Q1

THINKING AHEAD

Together

AUSTRIAN POST

Interim report for the first quarter of 2021

#alwaysdeliverasolution

Highlights Q1 2021

Revenue

- Revenue increase up by 28.5 % to EUR 646.1m (+12.0 % excl. Aras Kargo)
- Strong parcel revenue (+85.5 %) more than offsets the Mail Division revenue decline (–2.1 %)

Earnings

- EBITDA increase of 51.5 % to EUR 99.0m
- EBIT improvement of 79.2 % to EUR 59.8m
  - Mail down by 3.0 % to EUR 45.5m
  - Parcel & Logistics produced earnings increase of EUR 27.1m to EUR 35.8m
  - Retail & Bank reported earnings of minus EUR 18.4m

Cash flow and balance sheet

- Strong operating free cash flow of EUR 74.4m (+27.9 %) and solid balance sheet structure

Outlook 2021

- Expected revenue increase in excess of 10 % and earnings improvement of about 15 %

Key Figures

EUR m	Q1 2020	Q1 2021	Change
EARNINGS FIGURES			
Revenue	**502.8**[1]	**646.1**	**28.5 %**
EBITDA	**65.3**	**99.0**	**51.5 %**
EBITDA margin	13.0 %	15.3 %	–
EBIT	**33.3**	**59.8**	**79.2 %**
EBIT margin	6.6 %	9.2 %	–
Profit for the period	26.2	49.9	90.5 %
Earnings per share (EUR)[2]	**0.42**	**0.71**	**68.2 %**
Employees (average for the period, full-time equivalents)	20,231	27,541	36.1 %
CASH FLOW AND INVESTMENTS			
Gross cash flow	72.0	108.9	51.3 %
Cash flow from operating activities	96.7[3]	124.1	28.3 %
Cash flow from financing activities	–11.5	–42.1	<–100 %
Operating free cash flow[4]	**58.2**[3]	**74.4**	**27.9 %**
Investment in property, plant and equipment (CAPEX)	21.9	18.3	–16.2 %

EUR m	31 Dec. 2020	31 March 2021	Change
BALANCE SHEET FIGURES			
Total assets	2,680.2	2,761.2	3.0 %
Equity	655.0	701.7	7.1 %
Equity ratio	24.4 %	25.4 %	–
Net debt	503.0	456.2	–9.3 %
Capital employed	1,110.0	1,109.0	–0.1 %

[1] Net interest and commission income is now reported in revenue. In the first quarter of 2020, interest and commission expenses were reported under expenses for financial services.
[2] Undiluted earnings per share in relation to 67,552,638 shares
[3] The presentation of the provision of financial services has been adjusted. Cash and cash equivalents now also include receivables from banks arising from payment transactions of the bank itself, which were reported as part of financial assets from financial services in the previous year.
[4] Free cash flow before acquisitions/securities/money market investments, Growth CAPEX and core banking assets

Statement by the Management Board

Dear Shareholders,

The first quarter of the year 2021 continued to be impacted by the COVID-19 pandemic and the related government-imposed restrictions. Numerous lockdown measures improved the market environment in the parcel business but also simultaneously reduced business activities using letters and direct mail. Parcel volumes were about 30% higher than in the first quarter of 2020 prior to COVID-19. In contrast, letter and direct mail volumes fell by 6% and 8.5% respectively. Our focus continues to be on ensuring the safety and health of the employees as well as on the operating performance of the logistics Group.

Austrian Post's Group revenue increased by 28.5% in the first quarter of 2021 to EUR 646.1m. This was driven by a solid core business, as parcel growth has sufficiently offset the mail business decline, as well as due to the full consolidation of the Turkish company Aras Kargo. In the period under review, the Parcel & Logistics Division generated revenue of EUR 323.7m, slightly above the Mail Division revenue of EUR 311.0m for the very first time. The resolute implementation of the company's strategy made this structural change possible. The Retail & Bank Division also showed growth, reporting revenue of EUR 16.7m in the first quarter of 2021. bank99 has been offering its own range of financial services since April 2020.

Austrian Post's earnings have grown significantly year-on-year. Group EBITDA rose by 51.5% to EUR 99.0m and EBIT was up by 79.2% to EUR 59.8m. The Parcel & Logistics Division significantly contributed to earnings improvement, with EBIT increasing from EUR 8.7m in the previous year to EUR 35.8m in the current reporting period. This can be attributed to the full consolidation of the Turkish company Aras Kargo as well as to solid parcel volume development and positive special effects relating to logistics services. The Mail Division produced a 3.0% drop in EBIT to EUR 45.5m. In this case, the lockdown measures accelerated the negative volume trend and the related earnings effect. The Retail & Bank Division reported an EBIT of minus EUR 18.4m compared to minus EUR 16.4m in the prior-year quarter. The positive development of the financial services business was in contrast to a negative one-off effect from a staff-related provision in the branch network. Austrian Post's profit for the period was EUR 49.9m in the first quarter of 2021 compared to EUR 26.2m the year before. Earnings per share equalled EUR 0.71 in the period under review, up from EUR 0.42 in the first quarter of 2020.

This good start to the year confirms Austrian Post's optimistic outlook for the entire 2021 financial year. The year should result in a solid revenue and earnings improvement in spite of the reduced visibility in many business areas along with the enhanced revenue volatility. Revenue is expected to increase by more than 10%, which should, in turn, lead to about 15% improvement of targeted earnings in 2021. The growth objective is combined with current capacity expansion measures. The foreseeable medium-term parcel volume increases will continue to be delivered on the basis of excellent logistics quality. We assure the customers that we will continue to guarantee the highest possible level of performance despite increasing transport volumes.

Vienna, 3 May 2021

The Management Board

GEORG PÖLZL
CEO
Chairman of the
Management Board

WALTER OBLIN
Deputy CEO
Mail & Finance

PETER UMUNDUM
Member of the
Management Board
Parcel & Logistics

Group Management Report for the First Quarter of 2021

1. Business Development and Economic Situation

1.1 Changes to the scope of consolidation

No major changes in the scope of consolidation took place in the first quarter of 2021.

The comparability of the individual items in the consolidated financial statements of the first quarter of 2021 is limited due to the full consolidation of Aras Kargo on 25 August 2020.

1.2 Revenue and Earnings

1.2.1 REVENUE DEVELOPMENT

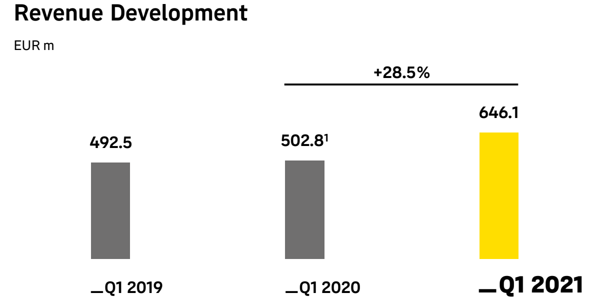
In the first quarter of 2021, Austrian Post's Group revenue increased by 28.5% to EUR 646.1m year-on-year. Without accounting for Aras Kargo, revenue increased by 12.0% on a comparable basis. Growth in the parcel business led to a revenue increase of 85.5% (organic growth of 38.0%), which has sufficiently offset revenue decline in the Mail Division.

On a divisional basis, developments in the first quarter of 2021 reflected a major change characterised by the increased importance of the parcel business. The share of the Mail Division as a proportion of total divisional revenue reduced to 47.7%. This division produced an expected revenue decline, with revenue down by 2.1%. On the one hand, this is attributable to the accelerated decrease in conventional letter mail due to electronic substitution as well as due to lockdown measures. On the other hand, the drop in revenue is due to the reduction in direct mail items as a consequence of government-imposed store closings in response to COVID-19. An adjustment in the letter mail product offering and postal rates took place on 1 April 2020, which has positively impacted the division's revenue development.

The significance of the Parcel & Logistics Division increased within the Austrian Post Group. It generated 49.7% of the total divisional revenue in the reporting period compared to 34.5% in the prior-year quarter. The 85.5% revenue increase in the first quarter of 2021 was primarily driven by organic volume growth from online orders. Further growth was achieved due to the full consolidation of the Turkish subsidiary Aras Kargo on 25 August 2020, with revenue of EUR 82.8m in the first quarter of 2021.

The Retail & Bank Division accounted for 2.6% of divisional revenue in the first three months of 2021, producing revenue of EUR 16.7m (+27.3%). bank99 started operating in the market on 1 April 2020.

Revenue Development



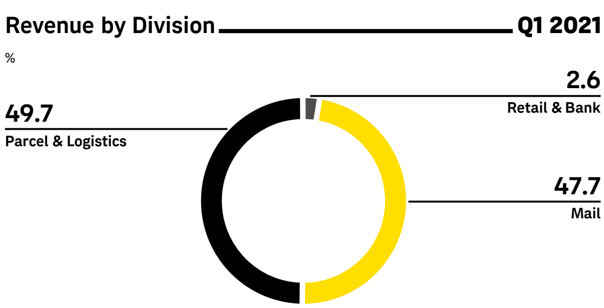
[1] Adjusted presentation

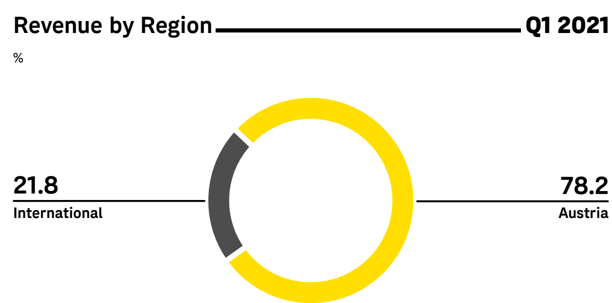
Revenue by Division

EUR m	Q1 2020[1]	Q1 2021	Change %	Change EUR m
REVENUE	**502.8**	**646.1**	**28.5%**	**143.3**
Mail	317.5	311.0	–2.1%	–6.6
Parcel & Logistics	174.5	323.7	85.5%	149.1
Retail & Bank	13.2	16.7	27.3%	3.6
Corporate/Consolidation	–2.4	–5.3	<-100%	–2.9
Working days in Austria	63	62	–	–

[1] Net interest and commission income is now reported in revenue. In the first quarter of 2020, interest and commission expenses were reported under expenses for financial services.

From a regional perspective, Austrian Post generated 78.2% of its Group revenue in Austria in the first quarter of 2021. Its international business accounted for 21.8% of total Group revenue in the first quarter of 2021. Thereof, Turkey accounted for 12.8%, whereas the region of South East and Eastern Europe contributed 6.3% of Group revenue. 2.7% of the revenue was generated in Germany.





Revenue Development of the Mail Division

EUR m	Q1 2020	Q1 2021	Change %	Change EUR m
REVENUE	**317.5**	**311.0**	**–2.1%**	**–6.6**
Letter Mail & Business Solutions	203.3	205.6	1.1%	2.3
Direct Mail	83.8	76.6	–8.6%	–7.2
Media Post	30.5	28.8	–5.5%	–1.7
Revenue intra-Group	0.7	0.7	9.0%	0.1
TOTAL REVENUE	**318.2**	**311.7**	**–2.1%**	**–6.5**
of which revenue with third parties	316.4	309.5	–2.2%	–6.9

Revenue of the Mail Division totalled EUR 311.0m in the period under review, of which 66.1% can be attributed to the Letter Mail & Business Solutions business. Direct Mail accounted for 24.6% of total divisional revenue, and Media Post had a 9.3% share.

In the first quarter of 2021, Letter Mail & Business Solutions revenue amounted to EUR 205.6m, implying a year-on-year increase of 1.1%. The declining volume trend resulting from the substitution of letters by electronic forms of communication continued. In particular, revenue declined as a consequence of the lockdown measures and economic restrictions affecting senders. The volume decline continues to be negatively affected by current conditions. In contrast, special mailings in the first quarter of 2021 as well as the product and postal rate adjustments carried out effective on 1 April 2020 positively impacted the revenue. International letter mail produced growth, whereas the Business Solutions business area reported a slight revenue decline compared to the prior-year period.

Direct Mail revenue fell by 8.6% in the first three months of 2021 to EUR 76.6m. The government-imposed store closings in response to COVID-19 accelerated the structural decline in advertising business. Currently visibility is low and direct mail business is volatile.

Revenue from Media Post, i.e. the delivery of newspapers and magazines, fell by 5.5% year-on-year to EUR 28.8m. This decrease can also be primarily attributed to the COVID-19 pandemic.

Revenue Development of the Parcel & Logistics Division

			Change	
EUR m	Q1 2020	Q1 2021	%	EUR m
REVENUE	**174.5**	**323.7**	**85.5%**	**149.1**
Premium Parcels	100.1	217.2	>100%	117.1
Standard Parcels	56.8	80.6	41.9%	23.8
Other Parcel Services	17.6	25.9	46.7%	8.2
Revenue intra-Group	0.3	0.2	–7.1%	0.0
TOTAL REVENUE	**174.8**	**323.9**	**85.3%**	**149.1**
of which revenue with third parties	173.1	319.0	84.3%	145.9

Revenue of the Parcel & Logistics Division improved by 85.5% in the first quarter of 2021, increasing to EUR 323.7m. Amongst other reasons, excellent revenue development in the parcel business is based on the ongoing e-commerce trend in all markets. Austrian Post also succeeded in participating in market growth in Austria during this reporting period despite intense competition and price pressure. The uncertainty and restrictions related to the current COVID-19 pandemic continue to provide a boost to the online business. Furthermore, positive special effects in the period under review resulted from logistics services. Growth also included revenue of EUR 82.8m in the first quarter of 2021 generated by the Turkish subsidiary Aras Kargo, recognised as a fully consolidated company in the consolidated financial statements of Austrian Post since 25 August 2020.

The development towards the faster delivery of parcels can be observed as a clear trend. In total, 67.1% of the division's revenue in the first three months of 2021 was generated in the Premium Parcels business (next working day delivery). This corresponds to an increase of more than 100% to EUR 217.2m in the first quarter of 2021.

The Standard Parcels business area accounted for 24.9% of divisional revenue and produced a revenue increase of 41.9% to EUR 80.6m in the first quarter of 2021.

Other Parcel Services, which encompasses various additional logistics services, generated 8.0% of divisional revenue totalling EUR 25.9m in the first three months of 2021. This corresponds to an increase of 46.7%.

Regional analysis shows that 61.9% of the first quarter 2021 Parcel & Logistics Division revenue was generated in Austria. The Austrian parcel business produced year-on-year revenue growth of 39.5%. 38.1% of divisional revenue can be attributed to the international business of subsidiaries in Turkey (25.6%) as well as in South East and Eastern Europe (12.5%). Revenue of EUR 82.8m was generated in Turkey in the first quarter of 2021. The revenue increase in the highly competitive region of South East and Eastern Europe equalled 31.2 % in the first quarter of 2021, driven by higher parcel volumes as a result of the COVID-19 pandemic.

Revenue Development of the Retail & Bank Division

EUR m	Q1 2020[1]	Q1 2021	Change %	Change EUR m
REVENUE	**13.2**	**16.7**	**27.3 %**	**3.6**
Branch Services	11.2	10.5	–6.2 %	–0.7
Result from Financial Services	1.9	6.2	>100 %	4.3
Revenue intra-Group	43.8	45.9	4.9 %	2.1
TOTAL REVENUE	**56.9**	**62.6**	**10.1 %**	**5.7**
of which revenue with third parties	13.2	16.7	26.5 %	3.5

[1] Net interest and commission income is now reported in revenue. In the first quarter of 2020, interest and commission expenses were reported under expenses for financial services.

Revenue of the Retail & Bank Division reached a level of EUR 16.7m in the first quarter of 2021, compared to EUR 13.2m in the previous year. Branch Services included higher revenue from retail goods and branch products, however the prior-year period still included service fees from the former banking partner. In the current reporting period, Branch Services revenue amounted to EUR 10.5m. The Result from Financial Services of EUR 6.2m in the first quarter of 2021 showed a positive development. bank99 was launched on the market on 1 April 2020.

Financial Performance of the Group

EUR m	Q1 2020[1]	Q1 2021	Change %	Change EUR m
REVENUE	**502.8**	**646.1**	**28.5 %**	**143.3**
Other operating income	13.3	22.2	66.7 %	8.9
Raw materials, consumables and services used	–127.0	–185.6	–46.1 %	–58.6
Staff costs	–253.5	–303.5	–19.7 %	–50.0
Other operating expenses	–70.3	–80.5	–14.6 %	–10.3
Results from financial assets accounted for using the equity method	0.0	0.2	>100 %	0.3
EBITDA	**65.3**	**99.0**	**51.5 %**	**33.6**
Depreciation, amortisation and impairment losses	–32.0	–39.2	–22.5 %	–7.2
EBIT	**33.3**	**59.8**	**79.2 %**	**26.4**
Financial result	1.1	2.4	>100 %	1.3
PROFIT BEFORE TAX	**34.5**	**62.2**	**80.3 %**	**27.7**
Income tax	–8.3	–12.3	–48.2 %	–4.0
PROFIT FOR THE PERIOD	**26.2**	**49.9**	**90.5 %**	**23.7**
ATTRIBUTABLE TO:				
Shareholders of the parent company	28.6	48.1	68.2 %	19.5
Non-controlling interests	–2.4	1.8	>100 %	4.2
EARNINGS PER SHARE (EUR)[2]	**0.42**	**0.71**	**68.2 %**	**0.29**

[1] Net interest and commission income is now reported in revenue. In the first quarter of 2020, interest and commission expenses were reported under expenses for financial services.
[2] Undiluted earnings per share in relation to 67,552,638 shares

1.2.2 EARNINGS DEVELOPMENT

The largest expense items in relation to Austrian Post's Group revenue are staff costs (47.0 %), raw materials, consumables and services used (28.7%) and other operating expenses (12.5 %). 6.1 % can be attributed to depreciation, amortisation and impairment losses. There is only limited comparability of the individual items in the consolidated income statement with the figures from the prior-year quarter due to the full consolidation of the Turkish company Aras Kargo since 25 August 2020.

Staff costs in the first quarter of 2021 totalled EUR 303.5m, implying an increase of 19.7 % or EUR 50.0m. On a like-for-like basis excluding Aras Kargo, staff costs were up by 12.3 % or EUR 31.3m from the previous year. This increase is primarily related to higher personnel requirements in response to increasing parcel volumes.

Operational staff costs also rose year-on-year as a consequence of the full consolidation of the Turkish subsidiary Aras Kargo as well as increased costs to deal with the higher parcel volumes. The Austrian Post Group employed an average of 27,541 people (full-time equivalents) in the first three months of 2021 compared to the average of 20,231 employees in the prior-year quarter (+36.1 %).

In addition to operational staff costs, staff costs of Austrian Post also include various non-operating staff-related expenses such as severance payments and changes in provisions, which are primarily related to the specific employment situation of civil servant employees at Austrian Post. Non-operating staff costs in the first quarter of 2021 included the need for higher allocations to provisions compared to the prior-year period.

Raw materials, consumables and services used increased by 46.1 % to EUR 185.6m. On a like-for-like basis without Aras Kargo the increase was 14.7 %. This is attributable primarily to an increase in transport expenses as a result of huge parcel volumes.

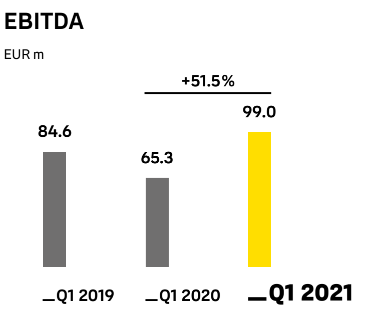
Other operating income increased by 66.7 % to EUR 22.2m in the first quarter of 2021. On a like-for-like basis excluding Aras Kargo, other operating income was up by 41.0 % from the prior-year level. Other operating expenses also rose by 14.6 % to EUR 80.5m or by 5.3 % year-on-year on a like-for-like basis. The higher costs mainly related to IT services and maintenance.

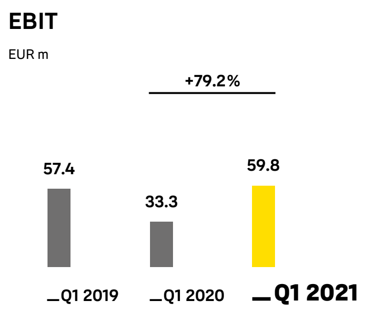
EBITDA equalled EUR 99.0m, up by 51.5 % from the prior-year figure of EUR 65.3m. This implies an EBITDA margin of 15.3 %. The improvement is attributable to the excellent parcel revenue development in all markets.

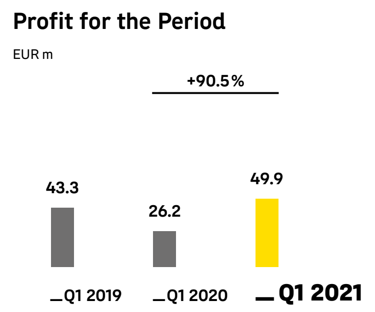
Depreciation, amortisation and impairment losses amounted to EUR 39.2m, up by 22.5 % or EUR 7.2m from the previous year. The increase is mainly due to the new logistics sites for the parcel logistics infrastructure as well as to the full consolidation of Aras Kargo.

Group EBIT increased to EUR 59.8m in the first quarter of 2021 compared to EUR 33.3m in the first quarter of 2020. The EBIT margin amounted to 9.2%.

The Group's financial result of EUR 2.4m was EUR 1.3m above the first quarter of 2020. After deducting the income tax of EUR 12.3m, the profit for the period totalled EUR 49.9m (+90.5%). This equals undiluted earnings per share of EUR 0.71, compared to EUR 0.42 in the prior-year period.







EBIT by Division

EUR m	Q1 2020	Q1 2021	Change %	Change EUR m	Margin Q1 2021[1]
EBIT	**33.3**	**59.8**	**79.2%**	**26.4**	**9.2%**
Mail	46.9	45.5	-3.0%	-1.4	14.6%
Parcel & Logistics	8.7	35.8	>100%	27.1	11.1%
Retail & Bank	-16.4	-18.4	-12.4%	-2.0	–
Corporate/Consolidation[2]	-5.8	-3.1	46.5%	2.7	–

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

The EBIT of EUR 59.8m (+79.2%) generated in the first quarter of 2021 was positively impacted by the excellent parcel revenue development in all markets and enhanced by the COVID-19 pandemic and government-imposed lockdown measures. Furthermore, the full consolidation of the Turkish company Aras Kargo since 25 August 2020 has positively affected quarterly earnings.

From a divisional perspective, the Mail Division achieved an EBIT of EUR 45.5m in the first three months of 2021. The year-on-year decline of 3.0% can be attributed to the drop in revenue relating to letter and direct mail volumes as a consequence of the COVID-19 pandemic. In contrast, letter mail product and postal rate adjustments on 1 April 2020 as well as special mailings had a positive effect in the current reporting period.

The Parcel & Logistics Division achieved revenue growth against the backdrop of intense competition and margin pressure, generating an EBIT of EUR 35.8m in the first quarter of 2021. This corresponds to a year-on-year increase of EUR 27.1m. Earnings momentum due to outstanding revenue development was evident in all markets. In particular, the full consolidation of the Turkish subsidiary Aras Kargo as well as special effects relating to logistics services made a positive contribution to the division's earnings.

The Retail & Bank Division recorded an EBIT of minus EUR 18.4m in the first quarter of 2021, compared to minus EUR 16.4m in the prior-year period. A positive earnings trend has been perceptible in the financial services business since the launch of bank99. In turn, earnings were negatively affected by a staff-related provision in the branch network.

EBIT of the Corporate Division (incl. Consolidation) improved from minus EUR 5.8m to minus EUR 3.1m. The Corporate Division provides non-operating services which are typically essential for the purpose of the administration and financial control of a corporate group. In addition to conventional corporate governance tasks, these services include the management and development of commercial properties not required for company operations, the management of key financial investments, the rendering of IT services, the development of new business models and the administration of the Internal Labour Market of Austrian Post.

1.3 Financial Position and Cash Flows

Balance Sheet Structure by Item

EUR m	31 Dec. 2020	**31 March 2021**	Structure 31 March 2021
ASSETS			
Property, plant and equipment, intangible assets and goodwill	1,295.5	1,271.1	46.0 %
Investment property	74.4	75.3	2.7 %
Financial assets accounted for using the equity method	11.4	7.8	0.3 %
Inventories, trade and other receivables	484.6	525.1	19.0 %
Other financial assets	116.1	106.7	3.9 %
of which securities/money market investments	110.6	101.3	–
Financial assets from financial services	589.5	644.9	23.4 %
Cash and cash equivalents	108.2	130.4	4.7 %
Assets held for sale	0.5	0.0	0.0 %
	2,680.2	**2,761.2**	**100 %**
EQUITY AND LIABILITIES			
Equity	655.0	701.7	25.4 %
Provisions	632.5	660.5	23.9 %
Other financial liabilities	351.6	314.4	11.4 %
Trade and other payables	508.2	510.0	18.5 %
Financial liabilities from financial services	532.9	574.8	20.8 %
	2,680.2	**2,761.2**	**100 %**

1.3.1 BALANCE SHEET STRUCTURE

Austrian Post relies on a conservative balance sheet and financing structure. This is demonstrated in particular by the high level of liquid financial resources and solid investment of cash and cash equivalents at the lowest possible risk.

Austrian Post's total assets amounted to EUR 2,761.2m as at 31 March 2021. On the asset side, property, plant and equipment at EUR 1,114.2m constitute the largest balance sheet item and include leased assets of EUR 310.3m. Intangible assets totalled EUR 93.2m, whereas goodwill reported for acquisitions equalled EUR 63.8m at the end of the first quarter of 2021. Receivables totalled EUR 409.6m, including current trade receivables of EUR 331.5m. Other financial assets equalled EUR 106.7m as at 31 March 2021. Financial assets from financial services amounted to EUR 644.9m at the end of the first quarter of 2021, and largely relate to the deposit and investment business of bank99 as well as the handling of cash payments for third parties (e.g. pensions).

Austrian Post held securities and money market investments amounting to EUR 101.3m as at 31 March 2021 (excl. bank99) that are included in other financial assets. The securities and money market investments held by Austrian Post carry an investment grade rating or comparable credit rating. For this reason, it can be assumed that these assets can be converted into cash at short notice. The balance sheet shows that Austrian Post had cash and cash equivalents of EUR 130.4m as at 31 March 2021. Including securities and money market investments, the portfolio of current and non-current cash and cash equivalents amounted to EUR 231.7m as at 31 March 2021, excluding the financial resources of bank99 which totalled EUR 631.5m as at 31 March 2021. These funds were predominantly invested with the Austrian Central Bank. Including financial resources of bank99, the total amount was EUR 863.1m as at 31 March 2021.

On the equity and liabilities side of the balance sheet, equity of the Austrian Post Group equalled EUR 701.7m as at 31 March 2021 (implying an equity ratio of 25.4%). Provisions totalled EUR 660.5m at the end of March 2021, about 75% of which involve staff-related provisions. EUR 191.0m can be attributed to provisions for employee under-utilisation. A further EUR 193.7m are related to legally and contractually stipulated provisions for social capital (severance payments and anniversary bonuses) along with EUR 107.3m for other staff-related provisions. Other provisions amounted to EUR 168.5m and include obligations for possible compensation payments in connection with credited recovery claims from non-wage labour costs paid in previous periods. Other financial liabilities amounted to EUR 314.4m and included lease liabilities of EUR 312.4m. Trade payables and other liabilities totalling EUR 510.0m primarily relate to current trade payables of EUR 210.5m. Financial liabilities from financial services of EUR 574.8m mainly relate to the deposit and investment business of bank99.

Cash Flow

EUR m	Q1 2020[1]	Q1 2021
Gross cash flow	72.0	108.9
CASH FLOW FROM OPERATING ACTIVITIES	**96.7**	**124.1**
of which financial assets/liabilities from financial services (core banking assets)	26.1	39.0
Cash flow from investing activities	1.0	–6.4
of which maintenance CAPEX	–9.9	–13.7
of which growth CAPEX	–12.0	–4.7
of which cash flow from acquisitions/divestments	5.4	–1.1
of which acquisition/disposal of securities/money market investments	20.0	10.0
of which other cash flow from investing activities	–2.5	3.0
Free cash flow	97.7	117.6
OPERATING FREE CASH FLOW[2]	**58.2**	**74.4**
Cash flow from financing activities	–11.5	–42.1
of which dividends	–0.7	–2.8
Change in cash and cash equivalents	86.2	74.7

[1] The presentation of the provision of financial services has been adjusted. Cash and cash equivalents now also include receivables from banks arising from payment transactions of the bank itself, which were reported as part of financial assets from financial services in the previous year.
[2] Free cash flow before acquisitions/securities/money market investments, Growth CAPEX and core banking assets

1.3.2 CASH FLOW

The gross cash flow in the first quarter of 2021 equalled EUR 108.9m, compared to EUR 72.0m in the first quarter of 2020 (+51.3%). The cash flow from operating activities amounted to EUR 124.1m, up from EUR 96.7m in the prior-year period. In this regard, the financial assets and liabilities (core banking assets) of bank99 constituted the biggest effect, positively impacting the cash flow in the amount of EUR 39.0m. The core banking assets include those items resulting from the deposit and investment business of bank99.

The cash flow from investing activities was minus EUR 6.4m in the first three months of 2021, compared to EUR 1.0m in the prior year period.

Austrian Post focuses on the key indicator of operating free cash flow to both assess the financial strength of its operating business and to cover the dividend. The operating free cash flow after deducting core banking assets totalled EUR 74.4m in the current reporting period compared to EUR 58.2m in the first quarter of the previous year.

The cash flow from financing activities amounted to minus EUR 42.1m in the first three months of 2021, whereas the prior-year figure was minus EUR 11.5m.

1.3.3 CAPITAL EXPENDITURES

The Austrian Post Group's capital expenditures equalled EUR 27.2m in the first quarter of 2021, of which EUR 7.5m was attributable to the addition of right-of-use assets pursuant to IFRS 16 Leases. Investments in the period under review included EUR 24.9m for property, plant and equipment and EUR 2.3m for intangible assets. The bulk of investments related to the capacity expansion programme designed to expand the parcel logistics infrastructure.

1.4 Employees

The average number of employees in the Austrian Post Group totalled 27,541 full-time equivalents in the first quarter of 2021. This represents an increase in the total number of employees by 7,310 full-time equivalents. The expansion of the workforce is mainly attributable to the full consolidation of the Turkish subsidiary Aras Kargo (6,502 full-time equivalents). Most of Austrian Post's staff is employed by the parent company Österreichische Post AG (17,590 full-time equivalents in total).

Employees by Division

Average for the period, full-time equivalents	Q1 2020	Q1 2021	Share Q1 2021
Mail	878	867	3.1 %
Parcel & Logistics	2,648	9,246	33.6 %
Retail & Bank	2,108	1,997	7.3 %
Corporate	1,550	2,016	7.3 %
OPERATING DIVISIONS	**7,184**	**14,126**	**51.3 %**
Logistics Network	13,047	13,415	48.7 %
GROUP	**20,231**	**27,541**	**100 %**

1.5 Events After the Reporting Period

No significant events have occurred after the end of the reporting period on 31 March 2021.

1.6 Main Risks and Uncertainties

As an international postal and logistics services provider, Austrian Post Group is subject to a variety of operational risks in running its business operations. Austrian Post deals with these risks responsibly. The focus on its core business activities, as well as a long experience in the business, have enabled Austrian Post to identify these risks at an early stage, evaluate them and quickly take apropriate precautionary measures.

The main risks faced by Austrian Post, such as environmental, social and governance risks (ESG), electronic substitution of traditional letter mail, staff costs and the structure of employment contracts, the implementation of its postal rate system, the decline in direct mail volumes, the parcel markets, cost risks in logistics, logistics subsidiaries, financial services relating to bank99, Aras Kargo in Turkey, financial risks, technical and cyber risks, regulatory and legal risks, the coronavirus pandemic as well as information on the internal controlling system and risk management with regard to the accounting process are described in detail in the Annual Report 2020 of Austrian Post (see the Annual Report 2020, Group Management Report, sections 4 and 5, and the Consolidated Financial Statements, Chapter 10.2 and 10.3). The same sections of the report also include information on significant opportunities. These include the expansion and adaptation of the product portfolio in the mail and parcel segments in line with customer requirements, the expansion of the physical and electronic service offering, a slow progress of electronic substitution, the growth of e-commerce (especially in the parcel market and equity stakes held by Austrian Post in e-commerce firms), competitive advantages resulting from the service quality offered by Austrian Post as well as the company's cost structure, staff cost optimisation measures, foreign subsidiaries in the parcel business (especially Aras Kargo) and the enlarged online and self-service offering.

The first three months of the current financial year continued to be impacted by the COVID-19 pandemic and the related containment measures imposed by most governments around the world. Experience has shown that unfavourable economic conditions faced by customers of Austrian Post have negative effects on the development of letter mail and direct mail volumes. Especially comprehensive or partial lockdown measures have a negative impact on business activities. Longer-lasting periods of economic weakness or negative growth in individual sectors could lead to substantial savings requirements by large customer groups and thus negatively impact Austrian Post's revenue development. Furthermore, a subdued economic situation could also have an impact on the Group's competitive position and, thus, on the achievable prices for postal services.

Traditional letter mail items as well as direct mail are increasingly under pressure by electronic forms of communication. The COVID-19 crisis further increases this pressure. The intensified use of electronic forms of communication could be sustainably accelerated due to the "get-used-to" effect of e-substitution. The parcel market was also positively impacted by the online shopping trend in the first quarter of 2021. This trend is expected to continue on a sustainable basis. At the same time, market participants are strengthening their activities in order to profit from this market growth. The uninterrupted online shopping trend can also be seen at an international level, from which multinationals also benefit.

In this connection, it is important to mention the Turkish subsidiary Aras Kargo. Turkey is an extremely attractive, dynamic and strongly growing market which offers considerable potential. This was also clearly demonstrated in the first quarter of 2021. This trend is expected to continue. In contrast, there is the risk that the volatile economic and political conditions in Turkey could lead to an unfavourable development of economic parameters to the detriment of Austrian Post. The exchange rate has an impact on currency translation in Austrian Post's earnings, whereas inflationary developments can influence the local business. The operations of Aras Kargo are labour-intensive. For this reason, an unfavourable development of staff costs could negatively affect the earnings.

In its branch network, Austrian Post has been working together with strategic partners in telecommunication and financial services for many years. In particular, the financial services business is subject to a structural transformation as a result of changed customer requirements. In order to more effectively meet these needs, Austrian Post's bank99 commenced business operations in April 2020. The revenue and earnings development of bank99 is dependent upon two main factors, namely the customer ramp-up and the offering of own and third-party financial products. With respect to the customer ramp-up, there is the risk that the success in attracting new customers could be delayed or even flatten out after the initial upward trend. There are also two risk aspects with regard to own and third-party financial products. On the one hand, there is the risk of a delayed integration of providers of financial products. On the other hand, the portfolio of financial products could remain below expectations. All these risk aspects could result in bank99 earnings being below Austrian Post's expectations. This risk has been increased by the COVID-19 pandemic. The objective is to largely reach break-even by 2023.

Furthermore, the business model of Austrian Post is characterised by a high staff cost structure. Deviations from planned wages and salaries can have adverse effects. Depending on the economic development of customer segments, the number of employees is also subject to fluctuations. In turn, this can negatively impact earnings.

As part of the country's critical infrastructure, Austrian Post is required to maintain postal operations. Additional expenses could arise in this regard above current expectations, impacting operating earnings even more.

All the above-mentioned risks, especially those relating to COVID-19 measures, could lead to a significant volume decrease and, thus, to a corresponding drop in earnings, for example due to various structural measures and restructuring costs or following valuation adjustments.

Moreover, the business development of subsidiaries or potentially required impairment losses could negatively affect the earnings situation of Austrian Post.

1.7 Outlook 2021

The year 2021 continues to be impacted by the burdens imposed by the COVID-19 pandemic and the consequences of various lockdown measures. An economic recovery is expected in the course of the year. Nevertheless, several customer segments will continue to be negatively affected by restrictions. In turn, this means increased volatility as well as reduced visibility with respect to short-term revenue and earnings forecasts.

REVENUE GROWTH >10 %

On balance, Austrian Post expects its revenue to increase by more than 10 % in 2021, primarily driven by the growing parcel business.

Revenue in the Parcel & Logistics Division could increase by about 25 % in 2021. Further growth should be possible this year following the strong organic growth generated in the previous year. Moreover, the Turkish subsidiary Aras Kargo (full consolidation since 25 August 2020) will make a positive contribution to Group revenue.

In contrast, the Mail Division is negatively affected by the pandemic and related lockdown measures as well as by possible negative economic impacts felt by various customers. In the Letter Mail segment, the volume decline for conventional letters should remain at a level of about 5 % in 2021. The decrease in the Direct Mail and Media Post areas will be even higher than expected. All in all, Austrian Post anticipates a stable or slightly declining revenue development in the Mail Division, depending on how the coronavirus pandemic plays out.

However, the revenue development of bank99 launched in April 2020 should steadily improve in the course of the year 2021.

HIGHER GROUP EARNINGS IN 2021

Austrian Post aims to achieve an earnings improvement of about 15 % from the previous year (basis 2020 EBIT: EUR 161m). A stable or slightly declining earnings situation is expected in the Mail Division, whereas earnings of the Parcel & Logistics Division should improve by about 25 %.

Revenue growth in the Retail & Bank Division should also have a positive impact on the division's operational EBIT.

INVESTMENTS/CAPEX

Parcel growth in 2020 but also in 2021 has shown how important it is to have the required capacities available in a timely manner. Austrian Post succeeded in ensuring good quality service by handling the record parcel volumes of recent quarterly periods. This should also be the case in managing the foreseeable volume increases in the years to come. For this reason, Austrian Post will continue to press ahead with its investment programme. The aim is to increase the company's sorting capacity by a further 30 % by the end of 2022. Austrian Post's objective is to expand its leading position in Austria in terms of the quality of its services as well as its efficiency and speed.

In addition to maintenance CAPEX on a current scale of about EUR 70-80m in Austria, more than EUR 60m in growth CAPEX is planned again in Austria. Moreover, about EUR 20m in investments are planned for expansion measures or land purchases to support the logistics infrastructure along with approx. EUR 20-30m for investments in international holdings.

Austrian Post continues to pursue the objective of combining growth and dividend strength. The growth opportunities that arise will be secured by corresponding structural investments. Furthermore, the cash flow generated from operating activities will continue to be used to finance the necessary basic investments and to ensure an attractive dividend policy.

Vienna, 3 May 2021

The Management Board

GEORG PÖLZL
CEO
Chairman of the
Management Board

WALTER OBLIN
Deputy CEO
Mail & Finance

PETER UMUNDUM
Member of the
Management Board
Parcel & Logistics

Consolidated Income Statement for the First Quarter of 2021

EUR m	Q1 2020 adjusted[1]	Q1 2021
Revenue	502.8	646.1
of which result from financial services	1.9	6.1
Other operating income	13.3	22.2
TOTAL OPERATING INCOME	**516.1**	**668.3**
Raw materials, consumables and services used	–127.0	–185.6
Staff costs	–253.5	–303.5
Depreciation, amortisation and impairment losses	–32.0	–39.2
Other operating expenses	–70.3	–80.5
TOTAL OPERATING EXPENSES	**–482.8**	**–608.8**
Results from financial assets accounted for using the equity method	0.0	0.2
EARNINGS BEFORE FINANCIAL RESULT AND INCOME TAX (EBIT)	**33.3**	**59.8**
Financial income	4.5	4.8
Financial expenses	–3.4	–2.4
FINANCIAL RESULT	**1.1**	**2.4**
PROFIT BEFORE TAX	**34.5**	**62.2**
Income tax	–8.3	–12.3
PROFIT FOR THE PERIOD	**26.2**	**49.9**
ATTRIBUTABLE TO:		
Shareholders of the parent company	28.6	48.1
Non-controlling interests	–2.4	1.8

EARNINGS PER SHARE (EUR)

BASIC EARNINGS PER SHARE	**0.42**	**0.71**
DILUTED EARNINGS PER SHARE	**0.42**	**0.71**

[1] Changes to the presentation in the consolidated income statement:

In the 'of which' note of revenues, the net interest and commission income is now shown as the result from financial services. In the first quarter of 2020, interest and commisssion expenses were reported under expenses for financial services.

In order to show the earnings before financial result and income tax (EBIT) as a key control parameter in the group, a subtotal was included.

In previous years expenses for external staff and temporary workers were mainly recorded under other operating expenses. Expenses for external staff and temporary workers that are directly related to the provision of services are now recorded under raw materials, consumables and services used.

Consolidated Statement of Comprehensive Income for the First Quarter of 2021

EUR m	Q1 2020	Q1 2021
PROFIT FOR THE PERIOD	**26.2**	**49.9**
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT:		
Currency translation differences – investments in foreign businesses	–1.1	–6.2
TOTAL ITEMS THAT MAY BE RECLASSIFIED	**–1.1**	**–6.2**
OTHER COMPREHENSIVE INCOME	**–1.1**	**–6.2**
TOTAL COMPREHENSIVE INCOME	**25.1**	**43.7**
ATTRIBUTABLE TO:		
Shareholders of the parent company	27.5	43.2
Non-controlling interests	–2.4	0.6

Consolidated Balance Sheet as at 31 March 2021

EUR m	31 Dec. 2020	31 March 2021
ASSETS		
NON-CURRENT ASSETS		
Goodwill	61.4	63.8
Intangible assets	96.9	93.2
Property, plant and equipment	1,137.2	1,114.2
Investment property	74.4	75.3
Financial assets accounted for using the equity method	11.4	7.8
Other financial assets	5.4	5.4
Other receivables	10.6	16.1
Deferred tax assets	48.0	48.9
	1,445.3	**1,424.5**
FINANCIAL ASSETS FROM FINANCIAL SERVICES		
Cash and central bank balances	568.1	621.2
Receivables from banks	10.8	10.2
Receivables from customers	1.7	2.9
Investments	0.3	0.3
Other	8.7	10.3
	589.5	**644.9**
CURRENT ASSETS		
Other financial assets	110.6	101.3
Inventories	15.5	16.9
Contract assets	4.4	5.5
Trade and other receivables	369.1	393.5
Tax assets	37.1	44.3
Cash and cash equivalents	108.2	130.4
	644.9	**691.8**
ASSETS HELD FOR SALE	**0.5**	**0.0**
	2,680.2	**2,761.2**

Consolidated Balance Sheet as at 31 March 2021

EUR m	31 Dec. 2020	31 March 2021
EQUITY AND LIABILITIES		
EQUITY		
Share capital	337.8	337.8
Capital reserves	91.0	91.0
Revenue reserves	231.4	279.5
Other reserves	–32.8	–37.7
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	**627.4**	**670.5**
NON-CONTROLLING INTERESTS	**27.6**	**31.2**
	655.0	**701.7**
NON-CURRENT LIABILITIES		
Provisions	360.4	369.0
Other financial liabilities	274.1	265.0
Other payables	50.4	48.5
Contract liabilities	5.4	5.0
Deferred tax liabilities	4.1	4.7
	694.4	**692.3**
FINANCIAL LIABILITIES FROM FINANCIAL SERVICES		
Borrowings from banks	11.8	1.5
Liabilities to customers	519.5	571.1
Other	1.5	2.1
	532.9	**574.8**
CURRENT LIABILITIES		
Provisions	272.1	291.5
Tax liabilities	2.6	6.4
Other financial liabilities	77.6	49.3
Trade and other payables	416.4	412.3
Contract liabilities	29.2	32.9
	797.9	**792.5**
	2,680.2	**2,761.2**

Consolidated Cash Flow Statement for the First Quarter of 2021

EUR m	Q1 2020 adjusted[1]	Q1 2021
OPERATING ACTIVITIES		
Profit before tax	34.5	62.2
Depreciation, amortisation and impairment losses	32.0	39.2
Results from financial assets accounted for using the equity method	0.0	–0.2
Provisions non-cash	6.4	16.2
Other non-cash transactions	–0.9	–8.4
GROSS CASH FLOW	**72.0**	**108.9**
Trade and other receivables	44.1	–21.6
Inventories	0.1	–0.2
Contract assets	2.0	–1.1
Provisions	–0.3	12.8
Trade and other payables	–30.4	–1.4
Contract liabilities	–3.9	3.4
Financial assets/liabilities from financial services	26.1	39.0
Taxes paid	–13.1	–15.7
CASH FLOW FROM OPERATING ACTIVITIES	**96.7**	**124.1**
INVESTING ACTIVITIES		
Acquisition of intangible assets	–3.8	–3.9
Acquisition of property, plant and equipment/investment property	–21.9	–18.3
Sale of property, plant and equipment/investment property	1.0	5.8
Acquisition of subsidiaries/non-controlling interests/business units	–0.9	–1.1
Acquisition of financial assets accounted for using the equity method	–0.3	0.0
Sale of other financial instruments	6.5	0.0
Acquisition of financial investments in securities/money market investments	–50.0	–10.0
Sale of financial investments in securities/money market investments	70.0	20.0
Loans granted	0.0	0.1
Interest received and income from securities	0.4	1.1
CASH FLOW FROM INVESTING ACTIVITIES	**1.0**	**–6.4**
FREE CASH FLOW	**97.7**	**117.6**

[1] The presentation of the provision of financial services has been adjusted. Cash and cash equivalents now also include receivables from banks arising from payment transactions of the bank itself, which in the previous year were presented in the financial assets from financial services. The financial assets and liabilities from financial services are now shown in one line.

Consolidated Cash Flow Statement for the First Quarter of 2021

EUR m	Q1 2020 adjusted[1]	Q1 2021
FINANCING ACTIVITIES		
Repayment of long-term financial liabilities (incl. current maturities of long-term debt)	–9.8	–12.2
Changes of short-term financial liabilities	0.2	–30.2
Dividends paid	–0.7	–2.8
Interest paid	–1.2	–1.4
Payments from non-controlling interests	0.0	4.5
CASH FLOW FROM FINANCING ACTIVITIES	**–11.5**	**–42.1**
Currency translation differences in cash and cash equivalents	0.0	–0.8
CHANGE IN CASH AND CASH EQUIVALENTS	**86.2**	**74.7**
Cash and cash equivalents at 1 January	103.5	687.1
CASH AND CASH EQUIVALENTS AT 31 MARCH	**189.7**	**761.9**

[1] The presentation of the provision of financial services has been adjusted. Cash and cash equivalents now also include receivables from banks arising from payment transactions of the bank itself, which in the previous year were presented in the financial assets from financial services. The financial assets and liabilities from financial services are now shown in one line.

Consolidated Statement of Changes in Equity for the First Quarter of 2020

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 2020	**337.8**	**91.0**	**303.3**	**–25.6**	**–14.2**	**–2.1**	**690.3**	**10.4**	**700.7**
Profit for the period	0.0	0.0	28.6	0.0	0.0	0.0	28.6	–2.4	26.2
Other comprehensive income	0.0	0.0	0.0	0.0	0.0	–1.1	–1.1	0.0	–1.1
TOTAL COMPREHENSIVE INCOME	**0.0**	**0.0**	**28.6**	**0.0**	**0.0**	**–1.1**	**27.5**	**–2.4**	**25.1**
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–0.7	–0.7
Payments to subsidiaries with non-controlling interests	0.0	0.0	–2.0	0.0	0.0	0.0	–2.0	2.0	0.0
TRANSACTIONS WITH OWNERS	**0.0**	**0.0**	**–2.0**	**0.0**	**0.0**	**0.0**	**–2.0**	**1.3**	**–0.7**
BALANCE AS AT 31 MARCH 2020	**337.8**	**91.0**	**329.9**	**–25.6**	**–14.2**	**–3.2**	**715.7**	**9.4**	**725.1**

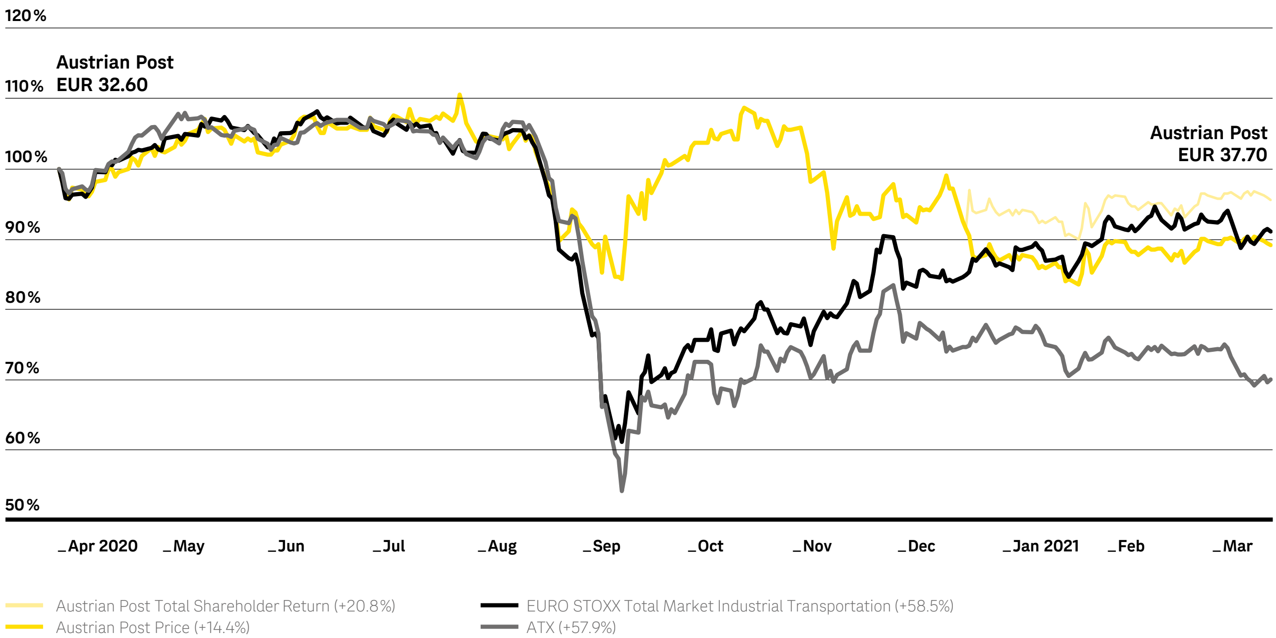
Consolidated Statement of Changes in Equity for the First Quarter of 2021

EUR m	Share capital	Capital reserves	Revenue reserves	Other reserves: IAS 19 reserve	Other reserves: FVOCI reserve	Other reserves: Currency translation reserve	Equity attributable to shareholders of the parent company	Non-controlling interests	Equity
BALANCE AS AT 1 JANUARY 2021	**337.8**	**91.0**	**231.4**	**–28.0**	**0.6**	**–5.4**	**627.4**	**27.6**	**655.0**
Profit for the period	0.0	0.0	48.1	0.0	0.0	0.0	48.1	1.8	49.9
Other comprehensive income	0.0	0.0	0.0	0.0	0.0	–4.9	–4.9	–1.2	–6.2
TOTAL COMPREHENSIVE INCOME	**0.0**	**0.0**	**48.1**	**0.0**	**0.0**	**–4.9**	**43.2**	**0.6**	**43.7**
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–1.5	–1.5
Payments to subsidiaries with non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.5	4.5
TRANSACTIONS WITH OWNERS	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**3.0**	**3.0**
BALANCE AS AT 31 MARCH 2021	**337.8**	**91.0**	**279.5**	**–28.0**	**0.6**	**–10.3**	**670.5**	**31.2**	**701.7**

Financial Calendar 2021

12 August 2021	Half-year Report 2021, publication: 07.30-07.40 a.m. CET
11 November 2021	Interim report for the first three quarters 2021, publication: 07.30-07.40 a.m. CET

Development of the Share Price — 12 Month Comparison



Imprint

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

Typesetting and Production
In-house produced with firesys

Concept
Berichtsmanufaktur GmbH, Hamburg

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

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

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

Editorial deadline: 11 May 2021

Contact

Investor Relations,
Group Internal Audit & Compliance
Harald Hagenauer
T: +43 (0) 577 67 30400
E: investor@post.at
I: post.at/ir

Corporate Communications
Manuela Bruck
T: +43 (0) 577 67 21897
E: info@post.at
I: post.at/pr

Austrian Post on the internet
post.at

#ALWAYS DELIVER A SOLUTION

post.at/ir