of the changes into components recognised in profit and loss and those recognised in equity is displayed in the following table:

EUR m	2022	2023
DEFERRED TAX ASSETS (+) / TAX LIABILITIES (–) AS AT 1 JANUARY	**46.5**	**26.2**
Deferred tax expense (–) / income (+) recognised through income statement	–11.4	–8.2
Change in deferred taxes recognised in other comprehensive income		
thereof relating to fair value adjustment FVOCI – equity and debt instruments	–0.1	–0.1
thereof relating to revaluation of defined benefit obligation	–3.7	3.5
Adjustment – hyperinflation	–4.7	0.6
Exchange rate impact and other changes	–0.5	0.3
DEFERRED TAX ASSETS (+) / TAX LIABILITIES (–) AS AT 31 DECEMBER	**26.2**	**22.2**

The following temporary differences were not recognised, as it is unlikely that there will be taxable earnings in the future. The temporal distribution of the ability to recognise tax loss carryforwards is as follows:

EUR m	31 Dec. 2022	31 Dec. 2023
UNRECOGNISED TEMPORARY DIFFERENCES FROM:		
LOSS CARRYFORWARDS	**53.1**	**57.8**
thereof due within not later than 2 years	0.2	1.6
thereof due within 3–4 years	0.6	2.0
thereof due within 5–6 years	1.5	1.4
due within an indefinite period of time	50.8	52.7
OTHER TEMPORARY DIFFERENCES	**1.0**	**0.8**
	54.1	**58.6**

Temporary differences of EUR 49.3m (31 December 2022: EUR 55.3m) arising from shares in subsidiaries (outside basis differences) were not recognised, as it is likely that these temporary differences will not change in the foreseeable future.

15. Earnings per Share

Earnings per share are calculated by dividing the share of the profit for the period attributable to the shareholders of Austrian Post by the weighted average of outstanding shares in the financial year. Shares newly issued or repurchased during a period are taken into account on a pro rata basis for the period in which they are outstanding. In order to calculate diluted earnings per share, the average number of shares and share of the profit for the period attributable to shareholders of Austrian Post are adjusted for diluting effects. Since, however, there are currently no diluting effects, the diluted earnings per share match the basic earnings per share.

		2022	2023
Profit for the period attributable to equity holders of the parent company	(EUR m)	125.7	132.6
Adjusted profit for the period for the determination of diluted earnings per share	(EUR m)	125.7	132.6
Weighted average number of outstanding ordinary shares used in calculating basic earnings per share	(shares)	67,552,638	67,552,638
Weighted average number of outstanding ordinary shares used in calculating diluted earnings per share	(shares)	67,552,638	67,552,638
BASIC EARNINGS PER SHARE	(EUR)	**1.86**	**1.96**
DILUTED EARNINGS PER SHARE	(EUR)	**1.86**	**1.96**

16. Goodwill

EUR m	2022	2023
HISTORICAL COSTS		
BALANCE AS AT 1 JANUARY	**76.9**	**76.7**
First-time application – hyperinflation	0.4	0.0
Additions arising from acquisitions	0.0	0.8
Disposals	0.0	–3.6
Transfers	0.0	0.3
Currency translation differences	–0.6	0.1
BALANCE AS AT 31 DECEMBER	**76.7**	**74.3**
IMPAIRMENT LOSSES		
BALANCE AS AT 1 JANUARY	**14.9**	**16.9**
Additions	2.1	0.9
Disposals	0.0	–3.6
BALANCE AS AT 31 DECEMBER	**16.9**	**14.3**
CARRYING AMOUNT AS AT 1 JANUARY	**62.0**	**59.8**
CARRYING AMOUNT AS AT 31 DECEMBER	**59.8**	**60.0**

The addition arising from acquisitions relates to the business combination with Starex Global a.s. and Star Express Azerbaijan L.L.C. The disposals relate to the deconsolidation of the subsidiary Weber Escal d.o.o., which was sold in 2023.

The following table shows goodwill by segment and cash-generating unit:

EUR m	31 Dec. 2022	31 Dec. 2023
MAIL		
Mail	39.2	39.2
	39.2	**39.2**
PARCEL & LOGISTICS		
Parcel & Logistics Austria	11.7	12.0
Other	8.9	8.9
	20.7	**20.9**
	59.8	**60.0**

The mandatory impairment tests (pursuant to IAS 36) are carried out in accordance with the principles described in Note 3.8. The long-term discount rates applied to the primary individual cash-generating units are as follows:

	2022	2023
	WACC after tax	WACC after tax
MAIL		
Mail	7.1%	7.5%
PARCEL & LOGISTICS		
Parcel & Logistics Austria	7.1%	7.5%
Other	7.7%–18.6%	8.2%–18.7%

Due to the overall economic conditions in Türkiye, in particular the expected future inflation rates, period-specific discount rates are applied to the CGU Aras Kargo, which is reported under "Other" within the Parcel & Logistics Division. In some cases, these are significantly higher than the long-term discount rate.

The following table shows the additions to the impairment losses on goodwill by segment and cash-generating unit (CGU):

EUR m	2022	2023
PARCEL & LOGISTICS		
Aras Kargo	1.4	0.0
Express One	0.3	0.0
M&BM Express	0.4	0.0
Weber Escal	0.0	0.9
	2.1	**0.9**

In the Parcel & Logistics Division, an impairment loss of EUR 1.7m was recognised in the income statement for the CGU Weber Escal in the first quarter of 2023 due to the loss of two major customers, with EUR 0.9m relating to goodwill impairment and EUR 0.8m to other assets. In addition, an impairment loss of EUR 0.4m was recognised on non-current assets for the CGU Express One Sarajevo.

In addition to the impairment test, sensitivity analyses related to the primary valuation assumptions were also carried out for all CGUs with significant goodwill. EBIT was reduced by 10% in the first sensitivity analysis, whereas the discount rate was raised by one percentage point in the second sensitivity analysis. Given the current uncertainty regarding macroeconomic and geopolitical developments, as well as climate risks, an additional extended sensitivity analysis was conducted in which EBIT was reduced by 20% and the discount rate was increased by two percentage points. All other things being equal, the following additional impairment losses on goodwill would arise for the following cash-generating units for 2023:

	EBIT				WACC			
	–10%		–20%		+1 pp		+2 pp	
EUR m	2022	2023	2022	2023	2022	2023	2022	2023
Parcel & Logistics Austria	0.0	0.0	0.0	0.0	0.0	0.0	5.1	0.0

17. Intangible Assets

2022 Financial Year

EUR m	Customer relationships	Trademarks	Other intangible assets	Total
HISTORICAL COSTS				
BALANCE AS AT 1 JANUARY 2022	**26.0**	**18.0**	**125.3**	**169.2**
First-time application – hyperinflation	4.3	6.2	2.6	13.1
Additions	0.0	0.0	18.7	18.7
Disposals	0.0	0.0	–1.9	–1.9
Currency translation differences	3.5	5.1	2.2	10.9
BALANCE AS AT 31 DECEMBER 2022	**33.7**	**29.3**	**147.0**	**210.0**
AMORTISATION AND IMPAIRMENT LOSSES				
BALANCE AS AT 1 JANUARY 2022	**14.7**	**3.5**	**69.2**	**87.4**
First-time application – hyperinflation	0.8	0.0	0.9	1.7
Amortisation	3.3	0.0	16.3	19.6
Disposals	0.0	0.0	–1.9	–1.9
Currency translation differences	0.7	0.0	0.8	1.4
BALANCE AS AT 31 DECEMBER 2022	**19.5**	**3.5**	**85.3**	**108.3**
CARRYING AMOUNT AS AT 1 JANUARY 2022	**11.3**	**14.4**	**56.1**	**81.8**
CARRYING AMOUNT AS AT 31 DECEMBER 2022	**14.3**	**25.7**	**61.7**	**101.7**

2023 Financial Year

EUR m	Customer relationships	Trademarks	Other intangible assets	Total
HISTORICAL COSTS				
BALANCE AS AT 1 JANUARY 2023	**33.7**	**29.3**	**147.0**	**210.0**
Additions arising from acquisitions	0.0	0.0	0.4	0.4
Disposal arising from deconsolidation	–1.1	0.0	–0.7	–1.8
Additions	0.0	0.0	9.6	9.6
Disposals	0.0	–0.1	–1.0	–1.1
Transfers	0.0	–0.3	0.0	–0.3
Currency translation differences	0.1	0.2	0.0	0.4
BALANCE AS AT 31 DECEMBER 2023	**32.8**	**29.1**	**155.2**	**217.1**
AMORTISATION AND IMPAIRMENT LOSSES				
BALANCE AS AT 1 JANUARY 2023	**19.5**	**3.5**	**85.3**	**108.3**
Disposal arising from deconsolidation	–1.1	0.0	–0.7	–1.8
Amortisation	3.3	0.0	17.7	21.0
Impairment losses	0.0	0.0	4.5	4.5
Disposals	0.0	0.0	–0.9	–0.9
Currency translation differences	0.1	0.0	0.1	0.1
BALANCE AS AT 31 DECEMBER 2023	**21.7**	**3.5**	**106.0**	**131.2**
CARRYING AMOUNT AS AT 1 JANUARY 2023	**14.3**	**25.7**	**61.7**	**101.7**
CARRYING AMOUNT AS AT 31 DECEMBER 2023	**11.1**	**25.5**	**49.2**	**85.9**

Intangible assets include trademarks with indefinite useful lives with a carrying amount of EUR 25.5m (31 December 2022: EUR 25.7m), all of which (31 December 2022: EUR 25.4m) is allocated to the CGU Aras Kargo as at 31 December 2023.

Additions to other intangible assets relate to internally developed software in the amount of EUR 3.9m (2022: EUR 0.8m).

The currency translation differences shown relate primarily to fluctuations in value in connection with the Turkish lira.

18. Property, Plant and Equipment

2022 Financial Year

EUR m	Note	Property and buildings	Technical plant and machinery	Other equipment, furniture and fittings	Payments received in advance and assets under construction	Total
HISTORICAL COSTS						
BALANCE AS AT 1 JANUARY 2022		**1,360.3**	**270.7**	**454.1**	**69.2**	**2,154.4**
First-time application – hyperinflation		7.0	2.5	1.6	0.0	11.1
Additions		148.5	17.9	57.2	62.7	286.3
Disposals		–16.0	–1.3	–19.5	–0.2	–37.0
Transfers		38.0	17.2	8.0	–63.3	0.0
Reclassification as investment property	(20.)	–17.2	0.0	0.0	0.0	–17.2
Currency translation differences		0.3	2.7	1.5	0.0	4.4
BALANCE AS AT 31 DECEMBER 2022		**1,521.0**	**309.7**	**502.9**	**68.4**	**2,402.0**
DEPRECIATION AND IMPAIRMENT LOSSES						
BALANCE AS AT 1 JANUARY 2022		**550.0**	**152.0**	**245.9**	**0.0**	**947.9**
First-time application – hyperinflation		1.2	0.6	0.6	0.0	2.4
Depreciation		79.9	25.7	54.7	0.0	160.3
Impairment losses		0.0	0.6	0.0	0.0	0.6
Reversal of impairment loss		–3.1	0.0	0.0	0.0	–3.1
Disposals		–7.2	–0.7	–18.0	0.0	–26.0
Transfers		0.0	0.2	–0.2	0.0	0.0
Reclassification as investment property	(20.)	–13.8	0.0	0.0	0.0	–13.8
Currency translation differences		–0.7	0.3	0.5	0.0	0.1
BALANCE AS AT 31 DECEMBER 2022		**606.3**	**178.6**	**283.5**	**0.0**	**1,068.4**
CARRYING AMOUNT AS AT 1 JANUARY 2022		**810.3**	**118.8**	**208.2**	**69.2**	**1,206.5**
CARRYING AMOUNT AS AT 31 DECEMBER 2022		**914.7**	**131.1**	**219.4**	**68.4**	**1,333.6**

2023 Financial Year

EUR m	Note	Property and buildings	Technical plant and machinery	Other equipment, furniture and fittings	Payments received in advance and assets under construction	Total
HISTORICAL COSTS						
BALANCE AS AT 1 JANUARY 2023		**1,521.0**	**309.7**	**502.9**	**68.4**	**2,402.0**
Additions arising from acquisitions		0.1	0.0	0.1	0.0	0.2
Disposal arising from deconsolidation	(6.)	−1.0	0.0	−1.5	0.0	−2.5
Additions		91.7	26.5	93.9	15.7	227.8
Disposals		−35.1	−8.6	−24.2	−0.9	−68.8
Transfers		39.8	21.0	1.7	−62.5	0.0
Reclassification as investment property	(20.)	−16.3	0.0	0.0	0.0	−16.3
Currency translation differences		−9.0	0.2	0.1	0.0	−8.7
BALANCE AS AT 31 DECEMBER 2023		**1,591.2**	**348.9**	**573.0**	**20.6**	**2,533.6**
DEPRECIATION AND IMPAIRMENT LOSSES						
BALANCE AS AT 1 JANUARY 2023		**606.3**	**178.6**	**283.5**	**0.0**	**1,068.4**
Disposal arising from deconsolidation		−0.7	0.0	−1.1	0.0	−1.7
Depreciation		86.8	23.3	56.3	0.0	166.5
Impairment losses		0.2	0.0	0.5	0.0	0.8
Disposals		−25.4	−7.8	−22.5	0.0	−55.8
Reclassification as investment property	(20.)	3.3	0.0	0.0	0.0	3.3
Currency translation differences		−4.2	0.0	0.1	0.0	−4.1
BALANCE AS AT 31 DECEMBER 2023		**666.4**	**194.0**	**316.9**	**0.0**	**1,177.3**
CARRYING AMOUNT AS AT 1 JANUARY 2023		**914.7**	**131.1**	**219.4**	**68.4**	**1,333.6**
CARRYING AMOUNT AS AT 31 DECEMBER 2023		**924.7**	**154.8**	**256.1**	**20.6**	**1,356.3**

As at 31 December 2023, there were purchase obligations of around EUR 15.7m for property, plant and equipment (31 December 2022: EUR 54.4m).

The currency translation differences shown relate primarily to fluctuations in value in connection with the Turkish lira.

19. Leases

19.1 Leases as the Lessee

The performance of the right-of-use assets based on the class of underlying asset is shown in the following table.

Right-of-use Assets in the 2022 Financial Year

EUR m	Property and buildings	Technical plant and machinery	Other equipment, furniture and fittings	Total
CARRYING AMOUNT AS AT 1 JANUARY 2022	**323.8**	**2.8**	**4.7**	**331.3**
First-time application – hyperinflation	2.4	0.0	0.1	2.5
Additions	133.0	0.0	5.3	138.2
Disposals	–7.3	0.0	0.0	–7.3
Depreciation	–55.4	–0.7	–3.3	–59.4
Impairment losses	0.0	–0.6	0.0	–0.6
Currency translation differences	–2.0	0.0	0.2	–1.8
CARRYING AMOUNT AS AT 31 DECEMBER 2022	**394.6**	**1.6**	**6.9**	**403.0**

Right-of-use Assets in the 2023 Financial Year

EUR m	Property and buildings	Technical plant and machinery	Other equipment, furniture and fittings	Total
CARRYING AMOUNT AS AT 1 JANUARY 2023	**394.6**	**1.6**	**6.9**	**403.0**
Additions	63.4	0.0	6.1	69.6
Additions arising from acquisitions	0.1	0.0	0.0	0.1
Disposal arising from deconsolidation	–0.4	0.0	–0.4	–0.8
Disposals	–8.5	0.0	–0.1	–8.6
Reclassification as investment property	–20.6	0.0	0.0	–20.6
Depreciation	–60.9	–0.5	–3.7	–65.1
Impairment losses	–0.2	0.0	–0.2	–0.4
Currency translation differences	–5.0	0.0	–0.1	–5.0
CARRYING AMOUNT AS AT 31 DECEMBER 2023	**362.6**	**1.0**	**8.5**	**372.2**

The additions to right-of-use assets for property and buildings during the 2023 financial year mainly relate to buildings rented for the first time. Additions in the previous year also included the newly rented Tyrol logistics centre in the amount of EUR 54.0m.

The reclassification of a right-of-use asset to investment properties mainly relates to a rented logistics centre in Upper Austria, which was largely not used by the company itself in the 2023 financial year. Further explanatory information is provided in Note 20 Investment Properties.

The lease liabilities are reported in the consolidated balance sheet as part of other financial liabilities (see Note 28.2). For more details on the maturity analysis of the lease liabilities based on the remaining term to maturity, see Note 29.2.2 Presentation of Types of Risk.

The following amounts in conjunction with IFRS 16 are recognised in the **consolidated income statement:**

EUR m	2022	2023
Expenses relating to leases of low-value assets	0.3	0.3
Expenses relating to short-term leases	0.7	0.4
OTHER OPERATING EXPENSES	**1.0**	**0.7**
Depreciation of right-of-use assets	59.4	65.1
Impairment losses of right-of-use assets	0.6	0.4
DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES	**60.0**	**65.5**
Interest expense from lease liabilities	4.8	6.1
FINANCIAL EXPENSES	**4.8**	**6.1**

Cash outflows for leases amounting to EUR 73.6m (31 December 2022: EUR 65.7m) in total are included in the **consolidated cash flow statement**.

A **sensitivity analysis** of the assumptions on the exercise of renewal options or non-exercise of termination options of the relevant right-of-use asset produced the following outcome: a change in the lease term by +/−1 year in each case would have the following effects on the amount of the right-of-use assets or lease liabilities recorded if all other factors remained the same:

	Lease term	
EUR m	+1 year	−1 year
right-of-use assets/lease liabilities	68.1	−51.0

19.2 Leases as the Lessor

Finance Leases Since March 2021, a rented property that had been used up until that point in time has no longer been needed. As the agreement cannot be terminated, the property is now being sub-let. The sub-lease extends over the entire remaining lease term and is to be classified as a finance lease.

As at 31 December 2023, lease receivables totalling EUR 3.8m (31 December 2022: EUR 5.1m) are reported under trade and other receivables before impairment losses, EUR 2.4m (2022: EUR 3.8m) of which have a term of more than one year. Impairment losses in the amount of expected credit losses amounted to EUR 0.1m in the 2023 financial year (2022: EUR 0.1m).

Maturity Analysis

EUR m	31 Dec. 2022	31 Dec. 2023
No later than one year	1.4	1.4
Later than one year and not later than two years	1.4	1.4
Later than two years and not later than three years	1.4	1.0
Later than three years and not later than four years	1.0	0.0
Total amount of non-discounted lease receivables	5.1	3.8
ITEM IN THE INCOME STATEMENT IN WHICH THE INEFFECTIVENESS WAS RECOGNISED	**5.1**	**3.8**

Operating Leases The income from operating leases reported under leases in the consolidated income statement amounts to EUR 25.8m in the 2023 financial year (2022: EUR 24.7m). The underlying leases are largely terminable operating leases with the indexation of rents and operating subleases. The subleases relate to rented buildings that are sublet to subcontractors based on the same terms and conditions as those set out in the original lease agreement. The terms of the lease agreements with subcontractors are linked to the terms of the original lease agreement and include further termination options.

The resulting amount of non-discounted lease payments due annually is as follows at the balance sheet date:

EUR m	31 Dec. 2022	31 Dec. 2023
No later than one year	25.4	26.3
Later than one year and not later than two years	21.2	23.7
Later than two years and not later than three years	17.0	21.5
Later than three years and not later than four years	13.7	19.7
Later than four years and not later than five years	10.7	18.9
Later than five years	56.7	51.1
	144.7	**161.1**

Lease payments were determined based on the respective lease term for fixed-term leases. The contractual terms for leases with an indefinite term were calculated based on historical data and applied to future lease payments.

The historical costs and carrying amounts of land and buildings reported under property, plant and equipment and for which operating leases exist amounted to EUR 85.9m (31 December 2022: EUR 82.9m) and EUR 15.8m (31 December 2022: EUR 18.1m) respectively as at 31 December 2023. Accumulated depreciation in the 2023 financial year amounted to EUR 70.1m (2022: EUR 64.8m).

20. Investment Property

EUR m	Note	2022	2023
HISTORICAL COSTS			
BALANCE AS AT 1 JANUARY		**261.4**	**283.9**
First-time application – hyperinflation		0.5	0.0
Additions		5.3	1.4
Disposals		–0.9	–14.9
Reclassification to property, plant and equipment	(19.)	17.2	16.3
Currency translation differences		0.4	0.0
BALANCE AS AT 31 DECEMBER		**283.9**	**286.7**
DEPRECIATION AND IMPAIRMENT LOSSES			
BALANCE AS AT 1 JANUARY		**185.0**	**199.7**
Depreciation		1.8	2.3
Impairment losses		0.0	5.4
Reversal of impairment loss		–0.1	0.0
Disposals		–0.7	–11.8
Reclassification as property, plant and equipment	(19.)	13.8	–3.3
BALANCE AS AT 31 DECEMBER		**199.7**	**192.2**
CARRYING AMOUNT AS AT 1 JANUARY		**76.3**	**84.2**
CARRYING AMOUNT AS AT 31 DECEMBER		**84.2**	**94.6**

EUR m	31 Dec. 2022	31 Dec. 2023
Fair value	351.9	341.7
Rental income	17.4	17.7
Expenses arising from leased property	4.3	4.5
Operating expenses arising from vacant property	1.0	1.4

The currency translation differences shown relate primarily to fluctuations in value in connection with the Turkish lira.

The reclassification mainly relates to a rented logistics centre in Upper Austria, which was largely not used by the company itself in the 2023 financial year.

The impairment relates to the right-of-use asset in connection with a logistics centre in Upper Austria, which was largely not used by the company itself in the 2023 financial year. As the agreement cannot be terminated, the plan is to sublet the property from the 2024 financial year onwards, and also to partly use it for the company's own purposes again in the future. The impairment loss is recognised under "Depreciation, amortisation and write-downs" in the consolidated income statement and mainly relates to the Mail Division in the amount of EUR 3.1m and the Parcel & Logistics Division in the amount of EUR 2.3m. The calculation was based on the cash flows expected by management for the remaining term of the right-of-use asset leading up to 2034, applying a discount rate of 4.35% to 4.46% depending on the term of the sublease.

21. Inventories

EUR m	31 Dec. 2022	31 Dec. 2023
Materials and consumables	16.5	17.7
Merchandise	4.7	5.0
	21.2	**22.7**

22. Trade and Other Receivables

	31 Dec. 2022			31 Dec. 2023		
EUR m	Due within 1 year	Due in more than 1 year	Total	Due within 1 year	Due in more than 1 year	Total
Trade receivables	298.7	0.0	298.7	332.0	0.0	332.0
Receivables from financial assets accounted for using the equity method	0.9	0.0	0.9	1.7	0.0	1.7
Other receivables	79.3	11.1	90.4	93.0	9.9	103.0
	378.9	**11.1**	**390.0**	**426.7**	**9.9**	**436.7**

The receivables from financial assets accounted for using the equity method include subordinate shareholder loans including accrued interest from AEP GmbH, Germany, in the amount of EUR 0.9m (31 December 2022: EUR 0.9m) and receivables from dividend income from Agile Actors Hellas Single Member S.A., Greece, in the amount of EUR 0.8m (31 December 2022: EUR 0.0m).

For information on the lease receivables from contractual relationships as the lessor included in trade and other receivables, please refer to Note 19 Leases.

With respect to the presentation of impairment losses on trade and other receivables, refer to Note 29.2 Risks and Risk Management Related to Financial Instruments – Logistics.

23. Financial Assets

23.1 Financial Assets from Financial Services

The following tables show the contractual remaining terms of the financial assets from financial services:

31 December 2022

EUR m	Due within 1 year: Due daily	Due within 1 year: <3 months	Due within 1 year: >3 months <1 year	Due within 1 year: Due within 1 year	Due in more than 1 year: 1 year <5 years	Due in more than 1 year: >5 years	Due in more than 1 year: Due in more than 1 year	Total
Cash, cash equivalents and central bank balances	875.8	0.0	0.0	875.8	0.0	0.0	0.0	875.8
Cash on hand	109.4	0.0	0.0	109.4	0.0	0.0	0.0	109.4
Central banks	743.4	0.0	0.0	743.4	0.0	0.0	0.0	743.4
Sight deposits	23.0	0.0	0.0	23.0	0.0	0.0	0.0	23.0
Receivables from banks	0.0	0.0	0.0	0.0	30.3	0.0	30.3	30.3
Receivables from customers	18.1	0.4	5.0	23.4	107.8	1,464.9	1,572.7	1,596.1
Mortgage loans	0.0	0.0	0.0	0.0	1.3	1,259.6	1,260.9	1,260.9
Consumer loans	9.6	0.4	5.0	14.9	106.5	205.3	311.8	326.7
Current accounts	8.5	0.0	0.0	8.5	0.0	0.0	0.0	8.5
Investments	0.0	0.0	0.0	0.0	369.0	184.4	553.4	553.4
Other clearing receivables	11.9	0.0	0.0	11.9	0.0	57.7	57.7	69.6
TOTAL	**905.7**	**0.4**	**5.0**	**911.1**	**507.1**	**1,707.0**	**2,214.1**	**3,125.1**

31 December 2023

EUR m	Due within 1 year: Due daily	Due within 1 year: <3 months	Due within 1 year: >3 months <1 year	Due within 1 year: Due within 1 year	Due in more than 1 year: 1 year <5 years	Due in more than 1 year: >5 years	Due in more than 1 year: Due in more than 1 year	Total
Cash, cash equivalents and central bank balances	839.1	0.0	0.0	839.1	0.0	0.0	0.0	839.1
Cash on hand	106.6	0.0	0.0	106.6	0.0	0.0	0.0	106.6
Central banks	728.6	0.0	0.0	728.6	0.0	0.0	0.0	728.6
Sight deposits	3.9	0.0	0.0	3.9	0.0	0.0	0.0	3.9
Receivables from banks	0.0	34.2	0.0	34.2	0.0	0.0	0.0	34.2
Receivables from customers	21.0	0.4	5.3	26.7	102.6	1,662.6	1,765.2	1,791.9
Mortgage loans	0.4	0.0	0.0	0.4	1.9	1,455.9	1,457.8	1,458.2
Consumer loans	10.8	0.4	5.3	16.5	100.6	206.8	307.4	323.8
Current accounts	9.9	0.0	0.0	9.9	0.0	0.0	0.0	9.9
Investments	0.0	0.0	75.2	75.2	426.8	131.7	558.5	633.7
Other receivables	10.4	0.0	0.0	10.4	0.0	36.4	36.4	46.7
Positive market values from hedge accounting	0.0	0.0	0.0	0.0	0.0	36.4	36.4	36.4
Clearing receivables	10.4	0.0	0.0	10.4	0.0	0.0	0.0	10.4
TOTAL	**870.4**	**34.5**	**80.6**	**985.6**	**529.4**	**1,830.6**	**2,360.0**	**3,345.6**

23.2 Other Financial Assets

EUR m	31 Dec. 2022 Due within 1 year	31 Dec. 2022 Due in more than 1 year	31 Dec. 2022 Total	31 Dec. 2023 Due within 1 year	31 Dec. 2023 Due in more than 1 year	31 Dec. 2023 Total
Money market investments	64.9	0.0	64.9	20.0	0.0	20.0
Sundry other financial assets	0.4	6.2	6.7	0.4	7.0	7.4
TOTAL	**65.3**	**6.2**	**71.6**	**20.4**	**7.0**	**27.4**

Money market investments only include fixed-term deposits with Austrian banks.

Other financial assets mainly include shares of 1.7% in Wiener Börse AG which Austrian Post holds due to its listing on the Vienna Stock Exchange. The shareholding is recognised as afinancial asset pursuant to IFRS 9 and is assigned to the category fair value through other comprehensive income (FVOCI) in accordance with the exercise of the option. The fair value of the shares on the reporting date is EUR 6.4m (2022: EUR 6.0m).

For disclosures on determining market values, refer to Note 30.1 Financial Instruments.

24. Cash and Cash Equivalents

EUR m	31 Dec. 2022	31 Dec. 2023
Bank balances	42.3	67.9
Cash on hand	12.5	19.7
	54.8	**87.5**

25. Equity

Equity Items The share capital of Austrian Post amounts to EUR 337.8m and is fully paid-up. The share capital is divided into 67,552,638 non-par value bearer shares with a nominal value of EUR 5 each.

At the Annual General Meeting held on 17 June 2020, the Management Board of Austrian Post was authorised to issue new authorised capital, and the Articles of Association of Austrian Post were correspondingly adapted. Contingent upon the approval of the Supervisory Board, the share capital of Austrian Post can be increased by up to EUR 16,888,160.00 over a period of five years ending on 16 June 2025 by issuing up to 3,377,632 new ordinary bearer shares (non-par value shares), in some cases also by excluding shareholder subscription rights. Furthermore, the Annual General Meeting voted in favour of a conditional increase of the company's share capital by up to EUR 16,888,160.00 through the issuance of up to 3,377,632 non-par value bearer shares for the purpose of granting rights of exchange and subscription rights to creditors of financial instruments.

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

The number of shares outstanding which are entitled to dividends developed as follows during the financial year:

	Shares
Balance as at 1 January 2023	67,552,638
Balance as at 31 December 2023	67,552,638
Weighted average number of shares in the 2023 financial year	67,552,638

The main shareholder of Austrian Post, based on the number of shares outstanding, is Österreichische Beteiligungs AG (ÖBAG), Vienna, with a stake of 52.8%.

Austrian Post's capital reserves resulting from capital surplus and contributed capital by shareholders as reported in the consolidated statement of changes in equity correspond to those reported in the financial statements of Austrian Post.

Other reserves contain the IAS 19 reserves, reserves from the market valuation of financial instruments (FVOCI reserve) and the currency translation reserves. The IAS 19 reserves result from adjustments and changes made to actuarial assumptions whose effects are recognised in other comprehensive income. The reserve from the market valuation of financial instruments encompasses fair value changes for financial assets classified as being at fair value through other comprehensive income (FVOCI). Gains and losses resulting from changes in fair value are directly recognised in the reserves without recognition in profit or loss. The amounts are shown after tax. The currency translation reserves comprise all exchange differences arising from the translation of the annual financial statements of the company's subsidiaries in foreign currencies, as well as the effect of the inflation adjustment for subsidiaries whose functional currency is the currency of a hyperinflationary economy. The change in the currency translation reserves for the current financial year is mainly the result of the translation of, and hyperinflationary adjustments made to, the annual financial statements of Aras Kargo, which are prepared in Turkish lira.

For information on non-controlling interests, please refer to Note 6.3 Non-controlling Interests.

The profit for the period in the 2023 financial year amounted to EUR 138.7m (2022: EUR 128.1m). The profit for the period attributable to equity holders of the parent company amounted to EUR 132.6m (2022: EUR 125.7m). In accordance with the provisions stipulated in the Austrian Stock Corporation Act, the basis for the distribution of profits is the annual financial statements of Austrian Post at the balance sheet date of 31 December 2023. The distributable profit shown therein totalled EUR 304.7m (2022: EUR 301.0m).

The Management Board will propose a dividend for the 2023 financial year totalling EUR 120.2m (corresponding to a basic divided of EUR 1.78 per share) (2022: EUR 118.2m, basic divided of EUR 1.75 per share).

Capital Management The capital management of the Austrian Post Group aims at ensuring a suitable capital structure to serve as the basis for achieving its growth and acquisition targets as well as a sustainable increase in shareholder value.

Within the context of its dividend policy for the upcoming years, the Austrian Post Group intends to distribute at least 75% of its net profit to its shareholders, assuming the continuation of the company's successful business development and that no exceptional circumstances arise. On the basis of the earnings projections, which are updated on an ongoing basis, both the minimum capitalisation required under company law to be able to make the planned distribution and the liquidity required in this regard are monitored and additional measures are taken if necessary.

Taking the total assets of EUR 5,677.1m as at 31 December 2023 as a basis (31 December 2022: EUR 5,383.9m), the equity ratio as at 31 December 2023 came to 12.6% (31 December 2022: 13.2%).

Minimum Capital Requirements for bank99 AG bank99 AG is subject to the regulatory capital requirements imposed by the banking supervisory authorities based on Regulation (EU) No 575/2013 (Capital Requirements Regulation – CRR), taking several amendments into account. The own funds calculated in accordance with the CRR comprise the following:

Eligible Own Funds of bank99 AG According to the Austrian Commercial Code (CRR)

EUR m	31 Dec. 2022	31 Dec. 2023
Paid-in capital	100.9	100.9
Disclosed reserves	164.8	173.7
Retained earnings	–73.5	–97.5
Annual loss	–24.0	–7.0
Less deduction items	–22.6	–19.6
CORE CAPITAL	**145.6**	**150.4**
Eligible supplementary capital	0.0	0.0
ELIGIBLE OWN FUNDS	**145.6**	**150.4**

Own Funds Requirements of bank99 AG According to the Austrian Commercial Code (CRR)

EUR m	31 Dec. 2022	31 Dec. 2023
Credit risk	783.9	816.9
Credit value adjustment (CVA)	14.3	15.5
Operational risk	52.5	103.8
TOTAL CAPITAL REQUIREMENT	**850.7**	**936.1**
Core capital ratio (CET1) based on total risk	17.1%	16.1%
Total own funds ratio based on total risk	17.1%	16.1%

The capital ratios were well in excess of the legally required levels throughout the entire financial year.

The increase in the capital requirement for operational risk under the CRR standard approach is based on the increase in bank99 AG's operating income in the 2023 financial year.

26. Provisions

EUR m	31 Dec. 2022 Due within 1 year	31 Dec. 2022 Due in more than 1 year	31 Dec. 2022 Total	31 Dec. 2023 Due within 1 year	31 Dec. 2023 Due in more than 1 year	31 Dec. 2023 Total
Provisions for termination benefits	4.4	112.7	117.1	3.9	117.9	121.8
Provisions for jubilee benefits	7.4	53.6	61.0	8.7	54.0	62.7
Other employee provisions	113.2	161.6	274.8	105.6	134.3	239.9
Other provisions	172.5	2.1	174.6	166.9	1.5	168.4
	297.6	**329.9**	**627.5**	**285.1**	**307.7**	**592.8**

26.1 Share-based Payments

Of the Management Board members, Georg Pölzl, Peter Umundum and Walter Oblin are taking part in remuneration programmes twelve to fourteen as at 31 December 2023. The total sum of the requisite personal investment for participation in the existing share-based remuneration programme as at 31 December 2023 amounted to 41,904 shares for Management Board members and 245,322 shares for executives. The Austrian Post shares must be held continuously until the end of the subsequent financial year following the expiration of the performance period.

Remuneration is paid out on the basis of bonus shares as a unit of measure and depends on the degree to which the goal of predefined performance indicators has been achieved (earnings per share, free cash flow and total shareholder return). Target values for the performance indicators are defined at the beginning of each individual tranche, with each goal being equally weighted. The achievement of the goals is monitored over a period of three years. The total bonus is based on the overall achievement of the goals from the aforementioned parameters, the share price trend of Austrian Post and the dividends paid during the three-year term. The total bonus for Management Board members and participating executives is limited. Management Board members are subject to an upper limit of 200% of the bonus specified upon 100% overall achievement of the agreed goals. In addition, the Remuneration Committee reached an agreement with the Management Board members with respect to the maximum remuneration of the Management Board. Depending on the tranche, executives are subject to an upper limit of between 125% and 135% in the event of maximum goal achievement.

The currently expected number of bonus shares (notional amount) is allocated to the individual tranches on the respective key dates as follows:

Number of bonus shares per tranche	31 Dec. 2022	31 Dec. 2023
Tranche 10	9,198	0
Tranche 11	276,724	5,621
Tranche 12	262,635	250,799
Tranche 13	281,074	256,775
Tranche 14	0	322,859
	829,631	**836,054**

The services acquired and the liability incurred are recognised at the fair value of the liability, in proportion to the extent to which the services have been rendered to date. The fair value of the liability is allocated to the individual tranches at the respective key dates as follows:

EUR m	31 Dec. 2022	31 Dec. 2023
NET CARRYING AMOUNT OF PROVISION		
Tranche 11	10.6	0.1
Tranche 12	6.5	10.6
Tranche 13	3.4	7.5
Tranche 14	0.0	3.6
	20.5	**21.8**

In the 2023 financial year, a total of EUR 10.2m was paid out entirely in cash for tranche eleven. Tranche ten is paid out in three instalments for employees who have left the company, with the last instalment paid in January 2023.

The total expense recognised for share-based remuneration in each reporting period is allocated to the individual tranches as follows:

EUR m	2022	2023
TOTAL EXPENSE		
Tranche 10	–0.1	0.0
Tranche 11	3.7	–0.2
Tranche 12	3.2	4.0
Tranche 13	3.4	4.1
Tranche 14	0.0	3.6
	10.2	**11.5**

26.2 Provisions for Termination and Jubilee Benefits

2022 Financial Year

EUR m	Termination benefits	Jubilee benefits	Total
PRESENT VALUE OF THE OBLIGATION AS AT 1 JANUARY 2022	**129.7**	**70.7**	**200.4**
Current service cost	5.7	2.6	8.3
Interest expense	3.4	0.6	4.0
Actuarial gains (–) and losses (+) from the change in demographic assumptions	0.0	–0.2	–0.2
Actuarial gains (–) and losses (+) from the change in financial assumptions	–14.4	–7.3	–21.6
Experience adjustments	2.6	0.6	3.2
Actual payments	–8.4	–6.0	–14.4
Currency translation differences	–1.6	0.0	–1.6
PRESENT VALUE OF THE OBLIGATION AS AT 31 DECEMBER 2022	**117.1**	**61.0**	**178.1**

2023 Financial Year

EUR m	Termination benefits	Jubilee benefits	Total
PRESENT VALUE OF THE OBLIGATION AS AT 1 JANUARY 2023	**117.1**	**61.0**	**178.1**
Additions arising from acquisitions	0.0	0.0	0.0
Current service cost	5.7	2.2	7.9
Interest expense	5.5	2.2	7.6
Actuarial gains (–) and losses (+) from the change in demographic assumptions	–0.1	0.1	0.0
Actuarial gains (–) and losses (+) from the change in financial assumptions	12.7	0.8	13.6
Experience adjustments	3.5	3.0	6.5
Actual payments	–16.9	–6.6	–23.5
Currency translation differences	–5.7	0.0	–5.7
PRESENT VALUE OF THE OBLIGATION AS AT 31 DECEMBER 2023	**121.8**	**62.7**	**184.5**

Actuarial gains and losses arise from the adjustments to the parameters for the discount rate, salary increases, and employee turnover rates as described in Note 3.13 Provisions for Termination and Jubilee Benefits. Actuarial gains and losses as well as adjustments to termination benefits made from experience are recognised in other comprehensive income. Actuarial gains and losses as well as adjustments to jubilee benefits made from experience are recognised in staff costs.

Expenses for termination and jubilee benefits are included under staff costs in the consolidated income statement, with the exception of the interest expense, which is included in the financial result.

The actuarial parameters used were also subjected to a sensitivity analysis. If all other parameters remain constant, a change in the discount rate, a change in salary increases and a change in the employee turnover rates of +/–1 percentage point would have the following effects on the amount of the provisions shown in the table:

	Discount rate		Salary increase		Employee turnover rate	
EUR m	–1 pp	+1 pp	–1 pp	+1 pp	–1 pp	+1 pp
Termination benefits	13.6	–11.8	–11.2	12.7	0.0	2.9
Jubilee benefits	3.6	–3.2	–2.7	2.9	3.8	–3.5

26.3 Other Employee Provisions

2022 Financial Year

EUR m	Underutilisation	Other employee-related provisions	Total
BALANCE AS AT 1 JANUARY 2022	**202.2**	**102.7**	**304.9**
Change in the consolidation scope	0.0	0.0	0.0
Reclassification	–1.9	–0.2	–2.1
Allocation	12.1	67.8	79.9
Use	–22.5	–52.5	–75.0
Reversal	–17.4	–16.9	–34.3
Accrued interest	2.1	0.0	2.1
Currency translation	0.0	–0.7	–0.7
BALANCE AS AT 31 DECEMBER 2022	**174.6**	**100.1**	**274.8**

2023 Financial Year

EUR m	Underutilisation	Other employee-related provisions	Total
BALANCE AS AT 1 JANUARY 2023	**174.6**	**100.1**	**274.8**
Change in the consolidation scope	0.0	–0.1	–0.1
Reclassification	–0.9	0.0	–0.9
Allocation	8.1	64.1	72.2
Use	–21.1	–49.8	–70.8
Reversal	–19.6	–18.5	–38.1
Accrued interest	4.2	0.0	4.2
Currency translation	0.0	–1.3	–1.3
BALANCE AS AT 31 DECEMBER 2023	**145.3**	**94.5**	**239.9**

Provisions for Underutilisation In the 2023 financial year, provisions in the amount of EUR 19.6m were reversed. This was due primarily to employees leaving the Internal Labour Market and the premature termination of retirement proceedings on grounds of invalidity.

The use of provisions related to ongoing payments to the transferred employees and was slightly below the prior-year level. The transfer of EUR –0.9m related to the provisions for employees transferring to the federal public service. Following the final integration of employees in the federal ministries, the allocated provisions are to be reclassified as liabilities.

The new provisions totalling EUR 8.1m were recognised for applications submitted by civil servants to initiate retirement proceedings on grounds of invalidity.

A sensitivity analysis on the actuarial parameters used resulted in the following effects on the amount of the provisions in the event of a change in the degree of underutilisation by +/–10 percentage points each and a change in the discount for employee turnover, the actuarial interest rate or salary increases by +/–1 percentage point each, with all other parameters remaining constant:

	Rate of underutilisation		Employee turnover discount		Discount rate		Salary increase	
EUR m	–10 pp	+10 pp	–1 pp	+1 pp	–1 pp	+1 pp	–1 pp	+1 pp
Underutilisation	–23.4	22.7	1.2	–1.2	7.1	–6.6	–6.9	7.3.

Other Employee-related Provisions Other employee-related provisions mainly encompass provisions for employee profit-sharing schemes and performance-related bonuses, provisions arising from crediting previous periods of service for (former) civil servants. Of the new provisions set out, the lion's share of EUR 61.5m (2022: EUR 61.0m) relates to the allocation for profit-sharing and performance bonuses and the provision for the recognition of prior service periods for (former) civil servants. The use of provisions mainly refers to payments for profit-sharing and performance bonuses in the 2023 financial year in the amount of EUR 46.5m (2022: EUR 49.4m), payments made in connection with the recognition of prior service periods for (former) civil servants, as well as payments from the provisions for restructuring. The reversals primarily include EUR 13.6m (2022: EUR 12.2m) in provisions for employee profit-sharing schemes and performance-related bonuses, and provisions for restructuring that were not required.

As at 31 December 2023, the provisions arising from crediting previous periods of service for (former) civil servants included in other employee provisions amount to EUR 12.6m (31 December 2022: EUR 13.2m) and are based on the following: In a decision dated 11 November 2014, the European Court of Justice (ECJ) found, upon presentation by the Austrian Supreme Administrative Court, that the method for eliminating age discrimination in the civil servants' payroll system legally established in 2010 is incompatible with Union law. Since the issue of crediting previous periods of service affected not only the civil servants allocated to Austrian Post but all civil servants, the Austrian National Council reacted and undertook a comprehensive reform of the federal payroll system on 21 January 2015. This reform dealt with the main criticism of the ECJ and removed it. This pay reform was naturally also implemented for the civil servants employed by Austrian Post. In a more recent preliminary ruling procedure before the European Court of Justice on the crediting of previous periods of civil service, the ECJ ruled on 8 May 2019 that the payroll reform of 2015 was insufficient. As a result, a further amendment was made to civil service law by the federal government, according to which the crediting of previous service periods before the age of 18 must be individually reassessed for each (former) civil servant. In its judgment of 20 April 2023, the European Court of Justice once again ruled that the national regulations on the salary classification of civil servants run contrary to Council Directive 2000/78/EC. With its amendment to the 2019 public-sector salary reform in November 2023, the legislator decided to revise the crediting of previous service periods for all civil servants who were affected by the 2019 public-sector salary reform. Austrian Post is implementing the amendment and has used a best possible estimate to make a provision for the subsequent payments resulting from the recalculated pay-related length of service.

26.4 Other Provisions

Other Provisions

EUR m	31 Dec. 2022	31 Dec. 2023
BALANCE AS AT 1 JANUARY	**182.6**	**174.6**
Reclassification	0.0	0.6
Allocation	14.2	16.7
Use	–11.3	–10.1
Reversal	–9.4	–10.9
Accrued interest	0.1	0.0
Currency translation	–1.7	–2.4
BALANCE AS AT 31 DECEMBER	**174.6**	**168.4**

In addition to provisions for litigation and legal expenses, auditing and consulting fees as well as provisions for damages, other provisions are designed in particular to cover expenses for potential compensation payments in the amount of EUR 99.6m (2022: EUR 99.6m). These compensation payments relate to the recovery of contributions from the payroll of civil servants and are based on the following: Austrian Post and its legal predecessor paid contributions from the payroll for the civil servants assigned to them in the period from 1 May 1996 to 31 May 2008. However, based on a ruling handed down by the Austrian Administrative Court in 2015, there was no legal obligation to make these payments. As a result, Austrian Post was awarded contributions totalling EUR 141.1m by the Austrian Federal Finance Court for the period of 2015 to 2019. However, in exchange for the total contributions awarded to date, Austrian Post has obligations for possible compensation payments, which have been set aside based on a payment request issued by the Federal Chancellery. Based on the data available, there are differences of opinion between the Federal Chancellery and Austrian Post regarding the amount of the compensation payments.

Provisions have also been recognised for possible risks arising from administrative criminal proceedings and civil proceedings for damages by way of a best estimate. These are based on the following: the Data Protection Authority has brought administrative criminal proceedings against Austrian Post in the financial years since 2019 on grounds of the unlawful processing of data qualifying as personal and sensitive data and the violation of the rights of data subjects within the meaning of the GDPR. These proceedings had not yet reached a final conclusion at the time the consolidated financial statements were prepared. In≈addition, Austrian Post is a defendant in a number of civil proceedings for damages. In the 2023 financial year, the majority of the ongoing proceedings were settled with the recognition of a payment obligation in order to minimise the ongoing costs associated with the proceedings and any damages that might have to be paid. Further disclosures in connection with these provisions have been waived in accordance with IAS 37.92, as this information may affect the outcome of proceedings that are still ongoing or may influence potential further proceedings.

Other provisions also include provisions for risks in connection with further legal disputes in the amount of EUR 11.8m (31 December 2022: EUR 6.7m), which are immaterial when taken in isolation.

27. Trade Payables and Other Payables

EUR m	31 Dec. 2022 Due within 1 year	31 Dec. 2022 Due in more than 1 year	31 Dec. 2022 Total	31 Dec. 2023 Due within 1 year	31 Dec. 2023 Due in more than 1 year	31 Dec. 2023 Total
Trade payables	249.7	0.0	249.7	269.7	0.0	269.7
Payables from financial assets accounted for using the equity method	0.0	0.0	0.0	0.2	0.0	0.2
Liabilities from acquisition of financial assets accounted for using the equity method	0.0	0.0	0.0	3.3	5.8	9.1
Liabilities from obligation to acquire non-controlling interests	0.0	47.6	47.6	0.0	48.8	48.8
Other liabilities	154.7	12.9	167.6	187.6	15.4	202.9
	404.5	**60.4**	**464.9**	**460.8**	**69.9**	**530.8**

Liabilities from the acquisition of financial assets accounted for using the equity method comprise the contingent consideration from the acquisition of Agile Actor Hellas S.A. Further explanatory information is provided below in Note 29 Financial Instruments.

The liabilities resulting from purchase obligations of non-controlling interests result from options for the acquisition of the remaining 20% of the shares in Aras Kargo a.s. 2025 and 2026 have been agreed as possible exercise dates. The future purchase price depends on the company's success. However, the subsequent measurement is made on the basis of expected future results according to the business plan and the application of the current EUR/TRY exchange rate and is discounted using the effective interest rate method. Varying the input factors and the exchange rate produces the following sensitivities as at the reporting date:

EUR m	EBITDA –10%	EBITDA +10%	Reference rate at balance sheet date EUR/TRY –10%	Reference rate at balance sheet date EUR/TRY +10%
Liabilities from obligation to acquire non-controlling interests	–5.0	5.0	5.4	–4.4

The calculation was based on the assumption that the option will be exercised at the earliest possible date (2025). If the option is exercised one year later, this would have no material impact on the amount of the liability recognised.

The result from the subsequent measurement of liabilities resulting from purchase obligations of non-controlling interests amounts to minus EUR 1.2m in the 2023 financial year (2022: minus EUR 1.8m) and is recognised in the consolidated income statement. This includes other operating income and expenses from the change in estimates of future results in the amount of minus EUR 5.4m (2022: EUR 17.0m) and expenses and income from the foreign currency valuation from inflation adjustments and from the compounding of liabilities in the amount of EUR 4.1m (2022: minus EUR 18.8m), see Note 13 Financial Result.

Other liabilities mainly comprise liabilities to tax authorities and social security carriers in the amount of EUR 37.5m (31 December 2022: EUR 21.4m) and liabilities for unused vacation amounting to EUR 44.9m (31 December 2022: EUR 43.2m).

This item also includes government grants, which mainly relate to federal government subsidies for property, plant and equipment related to electric-powered vehicles and structural investments amounting to EUR 6.9m (31 December 2022: EUR 0.9m), as well as COVID-19 investment subsidies amounting to EUR 3.9m (31 December 2022: EUR 3.6m).

28. Financial Liabilities

28.1 Financial Liabilities from Financial Services

The following tables show the contractual remaining terms of the financial liabilities from financial services:

31 December 2022

EUR m	Due daily	<3 months	>3 months <1 year	Due within 1 year	Total
	Due within 1 year				
Borrowings from banks	99.6	0.0	0.0	99.6	99.6
Liabilities to customers	2,826.9	0.0	20.7	2,847.6	2,847.6
Other clearing liabilities	18.4	0.0	0.0	18.4	18.4
TOTAL	**2,944.9**	**0.0**	**20.7**	**2,965.6**	**2,965.6**

31 December 2023

EUR m	Due daily	<3 months	>3 months <1 year	Due within 1 year	>1 year <5 years	>5 years	Due in more than 1 year	Total
	Due within 1 year				Due in more than 1 year			
Borrowings from banks	75.6	0.0	0.0	75.6	0.0	0.0	0.0	75.6
Liabilities to customers	2,446.6	204.3	420.6	3,071.5	4.9	0.0	4.9	3,076.4
Other liabilities	18.6	0.0	0.0	18.6	0.4	10.0	10.4	29.0
Negative market values from hedge accounting	0.0	0.0	0.0	0.0	0.4	10.0	10.4	10.4
Liabilities from clearing	18.6	0.0	0.0	18.6	0.0	0.0	0.0	18.6
TOTAL	**2,540.9**	**204.3**	**420.6**	**3,165.7**	**5.3**	**10.0**	**15.3**	**3,181.1**

As at 31 December 2023, there are irrevocable loan commitments to customers amounting to EUR 19.7m (31 December 2022: EUR 83.1m) and liability commitments to credit card operators amounting to EUR 2.0m (31 December 2022: EUR 2.0m).

28.2 Other Financial Liabilities

EUR m	31 Dec 2022 Due within 1 year	31 Dec 2022 Due in more than 1 year	31 Dec 2022 Total	31 Dec 2023 Due within 1 year	31 Dec 2023 Due in more than 1 year	31 Dec 2023 Total
Borrowings from banks	30.2	150.0	180.2	2.3	226.0	228.3
Lease liabilities	61.7	338.2	399.9	63.6	326.0	389.6
Other financial liabilities	0.0	0.0	0.0	0.0	1.4	1.4
	91.9	**488.2**	**580.1**	**65.9**	**553.4**	**619.3**

29. Financial Instruments

29.1 Financial Instruments

29.1.1 FINANCIAL ASSETS AND LIABILITIES

The following tables show the carrying amounts of financial assets and liabilities by IFRS 9 measurement category as at 31 December 2022 and 31 December 2023:

31 December 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	3,067.4	0.0	0.0	57.7	57.7	3,125.1
Cash, cash equivalents and central bank balances	875.8	0.0	0.0	0.0	0.0	875.8
Receivables from banks	30.3	0.0	0.0	0.0	0.0	30.3
Receivables from customers	1,596.1	0.0	0.0	0.0	0.0	1,596.1
Mortgage loans	1,260.9	0.0	0.0	0.0	0.0	1,260.9
Consumer loans	326.7	0.0	0.0	0.0	0.0	326.7
Current accounts	8.5	0.0	0.0	0.0	0.0	8.5
Investments	553.4	0.0	0.0	0.0	0.0	553.4
Other receivables	11.9	0.0	0.0	57.7	57.7	69.6
Positive market values from hedge accounting	0.0	0.0	0.0	57.7	57.7	57.7
Clearing receivables	11.9	0.0	0.0	0.0	0.0	11.9
Other financial assets	64.9	0.5	6.2	0.0	6.7	71.6
Money market investments	64.9	0.0	0.0	0.0	0.0	64.9
Sundry other financial assets	0.0	0.5	6.2	0.0	6.7	6.7
Trade receivables and other receivables	337.3	0.0	0.0	0.0	0.0	337.3
Trade receivables	298.7	0.0	0.0	0.0	0.0	298.7
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]	37.7	0.0	0.0	0.0	0.0	37.7
Cash and cash equivalents	54.8	0.0	0.0	0.0	0.0	54.8
TOTAL	**3,524.4**	**0.5**	**6.2**	**57.7**	**64.4**	**3,588.8**

[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

31 December 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 LIABILITIES						
Financial liabilites from financial services	2,965.6	0.0	0.0	0.0	0.0	2,965.6
Borrowings from banks	99.6	0.0	0.0	0.0	0.0	99.6
Liabilities to customers	2,847.6	0.0	0.0	0.0	0.0	2,847.6
Other clearing liabilities	18.4	0.0	0.0	0.0	0.0	18.4
Other financial liabilities	580.1	0.0	0.0	0.0	0.0	580.1
Borrowings from banks	180.2	0.0	0.0	0.0	0.0	180.2
Lease liabilities	399.9	0.0	0.0	0.0	0.0	399.9
Trade and other payables	389.7	0.0	0.0	0.0	0.0	389.7
Trade payables	249.7	0.0	0.0	0.0	0.0	249.7
Liabilities from obligation to acquire non-controlling interests	47.6	0.0	0.0	0.0	0.0	47.6
Other liabilities[2]	92.4	0.0	0.0	0.0	0.0	92.4
TOTAL	**3,935.5**	**0.0**	**0.0**	**0.0**	**0.0**	**3,935.5**

[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

31 December 2023

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	3,309.2	0.0	0.0	36.4	36.4	3,345.6
Cash, cash equivalents and central bank balances	839.1	0.0	0.0	0.0	0.0	839.1
Receivables from banks	34.2	0.0	0.0	0.0	0.0	34.2
Receivables from customers	1,791.9	0.0	0.0	0.0	0.0	1,791.9
Mortgage loans	1,458.2	0.0	0.0	0.0	0.0	1,458.2
Consumer loans	323.8	0.0	0.0	0.0	0.0	323.8
Current accounts	9.9	0.0	0.0	0.0	0.0	9.9
Investments	633.7	0.0	0.0	0.0	0.0	633.7
Other receivables	10.4	0.0	0.0	36.4	36.4	46.7
Positive market values from hedge accounting	0.0	0.0	0.0	36.4	36.4	36.4
Other clearing receivables	10.4	0.0	0.0	0.0	0.0	10.4
Other financial assets	20.0	0.5	7.0	0.0	7.4	27.4
Money market investments	20.0	0.0	0.0	0.0	0.0	20.0
Sundry other financial assets	0.0	0.5	7.0	0.0	7.4	7.4
Trade receivables and other receivables	382.8	0.0	0.0	0.0	0.0	382.8
Trade receivables	332.0	0.0	0.0	0.0	0.0	332.0
Receivables from financial assets accounted for using the equity method	1.7	0.0	0.0	0.0	0.0	1.7
Other receivables[1]	49.1	0.0	0.0	0.0	0.0	49.1
Cash and cash equivalents	87.5	0.0	0.0	0.0	0.0	87.5
TOTAL	**3,799.6**	**0.5**	**7.0**	**36.4**	**43.8**	**3,843.4**

[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

31 December 2023

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 LIABILITIES						
Financial liabilites from financial services	3,170.7	0.0	0.0	10.4	10.4	3,181.1
Borrowings from banks	75.6	0.0	0.0	0.0	0.0	75.6
Liabilities to customers	3,076.4	0.0	0.0	0.0	0.0	3,076.4
Other liabilities	18.6	0.0	0.0	10.4	10.4	29.0
Negative market values from hedge accounting	0.0	0.0	0.0	10.4	10.4	10.4
Other clearing liabilities	18.6	0.0	0.0	0.0	0.0	18.6
Other financial liabilities	617.9	0.0	0.0	1.4	1.4	619.3
Borrowings from banks	228.3	0.0	0.0	0.0	0.0	228.3
Lease liabilities	389.6	0.0	0.0	0.0	0.0	389.6
Sundry other financial liabilities	0.0	0.0	0.0	1.4	1.4	1.4
Trade and other payables	419.8	0.0	0.0	9.1	9.1	428.9
Trade payables	269.7	0.0	0.0	0.0	0.0	269.7
Payables from financial assets accounted for using the equity method	0.2	0.0	0.0	0.0	0.0	0.2
Liabilities from acquisition of financial assets accounted for using the equity method	0.0	0.0	0.0	9.1	9.1	9.1
Liabilities from obligation to acquire non-controlling interests	48.8	0.0	0.0	0.0	0.0	48.8
Other liabilities[2]	101.1	0.0	0.0	0.0	0.0	101.1
TOTAL	**4,208.4**	**0.0**	**0.0**	**20.9**	**20.9**	**4,229.3**

[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

29.1.2 FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The following tables show the financial assets measured at fair value by IFRS 13 fair value hierarchy level as at 31 December 2022 and 31 December 2023:

31 December 2022

EUR m	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS				
Financial assets from financial services	0.0	57.7	0.0	57.7
Other receivables	0.0	57.7	0.0	57.7
Positive market values from hedge accounting	0.0	57.7	0.0	57.7
Other financial assets	0.5	6.0	0.2	6.7
TOTAL	**0.5**	**63.7**	**0.2**	**64.4**

31 December 2023

EUR m	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS				
Financial assets from financial services	0.0	36.4	0.0	36.4
Other receivables	0.0	36.4	0.0	36.4
Positive market values from hedge accounting	0.0	36.4	0.0	36.4
Other financial assets	0.5	6.7	0.2	7,4
TOTAL	**0.5**	**43.1**	**0.2**	**43.8**
FINANCIAL LIABILITIES				
Financial liabilities from financial services	0.0	10.4	0.0	10.4
Other liabilities	0.0	10.4	0.0	10.4
Negative market values from hedge accounting	0.0	10.4	0.0	10.4
Other financial liabilities	0.0	1.4	0.0	1.4
Sundry other financial liabilities	0.0	1.4	0.0	1.4
Trade and other payables	0.0	0.0	9.1	9.1
Liabilities from acquisition of financial assets accounted for using the equity method	0.0	0.0	9.1	9.1
TOTAL	**0.0**	**11.8**	**9.1**	**20.9**

In respect of other stakes, the fair value at level 2 relates to the shares on the Vienna Stock Exchange. These shares are measured based on the exit price on the basis of the existing syndicate agreement and regular index-based value adjustments.

The measurement of market values from hedge accounting is carried out using the income approach. Accordingly, future cash flows are discounted to the measurement date, taking into account yield curves directly observable on the money and capital markets and measurement premiums for similar assets. In order to determine the fair value, an adjustment is also made in connection with the credit value adjustment (CVA). The CVA measurement adjustment is determined by the expected positive exposure and the counterparty's probability of default.

Sundry other financial liabilities are measured on the basis of forward yield curves observable on the capital market.

The fair value at level 3 relates to the liability from the acquisition of financial assets accounted for using the equity method and comprises the contingent consideration from the acquisition of Agile Actors Single Member S.A. The future purchase price is dependent on the EBIT generated in 2023, 2024 and 2025. The fair value was allocated to level 3 and is calculated on the basis of current earnings projections, taking into account the WACC as at the measurement date as the discount rate. At the time of the acquisition of Agile Actors Single Member S.A., the liability was recognised with a fair value of EUR 8.0m. Taking into account a subsequent measurement of EUR 1.1m, the fair value as at 31 December 2023 is EUR 9.1m. If the expected EBIT for 2023, 2024 and 2025 were reduced by 10% in each case, the liability as at 31 December 2023 would be EUR 0.8m lower. An increase in the expected EBIT would not affect the amount of the liability. A change in the WACC by +/– one percentage point would be reflected in the liability in an amount of EUR –/+ 0.1m.

The Group recognises reclassifications between different levels of the fair value hierarchy at the end of the reporting period in which the change occurred. No transfers were made between levels in the current financial year.

29.1.3 FINANCIAL ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE

The fair value of the following financial assets and liabilities measured at amortised cost, taking into account the levels of the fair value hierarchy of IFRS 13, is as follows as at 31 December 2022 and 31 December 2023:

31 December 2022

EUR m	Carrying amount	Fair value	Level 1	Level 3
FINANCIAL ASSETS				
Receivables from banks	30.3	29.7	0.0	29.7
Receivables from customers				
Mortgage loans	1,260.9	1,242.9	0.0	1,242.9
Consumer loans	326.7	369.8	0.0	369.8
Investments	553.4	501.4	501.4	0.0
FINANCIAL LIABILITIES				
Liabilities from obligation to acquire non-controlling interests	47.6	31.1	0.0	31.1

31 December 2023

EUR m	Carrying amount	Fair value	Level 1	Level 3
FINANCIAL ASSETS				
Receivables from banks	34.2	34.1	0.0	34.1
Receivables from customers				
Mortgage loans	1,458.2	1,463.5	0.0	1,463.5
Consumer loans	323.8	357.2	0.0	357.2
Investments	633.7	596.9	596.9	0.0
FINANCIAL LIABILITIES				
Liabilities to customers	3,076.4	3,071.9	0.0	3,071.9
Liabilities from obligation to acquire non-controlling interests	48.8	34.1	0.0	34.1

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

Financial liabilities Financial liabilities measured at amortised cost comprise liabilities from purchase obligations of non-controlling interests with a carrying amount of EUR 48.8m (31 December 2022: EUR 47.6m). This results from options for the acquisition of the remaining 20% of the shares in Aras Kargo a.s., where the future price depends on the company's success. The calculation of the fair value of EUR 34.1m (31 December 2022: EUR 31.1m) is based on current earnings projections, the current exchange rate and an updated WACC as the discount rate.

Liabilities to customers are measured using the present value method, taking into account currently observable market data on interest rates.

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.

29.1.4 OFFSETTING OF FINANCIAL INSTRUMENTS

The Austrian Post Group primarily makes use of offsetting according to IAS 32 with international postal providers, in which case the offset and correspondingly netted amounts are immaterial.

29.1.5 INFORMATION ON THE STATEMENT OF COMPREHENSIVE INCOME

The following table shows the net gains and losses from financial instruments, excluding interest and dividends, included in the statement of comprehensive income for the 2022 and 2023 financial years:

	2022			2023		
EUR m	Income statement	Other comprehensive income	Total	Income statement	Other comprehensive income	Total
AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL) MANDATORY						
Results from disposal	1.2	0.0	1.2	0.0	0.0	0.0
Valuation results	57.5	0.0	57.5	–34.3	0.0	–34.3
	58.7	**0.0**	**58.7**	**–34.3**	**0.0**	**–34.3**
AT FAIR VALUE THROUGH OCI (FVOCI) – EQUITY INSTRUMENTS						
Valuation results	0.0	0.5	0.5	0.0	0.3	0.3
	0.0	**0.5**	**0.5**	**0.0**	**0.3**	**0.3**
FINANCIAL ASSETS MEASURED AT AMORTISED COST						
Results from disposal	–2.1	0.0	–2.1	0.0	0.0	0.0
Valuation results	–62.7	0.0	–62.7	35.9	0.0	35.9
	–64.8	**0.0**	**–64.8**	**35.9**	**0.0**	**35.9**
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST						
Valuation results	–1.8	0.0	–1.8	–1.2	0.0	–1.2
	–1.8	**0.0**	**–1.8**	**–1.2**	**0.0**	**–1.2**
	–7.8	**0.5**	**–7.3**	**0.4**	**0.3**	**0.7**

The total interest income and expenses for financial assets and liabilities calculated according to the effective interest rate method with the exception of financial instruments measured at fair value through profit or loss are presented below:

EUR m	2022	2023
INTEREST INCOME		
Recognised at amortised cost		
Financial assets from financial services	33.9	72.6
Other financial assets	0.5	0.9
Cash and cash equivalents	1.6	5.1
	35.9	**78.6**
INTEREST EXPENSES		
Recognised at amortised cost		
Financial liabilites from financial services	–3.2	–16.7
Other financial liabilities	–6.7	–10.8
Trade and other payables	–7.9	–7.4
	–17.8	**–34.9**

29.1.6 HEDGE ACCOUNTING

Interest rate risks resulting from fixed-rate mortgage loans are hedged within the Austrian Post Group using interest rate derivatives (interest rate swaps). The derivatives are concluded with Austrian banks under the Austrian master agreement for financial futures (incl. collateralisation annex) in euros. Interest rate risk is monitored and controlled as part of the management of market risk.

In cases involving fixed-rate financial instruments, a market price risk arises from the change in the relevant reference yield curve. By using interest rate derivatives as hedging instruments, the fixed interest rate on the hedged items is transferred to a variable interest rate linked to the reference interest rate.

The interest rate derivatives designated as hedging instruments have an economic relationship with the interest rate risk component of the hedged item. The non-interest-rate-related risk components (such as credit spreads) are not part of the hedge. This means that the hedged item and the hedging instrument are structured in such a way that the parameters relevant for measurement purposes oppose each other. Consequently, opposing effects are only recognised to the extent that there is an economic relationship, without creating artificial volatility in the income statement. Likewise, the underlying risk associated with the derivative is identical to the hedged risk component.

The Austrian Post Group uses a bottom layer hedge to hedge interest rate risk. The hedge ratio is 1:1. From the fixed-rate mortgage loans, which are grouped according to maturity and fixed interest rate, a bottom layer is dedicated to hedge accounting as a base amount which, taking into account the expected and early repayments, will very likely still be available when the hedging instruments mature. This approach means that early repayments, other derecognition scenarios as well as impairment losses are always allocated to the unhedged amount that exceeds the defined base amount. This means that these amounts do not affect the measurement of hedge effectiveness unless they reach the bottom layer threshold that has been defined.

To test the effectiveness of the hedge, the change in the fair value of the hedged risk from the hedged items is determined using hypothetical derivatives that largely correspond to the contractual terms of the hedging transactions. The present values for the effectiveness tests are calculated in accordance with the Group’s internal hedge accounting policies using both the dollar off-set method and a regression analysis.

The hedge may become ineffective if the nominal value of the hedged items falls below that of the derivative. If a hedge is no longer effective, rebalancing has to be used to restore its effectiveness. There was no rebalancing in the 2023 financial year.

The table below shows the nominal amounts of the hedging instruments, broken down by their remaining terms, as at 31 December 2022 and 31 December 2023:

Nominal Value of Hedging Instruments as at 31 December 2022

EUR m	<3 months	>3 months <1 year	>1 year <5 years	More than 5 years	Nominal
ASSETS					
Interest rate derivatives – mortgage loans	0.0	0.0	0.0	350.0	350.0

Nominal Value of Hedging Instruments as at 31 December 2023

EUR m	<3 months	>3 months <1 year	>1 year <5 years	More than 5 years	Nominal
ASSETS					
Interest rate derivatives – mortgage loans	0.0	0.0	24.0	518.0	542.0

The positive fair value from the hedging instruments amounts to EUR 36.4m as at 31 December 2023 (31 December 2022: EUR 57.7m) and is reported under financial assets from financial services. The negative fair value from the hedging instruments amounts to EUR 10.4m as at 31 December 2023 (31 December 2022: EUR 0.0m) and is reported under financial liabilities from financial services.

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

Carrying Amount and Basis Adjustments From Hedged Items

	Carrying amount of hedged item	Basis adjustments included in the carrying amount	Carrying amount of hedged item	Basis adjustments included in the carrying amount
EUR m	31 Dec. 2022		31 Dec. 2023	
ASSETS				
Mortgage loans	785.2	–57.8	1,099.1	–26.0

The following table shows the impact of hedge accounting on the income statement:

Result of Hedge Accounting as at 31 December 2022

EUR m	Result of hedged items	Result of hedging instruments	Result of hedge accounting
ASSETS			
Mortgage loans	–57.8	57.8	0.0

Result of Hedge Accounting as at 31 December 2023

EUR m	Result of hedged items	Result of hedging instruments	Result of hedge accounting
ASSETS			
Mortgage loans	31.8	–31.8	0.0

Since the fluctuations in the value of the hedged item are largely offset by the fluctuations in the value of the hedging instrument, there is an insignificant ineffectiveness which is recognised under other operating expenses.

29.2 Risks and Risk Management Related to Financial Instruments

The risks related to financial instruments are disclosed separately for logistics and the banking business, as additional (primarily regulatory) requirements and information are taken into account in the context of banking services.

Logistics encompass the entire business activities of Austrian Post, excluding its banking business. The banking business mainly comprises services provided by bank99 and represent a part of the Group's financial services. Other receivables from offsetting with postal partners, which result primarily from P.S.K. orders, are shown in the following disclosures in Logistics.

29.2.1 RISK MANAGEMENT

The finance and risk management policies of the Austrian Post Group are aimed at hedging profits against financial risks of all kinds. In managing its financial positions, the Group fundamentally takes a strategic approach to portfolio assessment and follows conservative risk policies.

The Austrian Post Group continually monitors potential concentrations of risk. This can arise in the case of financial instruments with similar features, terms and conditions, for example with respect to terms to maturity, counterparty structure and the implementation of the investment strategy, or with groups of connected clients or large-scale exposures. Concentration risks are counteracted, for example, by the investments of fixed-term deposits at different banks, the diversification of the issuers in the securities portfolio, maturity profile diversification or by setting limits.

Risk management is subject to a body of rules developed by the Management Board, which define the relevant objectives, principles, functions and responsibilities. In addition, these rules lay down standardised processes, so as to provide an assurance of reliable internal auditing. Furthermore, the organisational risks relating to treasury operations are kept to a minimum by structuring the processes involved in an appropriate manner (e.g. keeping the trading and accounting of financial transactions separate, backing up electronic data storage). Furthermore, additional risk management requirements are taken into account in the banking business. A separate risk management system has been set up for this purpose to control and monitor the risks arising from the banking business in an appropriate manner. This system features a multi-stage process that ensures the separation of functions that are incompatible with each other with regard to both organisational structures and processes. The clear separation between the front office and the back office is ensured up to the Management Board level. The aim is to identify, actively manage and limit risks at an early stage in order to ensure the creation of a consistent risk profile and the maintenance of adequate capital resources. One key aspect supplementing the ongoing risk management activities are stress tests, which highlight vulnerabilities and provide key impetus for limiting and managing significant risks.

A standardised reporting system is used to track risks relating to the current situation. In addition, the Austrian Post Group has clearly defined written strategies and operational guidelines for the management of all financial risks.

29.2.2 PRESENTATION OF TYPES OF RISK

LOGISTICS

The following risks exist as a result of the financial instruments deployed by the Austrian Post Group:

- Credit risks
- Liquidity risks
- Market risks

CREDIT RISKS

Credit risk for the Austrian Post Group involves the possibility of contractual partners being unable to fulfil their obligations from the operating business and financial transactions. The amounts reported on the asset side of the balance sheet represent the maximum credit-worthiness and credit risk. Where there are recognisable credit risks in respect to the financial assets, impairments are made to account for them. See Note 3.16 Financial Instruments.

The overall risk attached to receivables is low, as most of the customers have agreed to direct debit arrangements, have arranged for bank guarantees in risky cases or have paid in advance. In addition, most of the outstanding amounts are owed by contracting partners which have excellent credit ratings.

In order to minimise credit risk relating to securities, Austrian Post's portfolio of securities is restricted to papers from issuers with an investment grade rating or a comparable level of creditworthiness. Austrian Post only invests in investment funds managed by internationally reputable asset management companies. Particularly close attention is paid to the liquidity and low exposure to settlement risk of the financial products. Money market transactions are subject to fixed trading limits.

Using this as the basis, the gross carrying amounts of the main classes of credit risk within the Austrian Post Group as at 31 December 2022 as well as 31 December 2023 are as follows:

Gross Carrying Amounts as at 31 December 2022

		General approach			Simplified approach	
EUR m	Gross carrying amount – total	Stage 1	Stage 2	Stage 3	Stage 2	Stage 3
Trade receivables	301.7	–	–	–	297.6	3.6
Other receivables	38.9	26.5	0.0	7.2	5.1	–

Gross Carrying Amounts as at 31 December 2023

		General approach			Simplified approach	
EUR m	Gross carrying amount – total	Stage 1	Stage 2	Stage 3	Stage 2	Stage 3
Trade receivables	334.5	–	–	–	331.5	3.0
Other receivables	50.6	38.9	5.3	2.6	3.8	–

The overall credit risk of all securities in the category FVOCI, bank balances, money market investments and other receivables from offsetting with postal partners in Austrian Post's portfolio is considered to be low, and is not presented here due to the immaterial amounts involved.

Trade Receivables As at 31 December 2022 and 31 December 2023, the following impairment losses arise for trade receivables:

31 December 2022

		Overdue			
EUR m	Not overdue	1–30 days	31–90 days	> 90 days	**Total**
Gross carrying amount	255.1	41.1	2.1	3.3	301.7
Expected loss rate in %	0.1%	0.3%	6.8%	75.9%	1.0%
IMPAIRMENT LOSSES	**0.2**	**0.1**	**0.1**	**2.5**	**3.0**

31 December 2023

		Overdue			
EUR m	Not overdue	1–30 days	31–90 days	> 90 days	**Total**
Gross carrying amount	277.7	51.5	2.3	3.0	334.5
Expected loss rate in %	0.4%	0.3%	4.2%	38.5%	0.7%
IMPAIRMENT LOSSES	**1.0**	**0.2**	**0.1**	**1.2**	**2.5**

Other Receivables The impairment losses for other receivables amount to EUR 1.4m as at 31 December 2023 (31 December 2022: EUR 1.2m). The expected credit losses for lease receivables and receivables from offsetting with postal partners are included in the expected credit losses for other receivables and are immaterial overall. In addition, there was no write-off in the reporting year of other receivables which are still subject to enforcement measures.

The impairment losses on the main credit risk classes developed as follows:

	Other receivables				Trade receivables		
EUR m	Stage 1	Stage 2	Stage 3	Total	Stage 2	Stage 3	Total
BALANCE AS AT 1 JANUARY 2022	**0.2**	**0.2**	**0.7**	**1.1**	**0.8**	**3.0**	**3.8**
Derecognitions	0.0	0.0	–0.1	–0.2	–0.4	–0.8	–1.2
Revaluation	0.1	–0.1	0.3	0.3	0.2	0.2	0.5
BALANCE AS AT 31 DECEMBER 2022	**0.3**	**0.1**	**0.9**	**1.2**	**0.6**	**2.4**	**3.0**

	Other receivables				Trade receivables		
EUR m	Stage 1	Stage 2	Stage 3	Total	Stage 2	Stage 3	Total
BALANCE AS AT 1 JANUARY 2023	**0.3**	**0.1**	**0.9**	**1.2**	**0.6**	**2.4**	**3.0**
Derecognitions	0.0	–0.2	–0.2	–0.4	–0.3	–0.6	–0.9
Revaluation	0.0	0.5	0.1	0.6	0.2	0.1	0.3
BALANCE AS AT 31 DECEMBER 2023	**0.2**	**0.4**	**0.8**	**1.4**	**0.5**	**2.0**	**2.5**

Securities in the Category FVOCI All securities in the category FVOCI in Austrian Post's portfolio feature a low credit risk. Therefore, the impairment loss was recognised to the amount of the 12-month expected credit loss. A low default risk remains for securities as long as an investment grade rating exists. The impairment losses recognised on this basis as at 31 December 2023 involved immaterial amounts.

Money Market Investments Money market investments exclusively include fixed-term deposits with Austrian banks. Money market investments are subject to the general approach pursuant to IFRS 9. Due to the low credit risk involved, an impairment loss was recognised to the amount of the expected 12-month credit loss. The impairment loss recognised as at 31 December 2023 involved immaterial amounts.

Bank Balances The calculation of the expected credit losses is carried out in accordance with the general approach according to IFRS 9 to the amount of the expected credit losses and the actual remaining term to maturity of the receivables. The impairment losses recognised as at 31 December 2023 involved immaterial amounts.

LIQUIDITY RISKS

The purpose of Austrian Post's liquidity management procedures is to maintain the solvency of the Group at all times. The liquidity management system is based on a liquidity plan which is regularly subject to target/performance comparisons and adjusted as necessary. Net interest income is optimised by actively managing cash flows.

The following tables show the maturity analysis of the financial liabilities based on the remaining term to maturity:

Gross Carrying Amounts as at 31 December 2022

EUR m	Carrying amount	Gross cash flow	Term to maturity >1 year	1–5 years	>5 years
FINANCIAL LIABILITIES					
Other financial liabilities	580.1	603.5	95.5	363.1	144.9
thereof lease liabilities	399.9	423.2	65.2	213.1	144.9
Trade payables	249.7	249.8	249.8	0.0	0.0
Other liabilities	140.0	165.7	83.2	82.5	0.0
	969.9	**1,018.9**	**428.4**	**445.6**	**144.9**

Gross Carrying Amounts as at 31 December 2023

EUR m	Carrying amount	Gross cash flow	Term to maturity >1 year	1–5 years	>5 years
FINANCIAL LIABILITIES					
Other financial liabilities	619.3	647.3	75.3	447.7	124.3
thereof lease liabilities	389.6	414.9	70.2	220.4	124.3
Trade payables	269.7	269.7	269.7	0.0	0.0
Payables from financial assets accounted for using the equity method	0.2	0.2	0.2	0.0	0.0
Other liabilities	159.0	174.1	102.9	71.2	0.0
	1,048.2	**1,091.4**	**448.2**	**518.9**	**124.3**

MARKET RISKS

Market risks comprise the existing risks related to changes in market prices. The primary risks for the Austrian Post Group are from changes in interest rates and foreign exchange rates which could impact the company's assets, financial and earnings position.

Interest Rate Risk Interest rate risk represents the risk of changes in the value of financial instruments or interest payment flows as a result of movements in market interest rates. Interest rate risk includes the risk of changes in the present value of fixed interest balance sheet items and cash flow risk of variable interest balance sheet items. Interest rate risk exists particularly in case of receivables and payables with maturities of more than one year. Such long maturities are not of material importance in the operational area but do affect financial investments in securities and financial liabilities.

Management of interest rate risk is based on the portfolio approach. Normally, it is not individual positions but the entire portfolio that is managed, taking account of the underlying transactions. For this purpose, selective use is made of derivative instruments such as interest rate swaps and interest rate caps. The financial portfolio is compared with the benchmark on a daily basis.

If all other parameters remained constant, a change in the market interest rate of +/−1 percentage point would have the following effects on the items listed in the table below:

2022 Financial Year

	Market interest rate	
EUR m	+1 pp	−1 pp
Total financial result	0.4	−0.1

2023 Financial Year

	Market interest rate	
EUR m	+1 pp	−1 pp
Total financial result	0.5	−0.5

Currency Risk Currency risk refers to potential losses arising from the market changes in connection with movements in foreign exchange rates.

There are only limited risks on the asset side of the balance sheet arising from currency changes, as deliveries are almost entirely conducted on a euro basis and investments in securities and fixed-term deposits are also almost entirely carried out on a euro basis. Currency risk exists in part from service relationships with international postal operators settled on the basis of an artificial currency (special drawing rights or "SDR"). The special drawing rights price is determined by the IMF as a weighted average of the five most important global currencies. The fluctuation in the SDR price compared to the euro over the past three years was within a range of +/−5%. Any change in the SDR/EUR price by +/−1% compared to the reference rate on the balance sheet as at 31 December 2023 would lead to a valuation result of +/− EUR 1.9m.

With regard to the future receipt of the planned dividend distributed in Turkish lira used by Aras Kargo a.s., there is a risk that the Turkish lira will depreciate against the euro. Foreign currency forwards are concluded to hedge against the potential loss in value of the dividend payment in Turkish lira, depending on market expectations. There is no foreign currency forward as at 31 December 2023.

BANKING BUSINESS

The banking business is mainly conducted by bank99 AG. This primarily comprises payment transaction services, the acceptance of customer funds, account services, the distribution of the bank's own and third-party lending, insurance and investment products, the granting of consumer and mortgage loans, as well as securities investments. Both fixed-rate and variable-rate loans are granted, but no foreign currency loans are offered. The investment of securities is the sole responsibility of the customer; bank employees do not provide any advice on this.

Risk Policy, Strategy & Appetite, Reporting The risk strategy of the banking business defines the bank's key risk policy principles, which aim to create a consistent risk profile and to maintain adequate capital resources. It was prepared on the basis of the business strategy developed and adopted by the Management Board and determines all risk-related elements and explanatory information on the operationalisation of these elements.

The risk appetite or Risk Appetite Statement (RAS) forms a key part of the risk strategy. By defining the risk appetite, the Management Board and the Supervisory Board make a conscious decision about what constitutes the maximum tolerable risk. Risk appetite can be expressed in many ways. In addition to purely qualitative requirements, risk appetite can also be defined primarily through quantitative requirements (e.g. stringency of risk measurement, global limits, the definition of buffers for certain stress scenarios). This is achieved, in particular, by directly setting the level of certain strategic limits so as to limit and manage risks within the context of the RAS. A traffic light system is used for all indicators to ensure that action is taken within the risk appetite that has been set as a target. Depending on the status of the limit, various escalation processes are defined. The limits are also included in the reporting process.

Risk reporting is standardised and regular and ensures that all relevant bodies and decision-makers have an adequate level of information on the key positions so that the risk associated with these positions can be assessed in a timely manner.

Risk Management Process Based on the risk strategy, the following process steps have been defined:

- Risk identification & materiality assessment
- Risk-bearing capacity analysis (ICAAP & ILAAP)
- Risk management
- Risk monitoring & reporting

Risk identification is the first step in the risk management process. As part of the risk identification and materiality assessment process, all material risks to which the Group is exposed in connection with its banking business are identified, evaluated and documented. The risk profile (risk taxonomy, materiality) is derived on the basis of this assessment. The risks arise primarily from the business policy focus and the transactions entered into within this context. Regulatory requirements can also have a significant impact on the way risks are addressed and managed. The risk identification and materiality assessment process is carried out at least every year or in the event of significant ad-hoc developments (significant changes in the macroeconomic environment and/or planned structural changes to the business strategy, as well as banking supervisory law) and is presented and discussed in the Risk Committee.

Taken together, the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP) form an integral part of risk management.

Internal Capital Adequacy Assessment Process (ICAAP) The central element of the internal capital adequacy assessment process of Pillar II (in contrast to regulatory Pillar I) is the risk-bearing capacity analysis. The quantification and subsequent comparison of the following two parameters is a prerequisite for the assessment of risk-bearing capacity:

- Quantification of the potential loss resulting from the materialisation of material risks and
- Quantification of the risk cover funds available to cover the potential loss

When determining the potential loss or economic capital requirements, in addition to the conventional risk types under Pillar I (credit risk, market risk in the trading book and operational risk), Pillar II involves quantifying the interest rate risk in the banking book, the credit spread risk in the banking book, the macroeconomic risk and the refinancing cost risk with a statistical confidence level of 99.9% and a time horizon of one year. The calculation of the risk cover funds is based on a regulatory+ approach, in which regulatory own funds are taken as a basis and adjusted to arrive at an economic perspective (e.g. adjustment of a shortfall or excess of risk provisions over the expected IRB loss), assuming that the company is a going concern in accordance with the ECB's ICAAP Guide. The risk-bearing capacity analysis ensures that sufficient capital is available for all relevant risks to which the company is exposed in the course of its banking operations.

The results of the ICAAP capital adequacy process are presented to the Management Board on a monthly basis via the Risk Committee and to the Supervisory Board on a quarterly basis as part of the risk report. Once a year, capital adequacy is also calculated from both a Pillar I and Pillar II perspective for the next three years based on the planning assumptions of the medium-term budget. The calculation is performed for the projected scenario and for an adverse scenario.

Internal Liquidity Adequacy Assessment Process (ILAAP) Internal liquidity risk monitoring is carried out as part of risk management and initially involves the identification of liquidity risks within risk identification. Based on this, the liquidity risk model (liquidity maturity statements) is used to ensure the availability of sufficient counterbalancing capacity to close potential liquidity bottlenecks in various scenarios (normal scenario, institution scenario, market scenario, combined scenario). If limits are violated (or limit-based early warning indicators emerge) or significant deviations from targets arise within the context of risk monitoring, the liquidity contingency plan is triggered. This sets out provisions governing the procedure and decision-making authority that applies in the event of a liquidity emergency and sets out requirements for suitable measures.

Stress tests Stress tests quantify the effects of possible adverse events, meaning that they help to monitor risks and classify the relative importance of risk types and factors correctly. As a rule, their overriding objective is to measure the consumption of economic capital in the event of stress, or to quantify the future extent of risk coverage potential and risk capital requirements. Their forward-looking perspective means that they serve as early warning indicators and facilitate the proactive management of risks. The stress tests are designed to reflect extreme but plausible events, allowing the bank to assess its capital and liquidity adequacy in crisis situations.

Recovery and resolution plan Based on the Austrian Act on Bank Recovery and Resolution (BaSAG), a recovery plan was prepared setting out suitable options for action or measures in order to restore financial stability in the event of a significant deterioration in the financial situation. The recovery plan is updated at least once a year and is approved by the Management Board and the Supervisory Board.

The following risks are considered to be material in the context of the banking business:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Macroeconomic risk
- Environmental, social and governance (ESG) risks

Credit risk

Credit risk refers to the risk of a partial or full default on contractually agreed payments, regardless of the counterparty concerned.

The risk of incurring a partial or total loss due to default or a deterioration in the credit rating of the counterparty in lending transactions is referred to as counterparty risk and represents a significant risk in the context of the banking business. Lending transactions include both on-balance sheet and off-balance sheet transactions. Furthermore, the issuer risk, which, similarly to the above, describes the risk of incurring a partial or total loss due to default by the counterparty in cases involving issuers of securities, is also classified as material. In the banking business, transactions are settled exclusively by agreeing on safe settlement conditions, in particular DVP (delivery versus payment), meaning that there is basically no settlement risk. Concentration risk is also considered relevant in the context of the banking business. This refers to the risk of potential adverse effects arising from concentrations or interactions of similar and different risk factors or types of risk, such as the risk arising from lending to the same clients, to a group of connected clients, to clients in the same region or industry, to clients that offer the same services and goods, as well as from the use of credit risk mitigation techniques and, in particular, from indirect large-scale exposures.

The monitoring and management of credit risks from the banking business is the responsibility of Operational Credit Risk Management. Its remit encompasses all activities for reviewing, monitoring and managing risks associated with on-balance-sheet and off-balance-sheet transactions. The granting of loans, the valuation of collateral and the credit rating and collateral classification processes are subject to organisational and substantive regulations and are set out in various internal guidelines. As part of the internal credit check, external service providers are also consulted for payment and credit rating information on the relevant applicants for loans and current accounts, and an external appraisal of collateral values is obtained for mortgage loans. In addition, a default management system that is consistent with the Capital Requirements Regulation (CRR) and Capital Requirements Directive IV (CRD IV) is applied.

Credit risk (as part of the risk-bearing capacity analysis) is quantified on the basis of a model that is closely based on the Internal Ratings Based Approach (IRB approach). The risk potential corresponds to the unexpected loss from the lending and securities business.

In the case of the loan portfolio, a distinction is made between a healthy and a non-performing portfolio. A healthy portfolio (performing loan exposure) includes all transactions with a rating in categories 1–4, although transactions in rating category 4 are referred to as a watch-loan portfolio. Transactions in rating categories 1–3 with a forbearance indicator are also classified as being part of the watch-loan portfolio. All transactions in rating category 5 are non-performing loans (NPL). Obligor default is defined in line with the general default definition pursuant to Article 178 CRR. According to the CRR, an obligor is considered to be in default if:

- the obligor is considered unlikely to pay its credit obligations in full, without recourse by the institution to actions such as realising security or
- the obligor is past due more than 90 days on any material credit obligation to the institution.

Furthermore, in addition to the CRR provisions, obligor default is considered to have occurred if the following events occur in the context of forbearance measures:

- 30 days of default on payment as part of a forbearance measure under observation or
- new forbearance measure for an individual borrower under observation.

Within the banking business, default is always defined at debtor level, meaning that in the event of a default, all of a debtor's claims are marked as defaulted at the same time. Default on a joint product requires all individual debtors or the joint product itself to default.

Further default criteria include the waiver of current interest, disposals of collateral, restructuring and insolvency. Default indicators set automatically (overdue indicators) are checked and confirmed by Operational Risk Management. The rating is also adjusted as part of this process. This is done automatically in the retail business.

All defaults are documented in a default database and are monitored on an ongoing basis. Default is resolved either by recovery or by final settlement. Recovery and, as a result, reclassification from the non-performing to the healthy portfolio occurs when no default indicator that was previously set is valid any more and the good conduct period that starts from the time as of which a default indicator is no longer valid has expired.

In the case of mortgage loans, the mortgage collateral furnished also has to be taken into account. When a mortgage application is submitted, these properties are valued using a suitable tool. For loans of more than EUR 0.25m, an external survey is also carried out. 120% of the loan amount is registered as a lien. Another valuation has to be performed after three years at the latest. If the market is subject to marked fluctuations or if there are indications that the property has lost significant value, the last valuation is also reviewed.

Credit Risk-Relevant Portfolio The credit risk-relevant portfolio comprises all positions from financial services that involve a credit risk in the narrower sense within the context of the banking business. These include both on-balance sheet and off-balance sheet items. The adjustments to the carrying amount recognised in the context of hedges (basis adjustments) are included in the gross carrying amount where applicable. As at 31 December 2022 and 31 December 2023, the credit risk-relevant portfolio is as follows:

Credit Risk-Relevant Portfolio as at 31 December 2022

EUR m	Net carrying amount	Impairment losses	Gross carrying amount
CREDIT RISK-RELEVANT PORTFOLIO			
Central bank balances and other sight deposits	766.4	0.0	766.4
Receivables from banks	30.3	0.0	30.3
Receivables from customers			
Mortgage loans	1,260.9	1.3	1,262.2
Consumer loans	326.7	10.2	336.9
Current accounts	8.5	1.1	9.6
Investments			
Recognised at amortised cost	553.4	0.0	553.4
Other clearing receivables	3.5	0.0	3.5
SUBTOTAL	**2,949.7**	**12.7**	**2,962.3**
OFF-BALANCE ITEMS			
Liabilities from financial garantuee contracts	2.0	0.0	2.0
Loan commitments not yet drawn	83.1	0.0	83.1
SUBTOTAL	**85.1**	**0.0**	**85.1**
CREDIT RISK-RELEVANT PORTFOLIO	**3,034.8**	**12.7**	**3,047.4**

Credit Risk-Relevant Portfolio as at 31 December 2023

EUR m	Net carrying amount	Impairment losses	Gross carrying amount
CREDIT RISK-RELEVANT PORTFOLIO			
Central bank balances and other sight deposits	732.5	0.0	732.5
Receivables from banks	34.2	0.0	34.2
Receivables from customers			
Mortgage loans	1,458.2	1.6	1,459.8
Consumer loans	323.8	15.8	339.6
Current accounts	9.9	2.2	12.1
Investments			
Recognised at amortised cost	633.7	0.1	633.8
Other clearing receivables	1.3	0.0	1.3
SUBTOTAL	**3,193.6**	**19.7**	**3,213.3**
OFF-BALANCE ITEMS			
Liabilities from financial garantuee contracts	1.9	0.0	2.0
Loan commitments not yet drawn	19.7	0.0	19.7
SUBTOTAL	**21.6**	**0.0**	**21.6**
CREDIT RISK-RELEVANT PORTFOLIO	**3,215.2**	**19.7**	**3,234.9**

Financial assets are used primarily to manage liquidity and consist of Austrian and European public-sector debt securities. The off-balance sheet risk positions mainly include loan commitments for mortgage loans and fell to EUR 19.7m in the 2023 financial year due to the drop in demand for property loans (31 December 2022: EUR 83.1m).

The credit risk-relevant portfolio by client segment is as follows:

Credit Risk-Relevant Portfolio by Customer Segment as at 31 December 2022

EUR m	Retail customers	Financial institutions	Public sector	Gross carrying amount total
CREDIT RISK-RELEVANT PORTFOLIO				
Central bank balances and other sight deposits	0.0	766.4	0.0	766.4
Receivables from banks	0.0	30.3	0.0	30.3
Receivables from customers				
Mortgage loans	1,262.2	0.0	0.0	1,262.2
Consumer loans	336.9	0.0	0.0	336.9
Current accounts	9.6	0.0	0.0	9.6
Investments				
Recognised at amortised cost	0.0	0.0	553.4	553.4
Other clearing receivables	0.8	2.6	0.0	3.5
SUBTOTAL	**1,609.6**	**799.3**	**553.4**	**2,962.3**
OFF-BALANCE ITEMS				
Liabilities from financial garantuee contracts	2.0	0.0	0.0	2.0
Loan commitments not yet drawn	83.1	0.0	0.0	83.1
SUBTOTAL	**85.1**	**0.0**	**0.0**	**85.1**
TOTAL	**1,694.7**	**799.3**	**553.4**	**3,047.4**

Credit Risk-Relevant Portfolio by Customer Segment as at 31 December 2023

EUR m	Retail customers	Financial institutions	Public sector	Gross carrying amount total
CREDIT RISK-RELEVANT PORTFOLIO				
Central bank balances and other sight deposits	0.0	732.5	0.0	732.5
Receivables from banks	0.0	34.2	0.0	34.2
Receivables from customers				
Mortgage loans	1,459.8	0.0	0.0	1,459.8
Consumer loans	339.6	0.0	0.0	339.6
Current accounts	12.1	0.0	0.0	12.1
Investments				
Recognised at amortised cost	0.0	0.0	633.8	633.8
Other clearing receivables	0.7	0.6	0.0	1.3
SUBTOTAL	**1,812.2**	**767.3**	**633.8**	**3,213.3**
OFF-BALANCE ITEMS				
Liabilities from financial garantuee contracts	2.0	0.0	0.0	2.0
Loan commitments not yet drawn	19.7	0.0	0.0	19.7
SUBTOTAL	**21.6**	**0.0**	**0.0**	**21.6**
TOTAL	**1,833.8**	**767.3**	**633.8**	**3,234.9**

An automated payment reminder process has been put in place for all banking services, with an overdue counter starting to run on the first day after the due date. This results in the following breakdown of the credit risk-relevant portfolio by days overdue:

Credit Risk-Relevant Portfolio by Days Overdue as at 31 December 2022

EUR m	Not overdue	1–30 days	31–90 days	>90 days	Gross carrying amount total
CREDIT RISK-RELEVANT PORTFOLIO					
Central bank balances and other sight deposits	766.4	0.0	0.0	0.0	766.4
Receivables from banks	30.3	0.0	0.0	0.0	30.3
Receivables from customers					
Mortgage loans	1,261.4	0.1	0.5	0.2	1,262.2
Consumer loans	325.4	2.8	2.5	6.3	336.9
Current accounts	8.0	0.1	0.3	1.1	9.6
Investments					
Recognised at amortised cost	553.4	0.0	0.0	0.0	553.4
Other clearing receivables	3.5	0.0	0.0	0.0	3.5
SUBTOTAL	**2,948.5**	**3.1**	**3.3**	**7.5**	**2,962.3**
OFF-BALANCE ITEMS					
Liabilities from financial garantuee contracts	2.0	0.0	0.0	0.0	2.0
Loan commitments not yet drawn	83.1	0.0	0.0	0.0	83.1
SUBTOTAL	**85.1**	**0.0**	**0.0**	**0.0**	**85.1**
TOTAL	**3,033.6**	**3.1**	**3.3**	**7.5**	**3,047.4**

Credit Risk-Relevant Portfolio by Days Overdue as at 31 December 2023

EUR m	Not overdue	1–30 days	31–90 days	>90 days	Gross carrying amount total
CREDIT RISK-RELEVANT PORTFOLIO					
Central bank balances and other sight deposits	732.5	0.0	0.0	0.0	732.5
Receivables from banks	34.2	0.0	0.0	0.0	34.2
Receivables from customers					
Mortgage loans	1,459.2	0.2	0.0	0.4	1,459.8
Consumer loans	323.3	3.7	3.1	9.5	339.6
Current accounts	9.3	0.3	0.5	2.0	12.1
Investments					
Recognised at amortised cost	633.8	0.0	0.0	0.0	633.8
Other clearing receivables	1.3	0.0	0.0	0.0	1.3
SUBTOTAL	**3,193.6**	**4.1**	**3.6**	**11.9**	**3,213.3**
OFF-BALANCE ITEMS					
Liabilities from financial garantuee contracts	2.0	0.0	0.0	0.0	2.0
Loan commitments not yet drawn	19.7	0.0	0.0	0.0	19.7
SUBTOTAL	**21.6**	**0.0**	**0.0**	**0.0**	**21.6**
TOTAL	**3,215.3**	**4.1**	**3.6**	**11.9**	**3,234.9**

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 as a whole are assigned to 25 rating categories.

On this basis, the credit risk-relevant portfolio, broken down by rating category, is as follows:

Credit Risk-Relevant Portfolio by Rating Category as at 31 December 2022

EUR m	Rating 1	Rating 2	Rating 3	Rating 4	Rating 5	No rating	Gross carrying amount total
CREDIT RISK-RELEVANT PORTFOLIO							
Central bank balances and other sight deposits	749.7	16.7	0.0	0.0	0.0	0.0	766.4
Receivables from banks	0.0	30.3	0.0	0.0	0.0	0.0	30.3
Receivables from customers							
Mortgage loans	0.0	0.0	1,251.7	9.8	0.7	0.0	1,262.2
Consumer loans	0.0	0.0	305.0	22.9	9.1	0.0	336.9
Current accounts	0.0	0.0	6.9	1.4	1.2	0.1	9.6
Investments							
Recognised at amortised cost	532.9	20.5	0.0	0.0	0.0	0.0	553.4
Other clearing receivables	0.0	0.0	0.0	0.0	0.0	3.4	3.5
SUBTOTAL	**1,282.6**	**67.5**	**1,563.6**	**34.1**	**11.0**	**3.5**	**2,962.3**
OFF-BALANCE ITEMS							
Liabilities from financial garantuee contracts	0.0	0.0	1.7	0.3	0.0	0.0	2.0
Loan commitments not yet drawn	0.0	0.0	83.1	0.0	0.0	0.0	83.1
SUBTOTAL	**0.0**	**0.0**	**84.8**	**0.3**	**0.0**	**0.0**	**85.1**
TOTAL	**1,282.6**	**67.5**	**1,648.4**	**34.4**	**11.0**	**3.5**	**3,047.4**

Credit Risk-Relevant Portfolio by Rating Category as at 31 December 2023

EUR m	Rating 1	Rating 2	Rating 3	Rating 4	Rating 5	No rating	Gross carrying amount total
CREDIT RISK-RELEVANT PORTFOLIO							
Central bank balances and other sight deposits	731.5	1.1	0.0	0.0	0.0	0.0	732.5
Receivables from banks	3.4	30.8	0.0	0.0	0.0	0.0	34.2
Receivables from customers							
Mortgage loans	0.0	0.0	1,446.9	11.2	1.7	0.0	1,459.8
Consumer loans	0.0	0.0	291.3	35.0	13.4	0.0	339.6
Current accounts	0.0	0.0	8.3	1.6	2.2	0.1	12.1
Investments							
Recognised at amortised cost	580.0	48.6	5.2	0.0	0.0	0.0	633.8
Other clearing receivables	0.0	0.0	0.0	0.0	0.0	1.2	1.3
SUBTOTAL	**1,314.9**	**80.4**	**1,751.7**	**47.8**	**17.2**	**1.3**	**3,213.3**
OFF-BALANCE ITEMS							
Liabilities from financial garantuee contracts	0.0	0.0	1.7	0.3	0.0	0.0	2.0
Loan commitments not yet drawn	0.0	0.0	19.7	0.0	0.0	0.0	19.7
SUBTOTAL	**0.0**	**0.0**	**21.4**	**0.3**	**0.0**	**0.0**	**21.6**
TOTAL	**1,314.9**	**80.4**	**1,773.0**	**48.0**	**17.2**	**1.3**	**3,234.9**

A breakdown of the credit risk-relevant portfolio by IFRS 9 stage is shown below:

Credit Risk-Relevant Portfolio According to IFRS 9 Stage Allocation as at 31 December 2022

EUR m	Stage 1	Stage 2	Stage 3	POCI	Gross carrying amount total
CREDIT RISK-RELEVANT PORTFOLIO					
Central bank balances and other sight deposits	766.4	0.0	0.0	0.0	766.4
Receivables from banks	30.3	0.0	0.0	0.0	30.3
Receivables from customers					
Mortgage loans	1,254.4	7.1	0.4	0.3	1,262.2
Consumer loans	311.4	16.5	7.6	1.5	336.9
Current accounts	6.3	2.0	1.0	0.2	9.6
Investments					
Recognised at amortised cost	553.4	0.0	0.0	0.0	553.4
Other clearing receivables	3.5	0.0	0.0	0.0	3.5
SUBTOTAL	**2,925.8**	**25.6**	**9.0**	**2.0**	**2,962.3**
OFF-BALANCE ITEMS					
Liabilities from financial garantuee contracts	2.0	0.0	0.0	0.0	2.0
Loan commitments not yet drawn	82.8	0.3	0.0	0.0	83.1
SUBTOTAL	**84.7**	**0.4**	**0.0**	**0.0**	**85.1**
TOTAL	**3,010.5**	**26.0**	**9.0**	**2.0**	**3,047.4**

Credit Risk-Relevant Portfolio According to IFRS 9 Stage Allocation as at 31 December 2023

EUR m	Stage 1	Stage 2	Stage 3	POCI	Gross carrying amount total
CREDIT RISK-RELEVANT PORTFOLIO					
Central bank balances and other sight deposits	732.5	0.0	0.0	0.0	732.5
Receivables from banks	34.2	0.0	0.0	0.0	34.2
Receivables from customers					
Mortgage loans	1,447.1	10.6	1.7	0.4	1,459.8
Consumer loans	299.5	26.9	13.5	–0.2	339.6
Current accounts	7.4	2.5	2.2	0.0	12.1
Investments					
Recognised at amortised cost	633.8	0.0	0.0	0.0	633.8
Other clearing receivables	1.3	0.0	0.0	0.0	1.3
SUBTOTAL	**3,155.8**	**39.9**	**17.3**	**0.2**	**3,213.3**
OFF-BALANCE ITEMS					
Liabilities from financial garantuee contracts	1.9	0.0	0.0	0.0	2.0
Loan commitments not yet drawn	19.3	0.3	0.0	0.0	19.7
SUBTOTAL	**21.2**	**0.4**	**0.0**	**0.0**	**21.6**
TOTAL	**3,177.0**	**40.3**	**17.3**	**0.2**	**3,234.9**

The credit risk-relevant portfolio by rating category and default risk category can be summarised as follows:

Credit Risk-Relevant Portfolio by Rating Category and Default Risk Category as at 31 December 2022

EUR m	Stage 1	Stage 2	Stage 3	POCI	Gross carrying amount total
CREDIT RISK-RELEVANT PORTFOLIO					
Rating 1	1,282.6	0.0	0.0	0.0	1,282.6
Rating 2	67.5	0.0	0.0	0.0	67.5
Rating 3	1,642.8	5.6	0.0	0.0	1,648.4
Rating 4	14.1	20.3	0.0	0.0	34.4
Rating 5	0.0	0.0	9.0	2.0	11.0
No rating	3.4	0.0	0.0	0.0	3.5
TOTAL	**3,010.5**	**26.0**	**9.0**	**2.0**	**3,047.4**

Credit Risk-Relevant Portfolio by Rating Category and Default Risk Category as at 31 December 2023

EUR m	Stage 1	Stage 2	Stage 3	POCI	Gross carrying amount total
CREDIT RISK-RELEVANT PORTFOLIO					
Rating 1	1,314.9	0.0	0.0	0.0	1,314.9
Rating 2	80.4	0.0	0.0	0.0	80.4
Rating 3	1,762.5	10.1	0.0	0.3	1,773.0
Rating 4	17.9	30.1	0.0	0.0	48.0
Rating 5	0.0	0.0	17.3	–0.1	17.2
No rating	1.3	0.0	0.0	0.0	1.3
TOTAL	**3,177.0**	**40.3**	**17.3**	**0.2**	**3,234.9**

Collateral The following collateral is available in the form of mortgages for mortgage loans as well as for credit risks from loan commitments not yet drawn down:

Collateral in the Form of Mortgages

EUR m	31 Dec. 2022	31 Dec. 2023
CREDIT RISK-RELEVANT PORTFOLIO		
Receivables from customers		
Mortgage loans	1,308.8	1,470.4
SUBTOTAL	**1,308.8**	**1,470.4**
OFF-BALANCE ITEMS		
Loan commitments not yet drawn	83.1	18.9
SUBTOTAL	**83.1**	**18.9**
TOTAL	**1,391.9**	**1,489.2**

Non-Performing Portfolio All receivables categorised as defaulted are grouped in the non-performing portfolio. The non-performing portfolio as at 31 December 2022 and 31 December 2023 is as follows:

Non-Performing Portfolio as at 31 December 2022

EUR m	Gross carrying amount total	NPL	Impairment loss NPL	Collateral NPL	NPE ratio	NPE coverage ratio	NPE collateral ratio
CREDIT RISK-RELEVANT PORTFOLIO							
Central bank balances and other sight deposits	766.4	0.0	0.0	0.0	0.0%	0.0%	0.0%
Receivables from banks	30.3	0.0	0.0	0.0	0.0%	0.0%	0.0%
Receivables from customers							
Mortgage loans	1,262.2	0.7	0.0	0.7	0.1%	4.3%	97.3%
Consumer loans	336.9	9.1	4.5	0.0	2.7%	49.3%	0.0%
Current accounts	9.6	1.2	0.9	0.0	12.8%	75.6%	0.0%
Investments							
Recognised at amortised cost	553.4	0.0	0.0	0.0	0.0%	0.0%	0.0%
Other clearing receivables	3.5	0.0	0.0	0.0	0.0%	0.0%	0.0%
SUBTOTAL	**2,962.3**	**11.0**	**5.4**	**0.7**	**0.4%**	**49.5%**	**6.1%**
OFF-BALANCE ITEMS							
Liabilities from financial garantuee contracts	2.0	0.0	0.0	0.0	0.0%	0.0%	0.0%
Loan commitments not yet drawn	83.1	0.0	0.0	0.0	0.0%	0.0%	0.0%
SUBTOTAL	**85.1**	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0%**	**0.0%**
TOTAL	**3,047.4**	**11.0**	**5.4**	**0.7**	**0.4%**	**49.5%**	**6.1%**

Non-Performing Portfolio as at 31 December 2023

EUR m	Gross carrying amount total	NPL	Impairment loss NPL	Collateral NPL	NPE ratio	NPE coverage ratio	NPE collateral ratio
CREDIT RISK-RELEVANT PORTFOLIO							
Central bank balances and other sight deposits	732.5	0.0	0.0	0.0	0.0%	0.0%	0.0%
Receivables from banks	34.2	0.0	0.0	0.0	0.0%	0.0%	0.0%
Receivables from customers							
Mortgage loans	1,459.8	2.1	0.3	1.9	0.1%	12.7%	91.0%
Consumer loans	339.6	13.2	8.7	0.0	3.9%	66.0%	0.0%
Current accounts	12.1	2.2	1.6	0.0	17.9%	75.1%	0.0%
Investments							
Recognised at amortised cost	633.8	0.0	0.0	0.0	0.0%	0.0%	0.0%
Other clearing receivables	1.3	0.0	0.0	0.0	0.0%	0.0%	0.0%
SUBTOTAL	**3,213.3**	**17.5**	**10.6**	**1.9**	**0.5%**	**60.7%**	**11.0%**
OFF-BALANCE ITEMS							
Liabilities from financial garantuee contracts	2.0	0.0	0.0	0.0	0.0%	0.0%	0.0%
Loan commitments not yet drawn	19.7	0.0	0.0	0.0	0.0%	0.0%	0.0%
SUBTOTAL	**21.6**	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0%**	**0.0%**
TOTAL	**3,234.9**	**17.5**	**10.6**	**1.9**	**0.5%**	**60.7%**	**11.0%**

The non-performing exposure ratio (NPE ratio) represents the share of the non-performing portfolio in relation to the total gross carrying amount of the credit risk-relevant portfolio. The NPE coverage ratio reflects the share of impairment losses for the non-performing portfolio in relation to the gross carrying amount of the non-performing portfolio. The NPE collateral ratio, on the other hand, shows the collateral for non-performing loans as a percentage of the total non-performing portfolio.

The non-performing portfolio developed as follows:

Development of the Non-Performing Portfolio

EUR m	2022	2023
BALANCE AS AT 1 JANUARY	**5.6**	**11.0**
Addition due to reclassification	8.1	11.9
Disposal due to recovery	0.0	–0.4
Disposal due to repayment and derecognition	–1.4	–3.6
Net repayment and other change	–1.4	–1.4
BALANCE AS AT 31 DECEMBER	**11.0**	**17.5**

As at 31 December 2023, receivables from customers that had already been written off in the amount of EUR 5.9m (31 December 2022: EUR 1.4m) were the subject of enforcement activities. These mainly relate to receivables from consumer loans that are unlikely to be recovered.

The table below summarises the credit risk-relevant and non-performing portfolio broken down by measurement category and days overdue:

Credit Risk-Relevant and Non-Performing Portfolio by Measurement Category and Days Overdue as at 31 December 2022

EUR m	Gross carrying amount	Collateral	NPL	Collateral – NPL	Impairment loss NPL
RECOGNISED AT AMORTISED COST					
Not overdue	2,948.5	1,308.0	2.6	0.5	0.3
Overdue					
1–30 days	3.1	0.1	0.4	0.0	0.2
31–90 days	3.3	0.5	0.5	0.0	0.3
>90 days	7.5	0.2	7.5	0.2	4.6
TOTAL	**2,962.3**	**1,308.8**	**11.0**	**0.7**	**5.4**

Credit Risk-Relevant and Non-Performing Portfolio by Measurement Category and Days Overdue as at 31 December 2023

EUR m	Gross carrying amount	Collateral	NPL	Collateral – NPL	Impairment loss NPL
RECOGNISED AT AMORTISED COST					
Not overdue	3,193.6	1,469.9	3.9	1.4	0.8
Overdue					
1–30 days	4.1	0.2	0.9	0.2	0.6
31–90 days	3.6	0.0	0.9	0.0	0.7
>90 days	11.9	0.4	11.9	0.4	8.5
TOTAL	**3,213.3**	**1,470.4**	**17.5**	**1.9**	**10.6**

Impairment Losses The following table shows the development in impairment losses on the credit risk-relevant portfolio:

Development in Impairment Losses on the Credit Risk-Relevant Portfolio 2022

EUR m	Stage 1	Stage 2	Stage 3	POCI	Total
BALANCE AS AT 1 JANUARY 2022	**3.7**	**1.5**	**0.7**	**–0.2**	**5.7**
Reclassification	0.2	–2.3	2.1	0.0	0.0
Additions – new acquisitions	0.9	0.0	0.0	0.0	0.9
Revaluation	–1.9	5.1	4.1	–1.2	6.1
BALANCE AS AT 31 DECEMBER 2022	**2.9**	**4.4**	**6.9**	**–1.5**	**12.7**

Development in Impairment Losses on the Credit Risk-Relevant Portfolio 2023

EUR m	Stage 1	Stage 2	Stage 3	POCI	Total
BALANCE AS AT 1 JANUARY 2023	**2.9**	**4.4**	**6.9**	**–1.5**	**12.7**
Reclassification	–0.1	–2.2	2.2	0.0	0.0
Additions – new acquisitions	1.0	0.0	0.0	0.0	1.0
Derecognition	–0.2	–0.2	–0.9	0.5	–0.8
Revaluation	–0.2	3.6	4.7	–1.3	6.8
Utilisation	0.0	0.0	–0.1	0.0	–0.1
BALANCE AS AT 31 DECEMBER 2023	**3.5**	**5.5**	**12.9**	**–2.2**	**19.7**

The impairment losses on the main credit risk classes developed as follows:

Development in Impairment Losses – Mortgage Loans 2022

EUR m	Stage 1	Stage 2	Total
BALANCE AS AT 1 JANUARY 2022	**0.6**	**0.1**	**0.7**
Additions – new acquisitions	0.9	0.0	0.9
Revaluation	–0.6	0.4	–0.2
BALANCE AS AT 31 DECEMBER 2022	**0.9**	**0.4**	**1.3**

Development in Impairment Losses – Mortgage Loans 2023

EUR m	Stage 1	Stage 2	Stage 3	POCI	Total
BALANCE AS AT 1 JANUARY 2023	**0.9**	**0.4**	**0.0**	**0.0**	**1.3**
Reclassification	0.0	–0.1	0.1	0.0	0.0
Revaluation	0.0	0.2	0.2	0.0	0.3
BALANCE AS AT 31 DECEMBER 2023	**0.9**	**0.4**	**0.3**	**–0.1**	**1.6**

Development in Impairment Losses – Consumer Loans 2022

EUR m	Stage 1	Stage 2	Stage 3	POCI	Total
BALANCE AS AT 1 JANUARY 2022	**2.9**	**1.4**	**0.5**	**–0.2**	**4.6**
Reclassification	0.2	–2.2	2.0	0.0	0.0
Revaluation	–1.3	4.7	3.6	–1.4	5.6
BALANCE AS AT 31 DECEMBER 2022	**1.9**	**3.9**	**6.1**	**–1.6**	**10.2**

Development in Impairment Losses – Consumer Loans 2023

EUR m	Stage 1	Stage 2	Stage 3	POCI	Total
BALANCE AS AT 1 JANUARY 2023	**1.9**	**3.9**	**6.1**	**–1.6**	**10.2**
Reclassification	–0.1	–2.0	2.0	0.1	0.0
Additions – new acquisitions	1.0	0.0	0.0	0.0	1.0
Derecognition	–0.1	–0.2	–0.8	0.5	–0.6
Revaluation	–0.4	3.1	3.6	–1.1	5.2
BALANCE AS AT 31 DECEMBER 2023	**2.3**	**4.8**	**10.9**	**–2.1**	**15.8**

Liquidity Risk

Liquidity risk is understood as the risk that current or future financial payment obligations can no longer be met in full or on time when they fall due without incurring substantial economic losses.

The Treasury division is responsible for liquidity management, whereas the Strategic Risk Management division is responsible for monitoring and limiting liquidity risk. In addition to proposing limits for liquidity-related risks, the Strategic Risk Management division is also responsible for monitoring compliance with these limits. The central body for liquidity management and the related strategic risk management is the Asset Liability Committee, ALCO. This Committee reviews the current status of the liquidity risk categories, in particular insolvency risk and market liquidity risk.

As part of the Internal Capital Adequacy Assessment Process (ILAAP), compliance with the strategy and an acceptable level of risk is ensured by a catalogue of limits and requirements. In addition to regulatory liquidity ratios (the liquidity coverage ratio, LCR, and the net stable funding ratio, NSFR), these also include the time-to-wall and survival horizon values in the liquidity stress test. The time-to-wall ratio indicates the duration in months until the cumulative liquidity gap in the liquidity maturity statement falls into negative territory under stress assumptions and taking the liquidity buffer into account. This also determines the period within which the liquidity requirements can be covered by the available liquidity potential.

The following tables show the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR):

Liquidity Coverage Ratio

EUR m	31 Dec. 2022	31 Dec. 2023
Liquidity buffer	1,346.9	1,416.9
Net outflow of liquidity	193.3	253.1
LIQUIDITY COVERAGE RATIO	**697.0%**	**559.8%**

Composition of the Liquidity Buffer

EUR m	31 Dec. 2022	31 Dec. 2023
Central bank balances less minimum reserve	717.2	699.0
Cash	124.8	112.0
Eligible investments	504.9	605.9
LIQUIDITY BUFFER	**1,346.9**	**1,416.9**

Net Stable Funding Ratio

EUR m	31 Dec. 2022	31 Dec. 2023
Stable financing available	2,891.5	3,069.3
Stable financing required	1,237.9	1,287.1
NET STABLE FUNDING RATIO	**233.6%**	**238.5%**

The following tables show the contractual remaining terms of the financial liabilities from financial services and the off-balance sheet risk positions:

Maturity Analysis Based on the Remaining Term to Maturity as at 31 December 2022

EUR m	Carrying amount	Gross cash flow	Due daily	Within 3 months	>3 months to 1 year
FINANCIAL LIABILITIES FROM FINANCIAL SERVICES					
Borrowings from banks	58.6	58.6	58.6	0.0	0.0
Liabilities to customers	2,847.6	2,847.6	2,826.7	0.1	20.8
Other					
Liabilities from clearing	18.4	18.4	18.4	0.0	0.0
SUBTOTAL	**2,924.6**	**2,924.6**	**2,903.8**	**0.1**	**20.8**
OFF-BALANCE ITEMS					
Liabilities from financial garantuee contracts	n/a	2.0	0.0	2.0	0.0
Loan commitments not yet drawn	n/a	83.1	0.0	83.1	0.0
SUBTOTAL	**n/a**	**85.1**	**0.0**	**85.1**	**0.0**
TOTAL	**2,924.6**	**3,009.8**	**2,903.8**	**85.2**	**20.8**

Maturity Analysis Based on the Remaining Term to Maturity as at 31 December 2023

EUR m	Carrying amount	Gross cash flow	Due daily	Within 3 months	>3 months to 1 year
FINANCIAL LIABILITIES FROM FINANCIAL SERVICES					
Borrowings from banks	30.3	30.3	30.3	0.0	0.0
Liabilities to customers	3,076.4	3,091.4	2,446.6	209.1	430.6
Other					
Negative market values from hedge accounting	10.4	10.4	0.0	0.0	0.0
Liabilities from clearing	18.6	18.6	18.6	0.0	0.0
SUBTOTAL	**3,135.8**	**3,150.7**	**2,495.6**	**209.1**	**430.6**
OFF-BALANCE ITEMS					
Liabilities from financial garantuee contracts	n/a	2.0	0.0	2.0	0.0
Loan commitments not yet drawn	n/a	19.7	0.0	19.7	0.0
SUBTOTAL	**n/a**	**21.6**	**0.0**	**21.6**	**0.0**
TOTAL	**3,135.8**	**3,172.3**	**2,495.6**	**230.7**	**430.6**

The calculation of gross cash flows for non-derivative financial liabilities includes estimated interest payments.

In the case of liabilities from guarantee contracts, as well as loan commitments, the information on the term is based on the first possible drawdown date.

Market Risk

Market risk is the risk of loss that may occur due to adverse changes in market prices and parameters derived from them. These changes in market value can appear in the income statement, in other comprehensive income or in hidden reserves/charges. In the context of the banking business, market risks mainly arise from the interest rate risk and the credit spread risk. There are no foreign currency risks or market risks from trading positions due to the business model.

Interest Rate Risk in the Banking Book Interest rate risk in the banking book is measured with regard to possible changes in the economic value of equity (EVE, present value perspective) as well as with regard to changes in net interest income (NII, periodical perspective).

The Treasury department is responsible for the operational management of interest rate risk. Monitoring and limiting interest rate risk is the responsibility of Strategic Risk Management.

As part of the present value management of interest rate risk (EVE perspective), the risk is limited by means of a value-at-risk (VaR) approach at a confidence level of 95% and 99.9% as part of the risk-bearing capacity analysis (ICAAP). VaR describes the maximum expected loss at a given probability (the confidence interval) during a given holding period based on a historically observed market environment. As at 31 December 2022 and 31 December 2023, the VaR is as follows:

Value at Risk – EVE

EUR m	31 Dec. 2022	31 Dec. 2023
VaR EVE	−21.4	−39.7

The year-on-year change is mainly due to the changes in the interest rate environment.

The change in present value applying the six scenarios according to EBA/GL/2022/14 is shown in the following table:

EBA Scenarios According to EBA/GL/2022/14 – EVE

EBA scenario	EVE 2022	EVE 2023
Parallel up	–5.47%	–9.82%
Parallel down	15.23%	19.30%
Steepener shock	–7.26%	–7.16%
Flattener	7.62%	6.65%
Short rate up	4.16%	2.10%
Short rate down	–4.11%	–1.89%

Since the 2023 financial year, earnings-based interest rate risk (NII) has been managed using a dynamic simulation in accordance with EBA/RTS/2022/10, assuming a constant balance sheet. The NII simulation is carried out using two scenarios (+/– 200 bps). The results of the two scenarios as at 31 December 2023 are as follows:

EBA Scenarios According to EBA/RTS/2022/10 – NII

EBA scenario	NII 2023
Parallel up	3.17%
Parallel down	–8.02%

As the calculation was carried out for the first time in the 2023 financial year, no comparative figures are available.

Based on the OeNB's interest rate risk statistics, the interest rate risk as a share of eligible capital is as follows as at 31 December 2022 and 31 December 2023:

OeNB's Interest Rate Risk Statistics

%	2022	2023
OeNB interest rate risk statistics relative to eligible own funds	2.43%	5.69%

Credit Spread Risk Credit spread risk is the risk of a negative change in the market value of financial instruments due to deteriorations in the issuer's credit rating as perceived by the market. The credit spread risk relates exclusively to the bond portfolio, the value of which can be influenced by a change in the issuer's credit rating. In line with the current investment strategy, only bonds from customers with strong credit ratings are purchased.

The quantification of credit spread risk is based on the modified duration approach. This measures the change in the value of the product in the event of a change in the credit spread. The risk is limited and controlled both through capital adequacy as part of the risk-bearing capacity analysis and through sensitivity analyses.

On this basis, the credit spread risk as at 31 December 2022 and 31 December 2023 is as follows:

Credit Spread Risk

EUR m	2022	2023
Credit spread risk	3.1	5.9

Operational Risk

Operational risk is the risk of loss resulting from the inadequacy or failure of internal processes, people, systems or external events, as well as the associated legal risks. This includes, for example, wilful and negligent misconduct, conflicts of interest, losses as a result of inadequate or failed internal processes, cyberattacks, system failures etc. The business model also includes a number of outsourced activities. The resulting risk is also subsumed under operational risk.

Operational risks arise in the context of the banking business as a whole and, unlike other risks such as market or credit risks, cannot be determined and managed on the basis of specific, defined portfolios. Although operational risks can be minimised using an adequately designed internal control system (ICS) that is consistent with market standards, they cannot be completely eliminated. As a result, operational risk in the banking business is assessed as material and is monitored and managed by Non-Financial Risk Management in close cooperation with Strategic Risk Management and the outsourcing officer.

Operational risk is managed in line with the principles Prevent – Detect – Mitigate, i.e. avoid operational risks as far as possible, recognise and measure them as early on as possible and take targeted measures to manage and mitigate them. The tools used in this process include the following:

- **Risk Materiality Assessment:** At least once a year or on an ad hoc basis, Strategic Risk Management works closely with Non-Financial Risk Management and the relevant departments to identify potential risks and assess their materiality. A risk is considered to be material if both its probability of occurrence and the potential loss from that risk are considered to be sufficiently high.
- **Risk and Control Self-Assessment:** Non-Financial Risk Management updates process-related risks and controls in the relevant departments at least once a year or on an ad hoc basis. The aim is to raise awareness of operational risks in the departments and to create a systematic inventory of potential or existing risks so as to improve processes and evaluate the effectiveness of controls. The self-assessment is supported by the ADONIS system.
- **Key Risk Indicators:** Key risk indicators are early warning systems that indicate latent operational risks at an early stage. This involves monitoring various areas with high potential on a regular basis using defined key figures.

The evaluation of the loss history from the loss database by Non-Financial Risk Management also provides indications that help to identify potential new operational risks.

The Basic Indicator Approach according to Article 315 CRR is used to quantify the unexpected loss from operational risk.

Macroeconomic Risk

Potential for loss due to exposure to macroeconomic risk factors, in particular changes in the real GDP growth rate, increase in unemployment, significant change in the inflation rate, etc., are quantified as part of the risk-bearing capacity calculation, as well as in the context of stress tests. In particular, the effect of macroeconomic stress scenarios, including those based on the macro scenarios published by the EBA, on the probability of default (PD) is modelled and the impact on expected and unexpected losses is quantified.

In order to actively manage macroeconomic risks, developments in the macroeconomic indicators relevant to the Bank's portfolio (unemployment rate, GDP growth, etc.) are continuously monitored, analysed and discussed in the Asset Liability Committee (ALCO). Further explanatory information can be found in Note 5 Future-related Assumptions and Estimation Uncertainties.

Environmental, Social and Governance (ESG) Risks

In overall risk management, ESG risks are not taken into account as a separate risk category, but rather are reflected in the aforementioned risk categories. ESG risks can be reflected in credit risk as well as in operational risk. Further explanatory information can be found in Note 5 Future-related Assumptions and Estimation Uncertainties.

Other Risks

The other risks that have been classified as relevant in the context of the banking business include:

- **Risk of money laundering and terrorist financing:** Risk of the credit institution being abused for money laundering and terrorist financing purposes
- **Business risk:** Negative effects on equity and earnings resulting from business policy decisions, changes, incorrect entrepreneurial action given the economic environment and poor decision-making
- **Reputational risk:** Potential adverse effect arising from a negative opinion about the bank or a bad reputation in terms of expertise, trust, integrity, etc.
- **Risk of excessive indebtedness (leverage risk):** Risk to the institution's stability arising from its actual or potential indebtedness
- **Model risk:** Potential losses resulting from the consequences of decisions based on the results of internal approaches that are due to errors in the development, implementation and application of such approaches.

Organisational and procedural measures, in particular, have been implemented to manage other risks. A conservative buffer has been set up for these risks in the risk-bearing capacity analysis.

30. Other Disclosures

30.1 Consolidated Cash Flow Disclosures

In accordance with IAS 7, **cash and cash equivalents** encompass cash in hand, demand deposits and current, liquid financial investments, which can be converted into specified cash amounts at any time and are only subject to immaterial movements in value. As a rule, financial investments with a remaining time to maturity as calculated from the acquisition date of not more than three months are classified as cash equivalents.

Currency Translation Differences Within the context of putting together the consolidated cash flow statement, the cash flows of subsidiaries whose functional currency is not the euro are directly converted into euros for reasons of simplification. Currency effects relating to the cash flows of the Turkish subsidiary Aras Kargo a.s., whose functional currency is the Turkish lira, however, are calculated separately and adjusted at the individual item level. The effects on the company's cash and cash equivalents are shown in the consolidated cash flow statement in the item "Currency translation differences in cash and cash equivalents". Possible currency effects of the remaining non-euro subsidiaries are considered to be immaterial.

Cash Flow Relating to the Acquisition and Disposal of Subsidiaries The cash flow arising from the acquisition and disposal of subsidiaries is comprised of the following:

EUR m	2022	2023
ACQUISITIONS OF SUBSIDIARIES		
CASH OUTFLOW FOR ACQUISITIONS		
Acquisition date in the current financial year (purchase price)	–0.1	–0.7
Acquisition date in previous years (remaining purchase price)	–0.2	0.0
CASH AND CASH EQUIVALENTS ACQUIRED	**0.0**	**0.2**
SALE OF SUBSIDIARIES		
DISPOSED CASH AND CASH EQUIVALENTS	**0.0**	**–0.8**
	–0.3	**–1.3**

Other Non-Cash Transactions The other non-cash transactions neutralised in the operating cash flow are comprised of the following

EUR m	2022	2023
Results from the disposal of property, plant and equipment	–4.9	–22.5
Measurement of securities and stakes at fair value through profit and loss	–1.7	–0.5
Net interest income/expense	–26.2	–59.1
Valuation of receivables	8.4	9.3
Changes without effect in profit and loss	11.1	–13.2
Liabilities from obligation to acquire non-controlling interests	1.8	1.2
Other	–7.4	–11.3
	–18.9	**–96.1**

Other non-cash transactions mainly include currency effects recognised in profit or loss.

Financial Assets/Liabilities from Financial Services The cash-effective change in financial assets and liabilities from financial services is shown in detail as follows:

EUR m	2022	2023
Receivables from customers	–257.7	–170.5
Investments	–508.7	–77.5
Other	10.0	1.5
FINANCIAL ASSETS FROM FINANCIAL SERVICES	**–756.4**	**–246.5**
Borrowings from banks	97.3	–24.0
Liabilities to customers	314.7	226.1
Other	10.1	0.2
FINANCIAL LIABILITIES FROM FINANCIAL SERVICES	**422.1**	**202.3**
FINANCIAL ASSETS/LIABILITIES FROM FINANCIAL SERVICES	**–334.3**	**–44.2**

Loans Granted In the 2023 financial year, loans granted included cash inflows and outflows of less than EUR 1.0m, as in the previous period.

Change in Short-term Financial Liabilities The change in short-term financial liabilities includes cash inflows and outflows from short-term revolving items which are netted in the reported amounts pursuant to IAS 7.22 (a) as well as cash inflows and outflows from cash advances which are netted in the reported amounts pursuant to IAS 7.22 (b).

Reconciliation of Other Financial Liabilities The reconciliation from 1 January to 31 December, taking account of the cash flow from financing activities, is as follows:

2022 Financial Year

EUR m	Borrowings from banks	Lease liabilities	Total other financial liabilities
BALANCE AS AT 1 JANUARY 2022	**70.7**	**333.7**	**404.4**
Cash flow from financing activities	109.5	–59.9	49.7
Other non-cash inflows and outflows	0.0	126.0	126.1
BALANCE AS AT 31 DECEMBER 2022	**180.2**	**399.9**	**580.1**

2023 Financial Year

EUR m	Borrowings from banks	Lease liabilities	Other financial liabilities	Total other financial liabilities
BALANCE AS AT 1 JANUARY 2023	**180.2**	**399.9**	**0.0**	**580.1**
Cash flow from financing activities	47.4	–66.8	0.0	–19.4
Acquisition of subsidiaries	0.1	0.1	0.0	0.2
Sale of subsidiaries	0.0	–0.9	0.0	–0.9
Other non-cash inflows and outflows	0.6	57.3	1.4	59.3
BALANCE AS AT 31 DECEMBER 2023	**228.3**	**389.6**	**1.4**	**619.3**

The cash and cash equivalents presented in the consolidated cash flow statement can be reconciled to the cash and cash equivalents in the consolidated balance sheet as follows:

EUR m	31 Dec. 2022	31 Dec. 2023
CASH AND CASH EQUIVALENTS	930.6	926.6
Financial assets from financial services	875.8	839.1
Cash, cash equivalents and central bank balances	875.8	839.1
CASH AND CASH EQUIVALENTS	54.8	87.5

30.2 Related Party Transactions

The Republic of Austria holds a 52.8% share in Austrian Post through Österreichische Beteiligungs AG (in short ÖBAG). This means that the Republic of Austria and the companies that it controls or significantly influences are considered related parties of the Austrian Post Group, along with all subsidiaries, joint venture companies and associates of Austrian Post. Related parties include the members of the management bodies, namely the Supervisory Board and Management Board, of Austrian Post as well as their close family members.

Balances and business transactions between Austrian Post and its subsidiaries are eliminated within the context of consolidation and correspondingly no explanations are provided. Outstanding items with related parties at the balance sheet date are recognised under trade receivables and trade payables.

Business transactions with related parties only exist within the service portfolio of the Austrian Post Group and are provided or purchased at standard market rates.

The following table shows the extent of business transactions with joint venture companies, associates and other related companies and persons:

2022 Financial Year

EUR m	Associates	Other related companies	Total
Total operating income	0.0	240.1	240.1
Total operating expenses	0.0	37.6	37.6
Outstanding receivables	0.9	25.6	26.6
Outstanding payables	0.0	2.5	2.5

2023 Financial Year

EUR m	Associates	Other related companies	Total
Total operating income	0.0	226.7	226.7
Total operating expenses	1.4	21.0	22.4
Outstanding receivables	1.7	24.8	26.5
Outstanding payables	0.2	1.8	2.0

The operating income in 2022 and 2023 relates mainly to services provided by BBG Bundesbeschaffung GmbH. There is an agreement in the name of and for the account of the federal government for the delivery of postal items for federal agencies. In the 2023 financial year, delivery services valued at EUR 164.5m (2022: EUR 166.1m) were provided for the federal agencies stipulated in the agreement.

Operating expenses mainly refer to IT services and telephone services from A1 Telekom Austria AG amounting to EUR 10.6m (2022: EUR 9.1m) and energy purchases from the OMV Group of EUR 3.3m (2022: EUR 3.7m).

The following table shows the remuneration, including changes in provisions, which was paid to members of the Supervisory Board and the Management Board:

2022 Financial Year

EUR m	Supervisory Board	Management Board	Total
Short-term employment benefits	0.4	4.3	4.7
Post-employment benefits	0.0	0.3	0.3
Other long-term employment benefits	0.0	0.0	0.0
Termination benefits	0.0	0.0	0.0
Allocation to share-based remuneration programme	0.0	2.0	2.0
	0.4	**6.6**	**7.0**

2023 Financial Year

EUR m	Supervisory Board	Management Board	Total
Short-term employment benefits	0.5	4.2	4.7
Post-employment benefits	0.0	0.3	0.3
Other long-term employment benefits	0.0	0.0	0.0
Termination benefits	0.0	0.0	0.0
Allocation to share-based remuneration programme	0.0	2.2	2.2
	0.5	**6.6**	**7.1**

30.3 Audit Fees

The fees paid to the auditor BDO Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft for the 2022 and 2023 financial years are as follows:

Audit Fees

EUR thousand	2022	2023
Audit of individual and consolidated financial statements as at 31 Dec.	528.9	595.0
Other audit-related services	108.0	117.8
Other services	107.0	102.8
	743.9	**815.5**

30.4 Events After the Reporting Period

Events after the reporting period that are material for assessment on the balance sheet date as at 31 December 2023, such as pending court cases or claims for damages and other obligations or impending losses, which have to be recognised in accordance with IAS 10 have been included in the consolidated financial statements. No other reportable events occurred after the reporting period.

The Management Board of Austrian Post approved the audited consolidated financial statements for the financial year ending on 31 December 2023, for transmission to the Supervisory Board on 23 February 2024. The Supervisory Board is responsible for reviewing and approving the audited consolidated financial statements.

Vienna, 23 February 2024

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)

Audit Opinion

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of Österreichische Post Aktiengesellschaft, Vienna, and its subsidiaries (the Group) consisting of the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the presentation of the components of equity and their development, the consolidated statement of cash flows for the financial year ending on this date, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as at 31 December 2023 and of its financial performance and its cash flows for the financial year ending on this date in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and the additional stipulations contained in Section 245a of the Austrian Commercial Code (UGB).

Basis for the Audit Opinion

We conducted our audit in accordance with Regulation (EU) No 537/2014 (hereafter: EU Regulation) as well as generally accepted accounting principles in Austria. These standards require the application of International Standards on Auditing (ISA). Our responsibilities under those standards and additional guidelines are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the requirements of Austrian commercial law and the rules of professional conduct, and we have fulfilled our other ethical responsibilities applicable in Austria in accordance with these requirements. We believe that the audit evidence we have obtained up until the date of the audit opinion is sufficient and appropriate to provide a basis for our audit opinion on this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters.

Below, we present the key audit matters:

1. Valuation of the loan portfolio from financial services
2. Valuation of the provisions for underutilisation

1. VALUATION OF THE LOAN PORTFOLIO FROM FINANCIAL SERVICES

Audit Matters and Reference to Further Information

Credit risk is the most significant risk of banking and financial services and is primarily reflected in the item receivables from customers. Receivables from financial services customers amount to EUR 1,791.9 million or 31.6% of total assets as at the 31 December 2023 reporting date. Loans and advances to customers consist of broadly diversified housing and consumer financing to private customers and, to a small extent, overdraft facilities from current accounts.

The valuation of loans and the determination of risk provisions are carried out based on the expected credit loss model. Under this methodology, in the event of a significant increase in credit risk (Level 2) or in the event of a default (Level 3), the expected credit loss (ECL) is calculated on the basis of the entire term. For non-defaulted receivables without a significant increase in credit risk to customers, an allowance is also recognised for the expected credit loss (ECL), generally using the twelve-month ECL (Level 1).

As the macroeconomic indicators remain volatile and the global crises have created an environment of heightened uncertainty, the model calculation adjusted in 2022 was updated and the additional provision derived from this was increased in 2023. This covers the expected uncertainties, particularly with regard to trends in economic growth and the unemployment rate.

The risk to the financial statements arises from the fact that the calculation of risk provisions is based to a significant extent on estimates and assumptions that are also influenced by expectations related to general macroeconomic circumstances.

Reference to Further Information

For more information, please refer to Notes 3.16.3, 5., 23.1 and 29 in the Notes to the Consolidated Financial Statements. In particular, the risks associated with financial instruments and risk management are discussed in Note 29.2 in the notes on the banking business.

Our Audit Approach

We analysed the lending and decision-making process, the monitoring process and the process for the recognition of risk provisions for residential construction and consumer financing, and retraced these as part of a walk-through. We evaluated the design and implementation of selected key controls relevant to our audit and tested their effectiveness on a sample basis.

We carried out a risk-orientated selection of a sample. The following factors were taken into account when selecting the sample: rating level or default status, collateral forbearance labelling. In addition, a random sample was drawn from the remaining population. The selected sample was reviewed in terms of lending, including loan contracts, arrears duration and credit ratings. For the selected sample in the performing portfolio, we examined whether there were any indicators of defaults. In the case of construction financing, we verified the existence and value of collateral on the basis of corresponding evidence (e.g. extracts from the land register, property valuation reports, etc.).

For transactions already in default, we examined the bank's calculated risk provisioning with regard to its mathematical accuracy, conclusiveness and consistency. In doing so, we reviewed the current situation of the loan relationship, the borrower and the approaches for the valuation of collateral.

With regard to the risk calculation, we analysed the parameters, taking into account internal validations, and verified the calculation methodology and assessed whether it is suitable for determining appropriate provisions for the lending business. We verified the arithmetical accuracy of the value adjustments on a sample basis.

We assessed the appropriateness of the assumptions and estimates made by management to determine the additional provisions recognised in the 2023 financial year due to distortions in the macroeconomic indicators.

2. VALUATION OF THE PROVISIONS FOR UNDERUTILISATION

Audit Matters and Reference to Further Information
The provisions for underutilisation contained in the consolidated balance sheet as at 31 December 2023 amount to approximately EUR 145.3m.

The valuation of these provisions is based on forward-looking estimates and assumptions of the legal representatives regarding the degree of underutilisation of the respective employees, future salary increases and employee turnover, and the appropriate discount rate. The valuation is therefore associated with uncertainty, especially since changes in these parameters have substantial effects on the amount of these provisions and the net income for the year.

For the consolidated financial statements, there is a risk of an incorrect valuation of the provisions for underutilisation.

Reference to Further Information
For more information, please refer to Notes 3.14, 5. and 26.3. in the Notes to the Consolidated Financial Statements.

Our Audit Approach
As part of our audit procedure, we gained an understanding of the processes and controls the Company has in place, which ensure the appropriate valuation of the provisions for underutilisation.

We reviewed these processes and evaluated selected controls with respect to their organisation, implementation and effectiveness.

We discussed the parameters and assumptions used for the valuation with the employees responsible for the valuation, critically assessed them and evaluated their appropriateness. For a statistically selected number of employees, we examined whether the level of underutilisation underlying the valuation was determined in a comprehensible manner. Material changes regarding individual employees were analysed and the reasons for the changed valuation were examined. Where employees were newly included in the provisions or where employees were no longer included in the provisions, we examined the reasons for this and acknowledged the explanations given. Furthermore, we verified the sensitivity analyses presented in the disclosures in the consolidated financial statements. We ultimately satisfied ourselves that the results of the valuations had been properly accounted for.

Other Disclosures

The legal representatives are responsible for the other disclosures. Other disclosures comprise all information in the Annual Report with the exception of the consolidated financial statements, the Group Management Report and the audit opinion.

We obtained the consolidated Corporate Governance Report and the Statement of Legal Representatives before the date of the audit opinion. The other parts of the Annual Report are expected to be made available to us after this date.

Our audit opinion on the consolidated financial statements does not extend to these other disclosures, and we will not provide any kind of assurances on this information.

In connection with our audit of the consolidated financial statements, it is our responsibility to read these other disclosures and to assess whether they are materially inconsistent with the consolidated financial statements or the knowledge obtained in the course of our audit, or whether they otherwise seem to represent a material misrepresentation.

If, based on the work we have performed on the other disclosures obtained by us prior to the date of the audit opinion issued by the auditor of the annual financial statements, we should conclude that there is a material misstatement of these other disclosures, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of the Management Board and the Audit Committee of the Supervisory Board for the Consolidated Financial Statements

The Management Board of Austrian Post is responsible for the preparation of the consolidated financial statements which comply with IFRS as adopted by the EU and the supplementary requirements of Section 245a of the Austrian Commercial Code and give a true and fair view of the net assets, financial position and financial performance of the Group in accordance with these requirements. Furthermore, the Management Board is responsible for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the legal representatives either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee of the Supervisory Board is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit opinion that includes our opinion on the same. Reasonable assurance is a high level of assurance but not a guarantee that an audit conducted in accordance with the EU Regulation and generally accepted accounting principles in Austria for the audit of financial statements requiring compliance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated financial statements.

As part of an audit in accordance with the EU Regulation and generally accepted accounting principles in Austria requiring compliance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement, whether due to fraud or error, in the consolidated financial statements, design and plan the carrying out of audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of the internal control system relevant to the audit in order to design audit procedures that are appropriate in the circumstances, however not for the purpose of giving an opinion on the effectiveness of the Group's internal control system.
- Evaluate the appropriateness of accounting policies used by the Management Board and the reasonableness of its accounting estimates and related disclosures.

- Draw conclusions on the appropriateness of the legal representatives' use of the going concern basis of accounting and, based on the audit evidence obtained, also conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit opinion to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit opinion. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee, amongst others, on the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control system that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our report on the audit of the consolidated financial statements unless laws or regulations preclude public disclosure about the matter or, in extremely rare cases, we determine that specified circumstances are not to be disclosed in our audit opinion, because it can be reasonably assumed that the negative consequences of such a disclosure would outweigh the advantage for public interest.

Other Legal and Regulatory Requirements

Report on the Group Management Report

Pursuant to Austrian commercial law regulations, the Group Management Report is to be audited as to whether it is consistent with the consolidated financial statements and whether it complies with valid legal stipulations.

The Management Board is responsible for the preparation of the Group Management Report in accordance with Austrian commercial law regulations.

We carried out our audit in compliance with accepted professional standards governing the audit of a Group Management Report.

AUDIT OPINION

In our view, the Group Management Report complies with valid legal regulations, provides accurate information pursuant to the stipulations of Section 243a of the Austrian Commercial Code and is consistent with the consolidated financial statements.

DECLARATION

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit of the consolidated financial statements, we did not detect any material misstatements in the Group Management Report.

ADDITIONAL DISCLOSURES PURSUANT TO ARTICLE 10 OF THE EU REGULATION

We were selected by the Annual General Meeting on 20 April 2023 to serve as auditors. We were engaged by the Supervisory Board on 13 September 2023. We have been auditors without interruption since 2021.

We declare that the audit opinion in the section "Report on the Consolidated Financial Statements" is consistent with the additional report submitted to the Audit Committee pursuant to Article 11 of the EU Regulation.

We also declare that we have not performed any impermissible non-audit services (Article 5(1) of the EU Regulation) and that we have maintained our independence from the Group companies in carrying out the audit.

Responsible Auditor

The certified public accountant responsible for carrying out the audit is Mr Gerhard Posautz.

Vienna, 23 February 2024

WIRTSCHAFTSPRÜFUNGS- UND STEUERBERATUNGSGESELLSCHAFT
BDO
Assurance GmbH
BDO
Am Belvedere 4
1100 Wien

BDO Assurance GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Gerhard Posautz
Certified Public Accountant

Johannes Waltersam
Certified Public Accountant

Statement of Legal Representatives Pursuant to Section 124 (1) (3) of the Austrian Stock Exchange Act

As the legal representatives of Austrian Post, we declare, to the best of our knowledge, that the consolidated financial statements as at 31 December 2023, 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 2023 financial year presents the business performance, results and situation of the Group such that an accurate view of the assets, financial and earnings position of the Group is given, and that the Group Management Report describes the fundamental risks and uncertainties to which the Group is exposed.

Vienna, 23 February 2024

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)

Information

Overview of Key Indicators 2014–2023

Earnings Situation

		2014[1]	2015	2016[2]	2017	2018	2019	2020[3]	2021	2022	2023
REVENUE EXCL. TRANS-O-FLEX	EUR m	**1,863.5**	**1,903.9**	**1,895.6**	**1,938.9**	**1,958.5**	**2,021.6**	**2,192.0**	**2,519.6**	**2,522.0**	**2,740.8**
REVENUE	EUR m	**2,363.5**	**2,401.9**	**2,030.5**	**1,938.9**	**1,958.5**	**2,021.6**	**2,192.0**	**2,519.6**	**2,522.0**	**2,740.8**
Other operating income	EUR m	134.4	99.2	70.1	112.7	96.2	131.5	64.1	95.2	107.3	100.3
Raw materials, consumables and services used	EUR m	–737.5	–749.6	–495.2	–409.9	–441.2	-495.7	–596.2	–715.7	–750.1	–832.4
Expenses for financial services	EUR m	0.0	0.0	0.0	0.0	0.0	0.0	–2.8	–5.4	–11.3	–21.6
Staff costs	EUR m	–1,109.5	–1,106.0	–1,035.2	–1,020.1	–1,008.7	–976.7	–1,041.4	–1,160.1	–1,144.2	–1,215.4
Other operating expenses	EUR m	–317.0	–344.0	–294.1	–325.0	–295.7	–361.3	–314.4	–363.8	–352.3	–387.4
Results from financial assets accounted for using the equity method	EUR m	–0.1	1.1	0.9	–1.9	–3.6	–0.6	1.5	0.6	–0.3	2.1
Net monetary gain/loss	EUR m	–	–	–	–	–	–	–	–	1,8	5.1
EBITDA	EUR m	**333.8**	**302.7**	**277.1**	**294.6**	**305.4**	**318.7**	**302.8**	**370.4**	**372.7**	**391.6**
Depreciation, amortisation and impairment losses	EUR m	–136.9	–213.7	–74.8	–86.8	–94.5	–118.1	–142.2	–165.6	–184.3	–201.3
EBIT	EUR m	**196.9**	**89.0**	**202.3**	**207.8**	**210.9**	**200.6**	**160.6**	**204.7**	**188.4**	**190.2**
Financial result	EUR m	–2.8	2.0	–0.7	12.8	–13.1	10.7	1.4	11.7	–24.7	–3.0
EARNINGS BEFORE TAX	EUR m	**194.0**	**91.0**	**201.5**	**220.6**	**197.8**	**211.3**	**162.1**	**216.4**	**163.7**	**187.2**
Income tax	EUR m	–47.2	–19.5	–48.8	–55.6	–53.6	–66.8	–46.8	–58.0	–35.6	–48.5
PROFIT FOR THE PERIOD	EUR m	**146.8**	**71.6**	**152.7**	**165.0**	**144.2**	**144.5**	**115.3**	**158.4**	**128.1**	**138.7**
Earnings per share	EUR	2.17	1.06	2.26	2.45	2.13	2.17	1.75	2.25	1.86	1.96
Employees (average for period)	FTE	23,912	23,476	21,695	20,524	20,545	20,338	22,966	27,275	27,132	27,254

[1] The presentation of revenue, raw materials, consumables and services used for the Parcel & Logistics Division was adjusted. Exported services were recognised according to the net method (previously reported as revenue and expenses for services used).
[2] Change in reporting of gains and losses from the disposal of financial assets accounted for using the equity method; now recognised as other operating income or other operating expenses.
[3] The presentation of financial services in the consolidated income statement has been adjusted. Income from financial services is recognised under revenue, while expenses for financial services are recorded separately (previously, income and expenses from financial services were shown in net terms under revenue).

Cash Flow and Investments

		2014	2015	2016	2017[1]	2018	2019	2020[2]	2021	2022	2023
Gross cash flow	EUR m	283.3	265.0	274.7	316.6	352.9	333.7	328,3	442.4	330.6	320.6
Cash flow from operating activities	EUR m	232.2	216.2	223.6	255.7	295.9	327.4	732.6	493.3	–80.0	254.5
Cash flow from investing activities	EUR m	–69.4	–49.0	–105.1	–109.1	–137.5	–290.7	7.0	255.1	–190.4	–95.7
Free cash flow	EUR m	162.8	167.2	118.5	146.6	158.4	36.7	739.6	748.4	–270.3	158.8
OPERATING FREE CASH FLOW[3]	EUR m	**158.5**	**160.5**	**156.8**	**171.4**	**161.9**	**150.5**	**125.7**	**217.9**	**183.1**	**221.6**
Dividend payout[4]	EUR m	131.7	131.7	135.1	138.5	140.5	140.5	108.1	128.4	118.2	120.2

[1] Reclassification of taxes paid – reported separately in the cash flow from operating activities
[2] Change to the presentation of financial services: Interest received and interest paid from financial services will be presented separately under cash flow from operating activities from financial year 2021 onwards. The cash flow statement for the 2020 financial year has been adjusted accordingly.
[3] Free cash flow before acquisitions/securities/money market investments and growth CAPEX and core banking assets; 2019: excl. EUR 32.8m payments from the real estate project Neutorgasse and credited repayment claims for social security contributions on pay for previous periods of service amounting to EUR 65.7m; 2018: excl. special effect of EUR 70.0m (special payment BAWAG P.S.K. of EUR 107.0m minus financial services provided amounting to EUR 37.0m); 2017: CAPEX new corporate headquarters and excl. temporary not yet transferred customer cash of EUR 6.9m
[4] Payment of the dividend in the following year; 2023: Proposal to the Annual General Meeting on 18 April 2024

Balance Sheet Figures

		2014	2015	2016	2017	2018	2019[1]	2020	2021	2022	2023
TOTAL ASSETS	EUR m	**1,671.0**	**1,613.0**	**1,541.8**	**1,674.2**	**1,681.2**	**2,042.9**	**2,680.2**	**4,792.6**	**5,383.9**	**5,677.1**
Non-current assets	EUR m	1,025.4	909.6	921.0	973.1	978.2	1,387.9	1,445.3	1,501.3	1,630.2	1,664.9
Financial assets from financial services	EUR m	–	–	–	–	–	50.9	589.5	2,715.8	3,125.1	3,345.6
Current assets	EUR m	645.0	639.6	618.4	701.1	702.8	604.0	644.9	575.4	628.5	666.6
Assets held for sale	EUR m	0.6	63.8	2.4	0.0	0.3	0.1	0.5	0.1	0.0	0.0
EQUITY	EUR m	**702.7**	**641.7**	**670.0**	**698.8**	**699.1**	**700.7**	**655.0**	**672.2**	**710.4**	**716.7**
Non-current liabilities	EUR m	431.4	384.9	395.2	428.9	421.7	657.8	694.4	724.5	881.1	932.0
Financial liabilities from financial services	EUR m	–	–	–	–	–	0.0	532.9	2,543.5	2,965.6	3,181.1
Current liabilities	EUR m	536.9	516.3	475.6	546.5	560.4	684.3	797.9	852.4	826.8	847.3
Liabilities classified as held for sale	EUR m	0.6	70.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial debt/cash (+/–)	EUR m	–309.6	–348.9	–337.3	–367.5	–359.2	–292.1	–188.7	–46.5	60.0	121.8
Financial debt/cash incl. IFRS 16 (+/–)	EUR m	–299.6	–344.1	–333.1	–363.8	–355.5	16.3	132.7	287.2	459.9	511.3

1 Change in the presentation of financial services

Financial Performance Indicators

		2014	2015	2016	2017	2018	2019[1]	2020	2021	2022	2023
EQUITY RATIO	%	**42.1**	**39.8**	**43.5**	**41.7**	**41.6**	**34.3**	**24.4**	**14.0**	**13.2**	**12.6**
Return on equity (ROE)	%	25.8	12.5	30.0	30.9	25.8	25.9	20.6	29.5	23.9	23.5
Capital employed[2]	EUR m	733.8	577.0	567.9	616.4	607.9	915.7	1,053.1	1,126.9	1,310.9	1,362.2
Return on capital employed (ROCE)[2]	%	26.5	13.6	35.3	35.1	34.4	27.5	19.4	21.0	16.7	14.1

1 Change in the presentation of financial services
2 The company bank99 was not included in the calculations as the content of these indicators is only relevant for the logistics business.

Shares Indicators

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Share price at the end of December	EUR	40.38	33.63	31.89	37.42	30.02	34.00	28.70	37.80	29.40	32.70
DIVIDENDS PER SHARE	EUR	**1.95**	**1.95**	**2.00**	**2.05**	**2.08**	**2.08**	**1.60**	**1.90**	**1.75**	**1.78**[1]
Total shareholder return (annual performance incl. dividends)	%	21.6	–11.9	0.6	23.6	–14.3	20.2	–9.5	37.3	–17.2	17.2
TOTAL SHAREHOLDER RETURN SINCE THE IPO	%	**188.3**	**163.1**	**164.2**	**203.8**	**175.6**	**207.5**	**190.6**	**246.9**	**212.7**	**239.3**
Market capitalisation at the end of December	EUR m	2,727.8	2,271.8	2,154.2	2,527.8	2,027.9	2,296.8	1,938.8	2,553.5	1,986.0	2,209.0

1 Proposal to the Annual General Meeting on 18 April 2024

Group Companies

ACL advanced commerce labs GmbH
Keplerstraße 69
8020 Graz, Austria
T: +43 (0) 800 22 33 23
I: acl.at

adverserve digital advertising services GmbH
Wimbergergasse 28/5
1070 Vienna, Austria
T: +43 (0) 1522 722 0-0
I: adverserve.com

Aras Digital Teknoloji Hizmetleri A.Ş.
Kazlıçeşme Mah. 245. Sok. No: 5
Zeytinburnu-İstanbul/Türkiye
T: +90 (0) 212 510 18 75
I: araskargo.com.tr/en/careers/technology-carries-importance-at-Aras

Aras Kargo Yurtiçi ve Yurtdişi Taşimacilik A.Ş.
Rüzgarlıbahçe Mahallesi
Yavuz Sultan Selim Caddesi Aras Plaza No: 2
34820 Kavacık/Beykoz/İstanbul, Türkiye
T: +90 (0) 216 538 55 00
I: araskargo.com.tr

Austrian Post International Deutschland GmbH
Heinemannstraße 11–13
53175 Bonn, Germany
T.: +49 (0) 228 932949 0
I: austrianpost.de

bank99 AG
Praterstraße 31
1020 Vienna, Austria
T: +43 (0) 190 202
I: bank99.at

City Express d.o.o.
Svetog Save 36
11271 Surčin, Serbia
T: +381 (0) 11 3093 000
I: cityexpress.rs

Express One d.o.o.
Boce 14
71000 Sarajevo,
Bosnia and Herzegovina
T: +387 (0) 33 756 656
I: expressone.ba

Express One Hungary Kft.
Európa utca 12
1239 Budapest, Hungary
T: +36 (0) 18777 400
I: expressone.hu

Express One Montenegro d.o.o.
Branka Radičevića 12
81000 Podgorica, Montenegro
T: +382 (0) 20 628 818
I: expressone.me

Express One Slovenia d.o.o.
Pod lipami 21
1218 Komenda, Slovenia
T: +386 (0) 81 601 751
I: expressone.si

Express One Slovakia s.r.o.
Senecká cesta 1
90028 Ivanka pri Dunaji, Slovakia
T: +421 (0) 2 16 160
I: expressone.sk

feibra GmbH
Altmannsdorfer Straße 329
1230 Vienna, Austria
T: +43 (0) 166 130 0
I: feibra.at

M&BM Express OOD
Bul. Prof. Tzvetan Lazarov 117
1582 Sofia, Bulgaria
T: +359 (0) 2 902 57 44
I: expressone.bg

Medien.Zustell GmbH
Rochusplatz 1
1030 Vienna, Austria
T: +43 (0) 5 7767 24 855

Overseas Trade Co.Ltd. d.o.o.
Zastavnice 38a
10251 Hrvatski Leskovac, Croatia
T: +385 (0) 1 34 54 555
I: overseas.hr

Post Business Solutions GmbH
Halban-Kurz-Straße 11
1230 Vienna, Austria
T: +43 (0) 1 615 205 51 00

Post E-Commerce GmbH
Weintraubengasse 22
1020 Vienna, Austria
T: +43 (0) 800 203020
E: info@shoepping.at
I: shoepping.at

Post Systemlogistik GmbH
Czeija-Nissl-Gasse 8
1210 Vienna, Austria
T: +43 (0) 577 67 20 000
I: postsystemlogistik.at

Post Wertlogistik GmbH
Steinheilgasse 1
1210 Vienna, Austria
T: +43 (0) 664 624 64 91

Slovak Parcel Service s.r.o.
Senecká cesta 1
90028 Ivanka pri Dunaji, Slovakia
T: +421 (0) 2 16 877
I: sps-sro.sk

Star Express Azerbaijan L.L.C.
Apartment 54, House 8
Chingizkhan Karimov Street Khatai
District AZI 123 Baku, Azerbaijan
I: starex.az

Starex Global Yurtici ve Yurtdisi Tasimacilik a.s.
15 Temmuz Mah. Koçman Cad. No: 40
İç Kapı No: 11
Bağcılar, Istanbul, Türkiye
T: +90 (0) 216 538 55 00

Glossary Terms

Capital employed
Non interest-bearing assets less non interest-bearing debt.

Capital expenditure (CAPEX)
Investment expenditure for long-term fixed assets, i.e. investments in property, plant and equipment and investment property.

CO_2e emissions vs carbon emissions
Carbon emissions are calculated in accordance with the requirements of the Greenhouse Gas Protocol. They are calculated by multiplying output values (e.g. kWh) with emission factors. All emission factors are CO_2 equivalents that take into account other greenhouse gases over and above CO_2. The terms CO_2e, carbon and CO_2 are used synonymously and refer to CO_2 equivalents.

CO_2e per shipment volume
CO_2 emissions (Scope 1–3) of Austrian Post in relation to transported shipment volumes in m^3.

Core banking assets (CBA)
Core banking assets include the balance sheet items financial assets from financial services and financial liabilities from financial services excluding cash, cash equivalents and central bank balances.

Customer Satisfaction Index
The Customer Satisfaction Index (CSI) is measured on a quarterly basis by the market research institute market using representative surveys with a sample size of n = 2,000 per wave. The index is made up of customer satisfaction and customer loyalty. On the CSI scale, a score below 50 is considered critical, with scores between 51 and 60 points considered moderate. Scores above 61 are good. Scores above 70 are very good. Scores of 81 up to the maximum of 100 points are outstanding.

Dividend yield
Percentage share of dividends paid out on the share price.

Earnings before interest and taxes (EBIT)
Earnings before financial result and income tax: corresponds to the result from operating activities plus the result from financial assets accounted for using the equity method and net monetary gains or losses.

EBIT margin
Ratio of EBIT to total revenue.

Earnings before interest, taxes, depreciation and amortisation (EBITDA)
Earnings before financial result, income tax, depreciation and amortisation: corresponds to EBIT plus depreciation and amortisation.

EBITDA margin
Ratio of EBITDA to total revenue.

Earnings per share
Profit for the period attributable to shareholders of the parent company divided by the average number of shares.

Equity
Funds raised by the owners of a company to finance it or retained by the company as generated profit (share capital and reserves and net profit or loss).

Equity ratio
Ratio of equity to total capital (balance sheet total).

Financial debt/financial liquidity
Other financial liabilities excl. IFRS 16 less cash and cash equivalents and other current financial assets, which include securities and money market investments.

Financial debt/financial liquidity incl. IFRS 16
Other financial liabilities less cash and cash equivalents and other current financial assets, which include securities and money market investments.

Free cash flow
Cash flow from commercial activities plus cash flow from investment activities. The free cash flow indicates the extent to which liquid funds are available to service the interest-bearing debt.

Free float
Proportion of shares that are in circulation and distributed among a large number of investors.

High/low
The highest/lowest value of a share over a specific period of time on the stock market.

IAS
International Accounting Standards.

IFRS
International Financial Reporting Standards.

Market capitalisation
Describes the trading value of a company. This is calculated by multiplying the number of the company's shares traded on the stock market by its current share price.

Operating free cash flow
Free cash flow before acquisitions, securities, money market investments, growth CAPEX and core banking assets.

Price/earnings ratio (PE)
Indicates how often the earnings per share are included in the share price or how often these earnings per share need to be paid out in order to refinance the current purchase price.

Return on capital employed (ROCE)
EBIT in relation to average capital employed.

Return on equity (ROE)
Indicates the ratio of profit for the period to equity as at 1 January, minus any dividend payments; expresses the company's profitability.

Total shareholder return (TSR)
Performance of a share over a specific period of time, taking into account price changes and dividends.

WACC
Weighted average cost of capital: weighted average cost of equity and interest-bearing debt capital, taking sector-specific and country-specific risks into account.

Women in leadership positions
Indicators according to the definition of the Elly gender balance project. Employees (female) of Austrian Post (excluding Group companies) are included. The figures do not include payroll units which are not involved in the project. The most significant of these is the Internal Labour Market. Employees (female) on long-term leave are included in the calculation. This indicator is presented in terms of headcount and annual average values.

Financial Calendar 2024

18 April 2024	2024 Annual General Meeting
26 April 2024	Ex-date (dividend)
29 April 2024	Record date (dermination of entitled stocks in connection with dividend payments)
2 May 2024	Dividend payment day
8 May 2023	Interim report for the first quarter of 2024
7 August 2024	Half-year report for 2024
6 November 2024	Interim report for the first three quarters of 2024

Basic Information Post Share

ISIN	AT0000APOST4
Trading symbol (Vienna Stock Exchange)	POST
Reuters code	POST.VI
Bloomberg code	POST AV
Total outstanding shares as at 31 December 2023	67,552,638
Listing	Vienna Stock Exchange
Issue price	EUR 19.00
First day of trading	31 May 2006
Minimum trading unit (smallest tradable number of shares)	1
Type of share	Ordinary shares
Stock split	None

Editorial deadline: 12 March 2024

Contact

Österreichische Post AG
Headquarters
Rochusplatz 1, 1030 Vienna
T: +43 (0) 577 67 0
I: post.at

Investor Relations
Harald Hagenauer
T: +43 (0) 577 67 30400
E: investor@post.at
I: post.at/investor

Corporate Communications
Manuela Bruck
T: +43 (0) 577 67 21897
E: unternehmenskommunikation@post.at
I: post.at/presse

Corporate Sustainability & Environmental Management
Daniel-Sebastian Mühlbach
E: csr@post.at
I: post.at/csr

Compliance
Judith Pilles
E: compliance.helpdesk@post.at
I: post.at/compliance

Private Customers
T: 0800 010 100[1]
I: post.at/kundenservice

Business Customers
T: 0800 212 212[1]
I: post.at/kundenservice

Stamp Collector's Service
T: 0800 100 197[1]
E: sammler-service@post.at
I: post.at/philatelie

If you want to find out more about the Austrian Post share, visit our website.
I: post.at/investor

[1] For Austria

Imprint

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

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