

**postnord**

PostNord Interim Report

**Q3/2022**



# Challenging macro situation requires continued adaptation of the business

Income decreased as a result of a lower parcel and mail volumes and higher costs driven by external factors. PostNord is intensifying efforts to adapt the business to prevailing conditions, while at the same time continuing to invest in strengthening long-term competitiveness.

## Third quarter 2022<sup>1)</sup>

- Net sales totaled SEK 9,456 million (9,340), a decrease of –2 percent (5) in fixed currency for like-for-like units
- Overall, parcel volumes decreased by –4 percent (6) due to lower business-to-consumer volumes
- Mail volumes decreased by –11 percent (–9)
- Operating income (EBIT) totaled SEK 65 million (323)



PostNord is carrying out a large-scale green transition to ensure a Nordic infrastructure for fossil-free transport by 2030. Work is progressing at a high pace to switch to fossil-free transport, a process that includes the more than 13,000 vehicles that we and our partners operate on the roads of the Nordic region.

SEKm, unless otherwise indicated <sup>2)</sup>	July–September		Like-for-like change <sup>3)</sup>	January–September		Like-for-like change <sup>3)</sup>
	2022	2021		2022	2021	
Net sales	9,456	9,340	–2%	29,265	29,850	–4%
Operating income (EBIT)	65	323	–80%	377	1,719	–78%
Adjusted operating income (adjusted EBIT)	108	284	–62%	420	1,607	–74%
Income before tax	49	273		292	1,574	
Net income for the period	19	228		145	1,326	
Earnings per share (SEK)	0.01	0.11		0.07	0.66	
Cash flow from operating activities	–228	518		536	2,487	
Net debt ratio, % <sup>4)</sup>	–46	–25		–46	–25	
Return on capital employed (ROCE), %	8.5	19.9		8.5	19.9	

<sup>1)</sup> The report comments on developments in July–September 2022 compared to the same period in 2021, unless otherwise indicated. The data on volumes have been modified using a calculation method that better reflects the revenue recognized and the transfer of “Varubrev” from letters to parcels. Figures for comparison have been restated.

<sup>2)</sup> For definitions, see Note 8.

<sup>3)</sup> “Like-for-like” refers to the change in fixed currency for comparable units.

<sup>4)</sup> Net debt ratio, including pensions but excluding lease liabilities

# Comments by the President and Group CEO

## Challenging macro situation requires continued adaption of the business

The Group's sales totaled SEK 9,456 million (9,340) in the quarter, a decrease of –2 percent (5) in fixed currency for like-for-like units. Operating income totaled SEK 65 million (323) and adjusted operating income SEK 108 million (284). Over the year, the rate of decrease in parcel volumes in relation to the comparative quarter last year slowed. During the quarter, parcel volumes decreased by –4 percent (6) while mail volumes fell –11 percent (–9). The Group's decreased result is mainly attributable to our Danish operations and our Direct Link business. In addition, our income was adversely affected by higher costs arising from the challenging world situation. The geopolitical upheavals resulting from the Russian invasion of Ukraine have created increased economic uncertainty, leading to higher interest rates and fuel prices, along with high inflation.

The adaptations of the business that PostNord embarked on in early 2022 are continuing and have gradually been intensified. We are taking decisive action here and now, with further price adjustments for our products and services, as well as fuel surcharges for transportation. We are also adjusting our capacity and our offering, for example by streamlining our direct mail portfolio with a clearer focus on addressed direct mail and services that are more target-group oriented. At the same time, we have taken decisions to exit the market for broadly-based mass communication and to phase out elements of the direct mail portfolio based on unaddressed direct mail. We have maintained a close focus on our improvement programs, while at the same time reviewing the business in order to implement further adjustments.

Concurrently with cost-saving measures, we are continuing to invest long term in our IT infrastructure and our offering. We have a strong position in the Nordic market and a solid financial position, which are to our advantage at a time when the parcel delivery market faces consolidation. In an uncertain world, we are also well placed in stable customer segments, with attractive services.

## High pace maintained in our green transition

Our green transition is based on both energy efficiency action and a transition to fossil-free alternatives. Here, both green electricity and biofuels are important factors in enabling us to achieve our goal of fossil-free transportation by 2030. In the quarter, we approved decisions to procure 30 electric vans with the required charging infrastructure in Finland and 23 biogas trucks and two electric trucks in Norway. During the autumn, we will also replace 100 diesel cars with electric cars in Denmark. In Sweden, we have established "green corridors" between Stockholm, Gothenburg and Malmö, with the result that the bulk of our transport operations between these cities are already fossil-free. In addition, our third party logistics business in Sweden has entered into a partnership with Einride aimed at electrification of heavy goods transport. In all, 60 percent of the energy consumed in our own vehicle fleet is from renewable sources.

## Development of customer offering to further strengthen competitiveness

To best meet the expectations of our customers and consumers, we are constantly developing our offering. We are continuing to expand our network of parcel lockers – at the end of the quarter, we had just over 8,000 in operation in the Nordics. PostNord's attractive offering and our close cooperation with customers is also shown via their web check-outs, which confirm that we are well positioned. Our new terminals in Drammen, Norway, and just outside Helsinki, Finland, are now operational. This is important in terms of securing long-term growth in these countries. At PostNord, we are constantly innovating in order to enable us to meet the demand from the consumers of tomorrow. So, for example, in Denmark we have trialed delivery of parcels using drones capable of carrying small parcels at around 100 kph.

## Confirmation of PostNord's important role in society

In spring, PostNord imposed a temporary halt to postal deliveries to and from Russia and Belarus, under the sanctions ordered by the EU and others. Thanks to technology that makes it possible to sort items that may be in breach of the sanctions, we have been able since July 11 to resume postal flows with these countries.



Annemarie Gardshol, President and Group CEO

In the case of commercial logistics movements outside the scope of the regulations of the Universal Postal Union, the halt in services previously announced continues to apply.

In August, the EU Commission approved the State subsidy that Post Danmark A/S has agreed with the Danish State regarding the provision of the universal postal service for the year 2020. In its decision, the Commission found that our intra-organization principles for cost allocation are correct, which will serve as an important guideline in connection with similar processes, going forward. Our current agreement with the Danish State runs until December 31, 2022. Work on a new agreement is in progress.

In Sweden, alternate-day deliveries have now been fully implemented and the project has now delivered on schedule, thanks to a highly effective process within the organization.

In conclusion, I would like to thank all our employees for their excellent work, and our customers, consumers and partners for our excellent cooperation!

**Annemarie Gardshol**  
*President and Group CEO*

# Net sales and income

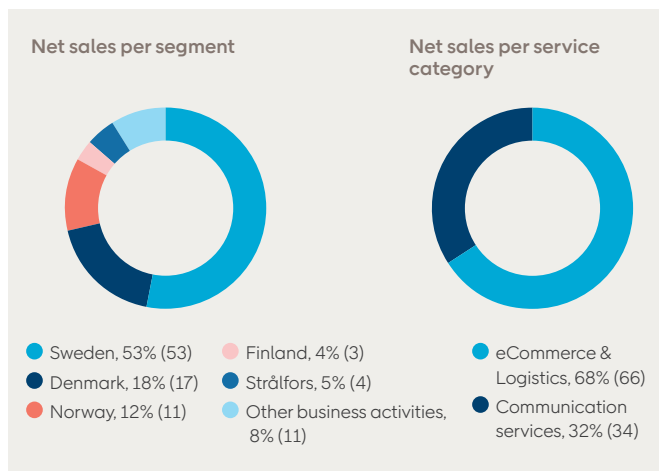
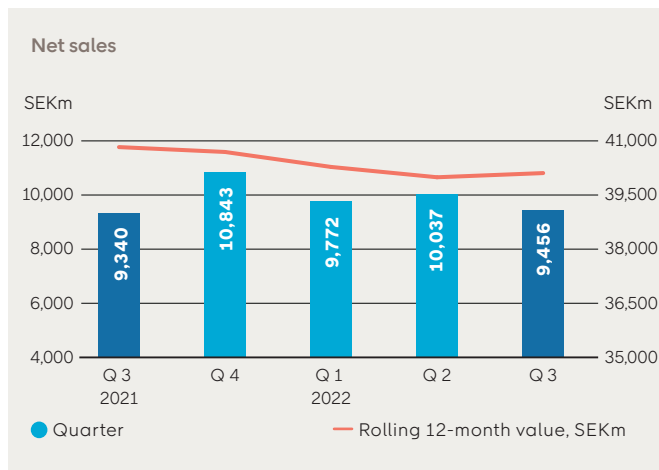
## Net sales

Net sales totaled SEK 9,456 million (9,340) in the third quarter, a decrease of –2 percent (5) in fixed currency for like-for-like units. The loss was primarily attributable to a reduction in a Direct Link business, lower business-to-consumer parcel volumes and lower mail volumes. This was offset by rising fuel surcharges, general price increases and growth in third-party logistics and groupage cargo.

Parcel volumes decreased and in all 56 million (58) parcels were handled during the quarter, a decrease of –4 percent (6). Business-to-consumer volumes decreased by –5 percent (9), while business-to-business volumes were unchanged at 0 percent (5).

Mail volumes decreased by –11 percent (–9) in the quarter as a result of the ongoing process of digitalization.

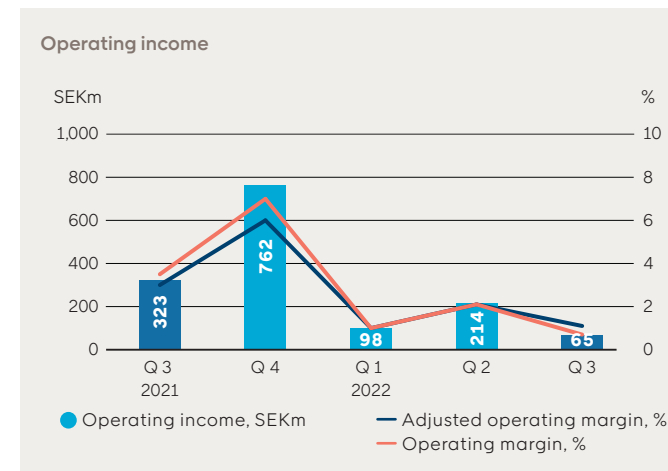
Other operating income totaled SEK 221 million (214). Other operating income consisted mainly of exchange rate gains of SEK 126 million (57), State compensation of SEK 46 million (63) for the universal service obligation in Denmark and capital gains of SEK 19 (41) on the sale of properties.



## Income

Operating profit totaled SEK 65 million (323) in the third quarter, an operating margin of 0.7 percent (3.4). Adjusted operating income was recorded at SEK 108 million (284). Income was negatively impacted by lower volumes in both parcels and mail businesses. The Group's decreased result is mainly attributable to our Danish operations and our Direct Link business. In addition, income was negatively impacted by high transportation costs, although such costs were largely offset through price increases. Net financial items totaled SEK –16 million (–51), mainly consisting of interest expense in connection with leases, pensions and loans. The change in net financial items was attributable above all to revaluation of the sickness insurance commitment. Tax for the period totaled SEK –29 million (–45) and income for the period SEK 19 million (228).

Return on capital employed (ROCE) decreased to 8.5 percent (19.9), above all as a result of the lower income in 2022.



# Cash flow and financial position

## Cash flow

Cash flow from operating activities totaled SEK –228 million (518) in the third quarter. The change was for the most part due to the lower income in the period and increased operating receivables.

Cash flow from investing activities totaled SEK –302 million (–416). Investments were made primarily in vehicles, sorting equipment, IT development and parcel lockers.

Cash flow from financing activities totaled SEK –373 million (–849), of which amortization of lease liabilities accounted for SEK –369 million (–345). Amortized loans totaled SEK –4 million (–504).

## Net debt

The Group's net debt, including pensions and lease liabilities, decreased by SEK 791 million in the third quarter, mainly due to an increase in a major net pension and disability pension plan asset, offset by a decrease in cash and cash equivalents. The pension asset increased by SEK 1,828 million in the quarter, from SEK 4,038

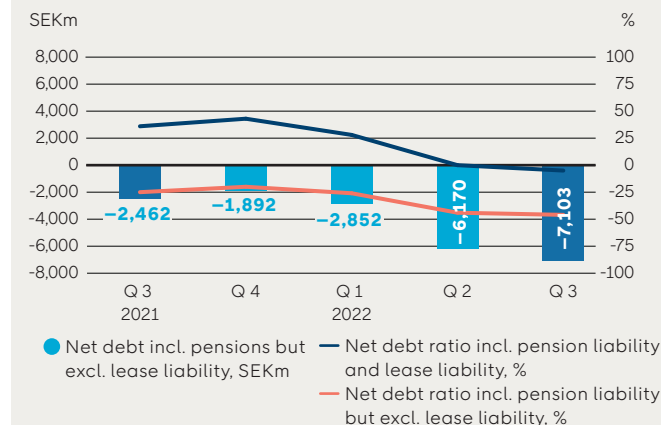
million to SEK 5,866 million. The increase was due above all to a fall in the assumed rate of inflation in the third quarter.

The net debt ratio including pensions and lease liabilities was –5 percent (36). The Group's net debt ratio excluding lease liabilities was –46 percent (–25). Financial preparedness at the end of the quarter totaled SEK 5,809 million (8,238), including cash and cash equivalents of SEK 3,809 million (6,238) and unutilized credit facilities of SEK 2,000 million (2,000).

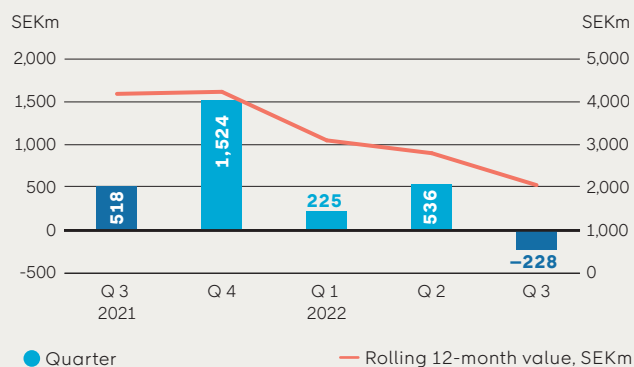
## Equity

The Group's equity increased to SEK 15,226 million, from SEK 13,623 million on June 30, 2022. The change in the quarter related to income of SEK 19 million for the period, revaluation of SEK 1,479 million net in the pension commitment net after tax and translation differences of SEK 105 million.

## Net debt net debt ratio



## Cash flow from operating activities



## Net debt

### SEKm, unless otherwise indicated<sup>1)</sup>

	Sept. 30, 2022	June 30, 2022	Mar. 31, 2022	Dec. 31, 2021	Sept. 30, 2021
Interest-bearing liabilities	9,146	9,004	8,693	9,134	9,226
Pensions and disability pension plans	-5,866	-4,038	-442	1,281	707
Long- and short-term investments	-277	-278	-285	-288	-287
Cash and cash equivalents	-3,809	-4,704	-4,979	-6,242	-6,238
<b>Net debt incl. pensions and lease liabilities</b>	<b>-806</b>	<b>-15</b>	<b>2,987</b>	<b>3,885</b>	<b>3,408</b>
Net debt ratio incl. pensions and lease liabilities	-5%	0%	28%	43%	36%
<b>Net debt incl. pensions but excl. lease liabilities</b>	<b>-7,103</b>	<b>-6,170</b>	<b>-2,852</b>	<b>-1,892</b>	<b>-2,462</b>
Net debt ratio incl. pensions but excl. lease liabilities	-46%	-44%	-26%	-20%	-25%

<sup>1)</sup> See specification in Note 8.

# Parent Company

# Sustainability information

The Parent Company conducted limited operations, in the form of intra-Group services. No external net sales were recognized during this or the corresponding quarter last year. Net income for the period totaled SEK 11 million (5).



**As a major logistics provider, PostNord takes responsibility for helping to progress sustainable development in the industry. Our updated sustainability agenda will contribute to a change for people around us and radically reduce the climate footprint of road transport in the Nordic region. One ambition is to lead the mail and logistics sector into the low-carbon economy by becoming fossil free by no later than 2030. We look after the health and safety of our employees and suppliers and strive for equality and inclusion.**

## Employees

The average number of employees (FTEs) was 27,271 (28,821), a decrease from the corresponding period last year.

Sickness absence averaged 7.8 percent (6.3) on a trailing 12-month basis, where the impact of each individual month is limited. At the end of the quarter, the proportion of women in management roles was 35 percent (36) at levels 1–3. At levels 4–6, the figure was 32 percent (32).

## Sustainable supply chain

As of 2022, PostNord reports procurement on equitable conditions in accordance with the Responsible Procurement Index (RPI). RPI illustrates how the purchasing process and sustainability in the supply chain are closely linked. RPI consists of three underlying CPIs – central purchasing, national road transport purchasing and supply chain sustainability. The first two KPIs address supplier loyalty and procurement in accordance with our purchasing policy. The last-mentioned KPI addresses the extent to which purchasing volumes from significant suppliers are procured by those who accept and comply with the PostNord Supplier Code of Conduct. The overall RPI result for PostNord in Q3 2022 is 91. The target for 2022 is to achieve an index result of 92.

## Climate impact

Carbon dioxide emissions for the quarter decreased by 3 percent, compared to the third quarter in 2021, to 61,624 tons. PostNord's total energy consumption in the quarter (including both transportation and use of premises) totaled 408,315 MWh. Renewable energy accounted for 42 percent of total energy consumption during the quarter. PostNord's climate transition requires the Company's investments to be steered in a green direction. Work is in progress on classifying and monitoring PostNord's operations in accordance with the EU's Taxonomy and Taxonomy Regulation.

*[Read more about our ambitious sustainability work at postnord.com.](https://postnord.com)*

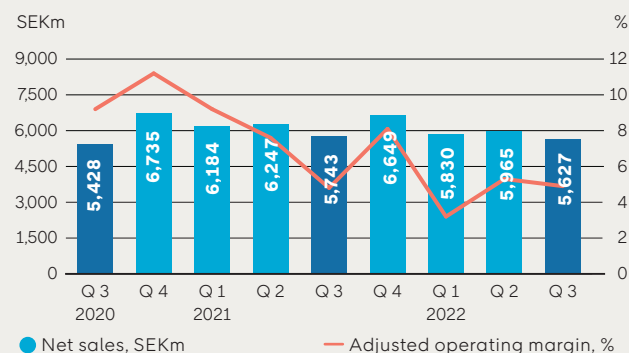
# PostNord Sweden

Net sales totaled SEK 5,627 million (5,743) in the quarter, a decrease of –2 percent (7) for like-for-like units. The e-Commerce & Logistics business grew by 9 percent, driven by increased sales in business-to-business and third-party logistics. On the other hand, business-to-consumer volumes decreased in the quarter. Total parcel volume decreased in all by –2 percent (4). Digitalization in the mail business continues at the same pace as before the pandemic, and mail volumes decreased by –12 percent (–8). Operating income totaled SEK 232 million (274) in the quarter. Items affecting comparability in the quarter totaled SEK –43 million (–), in connection with the phasing-out of the unaddressed direct mail service. Adjusted operating income totaled SEK 275 million (274), in line with that of the preceding year.

The work of adapting production capacity to lower mail and parcel volumes continues. Rising inflation has led to a higher level of prices in the delivery chain, above all in transportation and for procured services. The cost increases incurred have been offset via adaptation of the business and a transition to fewer days for mail deliveries. In addition, price adjustments for our services have to a certain extent offset cost inflation.

Sick leave levels increased somewhat during the quarter and remain high compared to pre-pandemic levels. Delivery quality for mail was recorded at 93.5 percent (98.8) in the quarter. Delivery quality for parcels was 94.5 percent (96.2) in the quarter. PostNord faced local challenges with quality in several areas in Sweden. As a result, the legal requirement of 95.0 for mail was not achieved. This was due to staffing challenges for the organization in terminals, distribution and transportation, as well as higher-than-expected sickness absence. Since the summer, quality has steadily improved.

Net sales and adjusted operating margin



Net sales



Delivery quality, mail

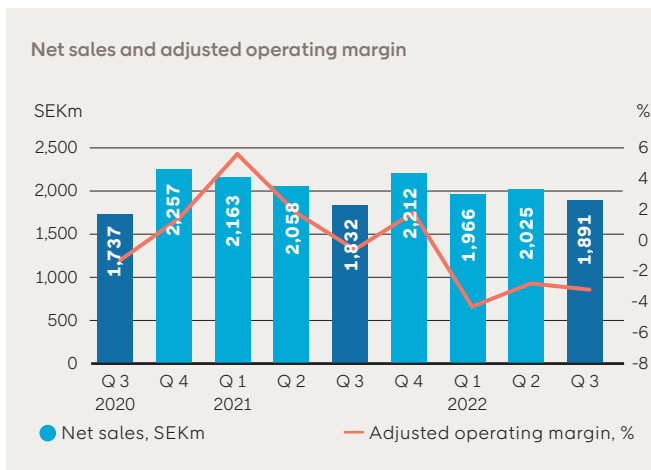
# 93.5%

Period  
July–September 2022  
Legal requirement 95%

SEKm, unless otherwise indicated	July–September		Like-for-like change	January–September		Like-for-like change
	2022	2021		2022	2021	
Net sales	5,627	5,743	–2%	17,422	18,174	–4%
– Communication Services (external)	2,018	2,086	–3%	6,297	6,863	–8%
– eCommerce & Logistics (external)	3,167	2,912	9%	9,767	9,147	7%
– Intra-Group	441	745	–41%	1,357	2,165	–37%
Operating income (EBIT)	232	274		737	1,316	
Operating margin, %	4.1	4.8		4.2	7.2	
Items affecting comparability	–43	–		–43	–	
Adjusted operating income (adjusted EBIT)	275	274		779	1,316	
Adjusted operating margin, %	4.9	4.8		4.5	7.2	

# PostNord Denmark

Net sales totaled SEK 1,891 million (1,832), a change of –1 percent (7) in fixed currency for like-for-like units. Mail volumes decreased by –6 percent (–17). The quarter was marked by a further sharp fall in import mail due to the abolition of the minimum VAT threshold for purchases of goods outside the EU. However, the decline in domestic mail was partly offset through mailings on electricity price rises and COVID-19 vaccinations. Parcel volumes decreased by –1 percent (10), with demand in business-to-consumer demand decreasing partly as a result of reduced consumer purchasing power. Operating income totaled SEK –70 million (28). The decrease in income was mainly due to reduced volumes in business-to-consumer parcels and decreased volumes of import mail. Income was also adversely affected by higher costs in the business, driven by rising inflation especially in energy and fuel prices. Compensation for the universal service obligation (USO) was also lower in the quarter, at SEK 46 million (63). Delivery quality of the “Brevet” service in the quarter was 96.1 percent (96.9). Delivery quality in parcels for the quarter was 94.2 percent (97.6).



Delivery quality, Brevet

# 96.1%

Period  
July–September 2022  
Legal requirement 93%

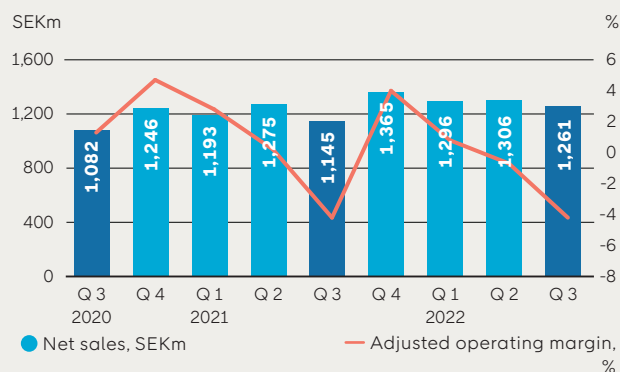
SEKm, unless otherwise indicated	July–September		Like-for-like change	January–September		Like-for-like change
	2022	2021		2022	2021	
Net sales	1,891	1,832	–1%	5,883	6,053	–6%
– Communication Services (external)	554	561	–5%	1,804	1,884	–8%
– eCommerce & Logistics (external)	1,081	997	4%	3,273	3,269	–3%
– Intra-Group	257	275	–10%	807	900	–14%
Operating income (EBIT)	–70	28		–212	260	
Operating margin, %	–3.7	1.5		–3.6	4.3	
Items affecting comparability	–	40		–	112	
Adjusted operating income (adjusted EBIT)	–70	–11		–212	148	
Adjusted operating margin, %	–3.7	–0.6		–3.6	2.4	



# PostNord Norway

Net sales totaled SEK 1,261 million (1,145), an increase of 3 percent (4) in fixed currency for like-for-like units. Subdued demand as a result, partly, of rising inflation, led to a reduction of –16 percent (23) in parcel volumes in the quarter. Operating income totaled SEK –53 million (–48). The lower income was due to high inflation, which affects transportation costs, but also reduced e-commerce volumes and challenges in adapting production capacity quickly enough to counteract the sharp decline in volumes. Delivery quality for parcels was recorded at 91.4 percent (93.9) for the quarter.

Net sales and adjusted operating margin

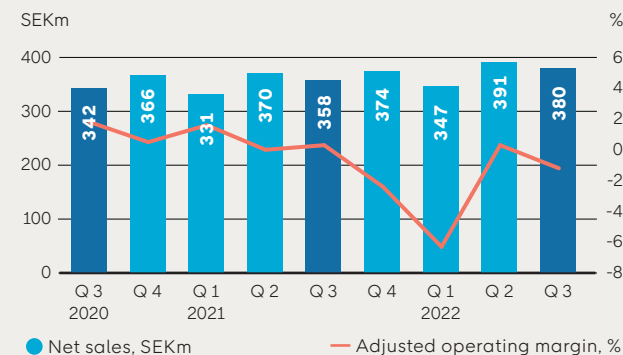


SEKm, unless otherwise indicated	July–September		Like-for-like change	January–September		Like-for-like change
	2022	2021		2022	2021	
Net sales	1,261	1,145	3%	3,863	3,613	1%
– Communication Services (external)	19	20	–11%	57	64	–16%
– eCommerce & Logistics (external)	1,035	899	7%	3,125	2,857	3%
– Intra-Group	207	226	–15%	681	693	–7%
Operating income (EBIT)	–53	–48		–51	–18	
Operating margin, %	–4.2	–4.2		–1.3	–0.5	
Items affecting comparability	–	–		–	–	
Adjusted operating income (adjusted EBIT)	–53	–48		–51	–18	
Adjusted operating margin, %	–4.2	–4.2		–1.3	–0.5	

# PostNord Finland

Net sales totaled SEK 380 million (358), an increase of 2 percent (6) in fixed currency for like-for-like units. Parcel volumes decreased by –2 percent (10), driven by lower volumes of business-to-consumer imports. Operating income totaled SEK –5 million (1). With a new terminal being established in Tampere to create scope for future growth, income declined in the quarter. Delivery quality for parcels was recorded at 88.7 percent (95.4) for the quarter.

Net sales and adjusted operating margin

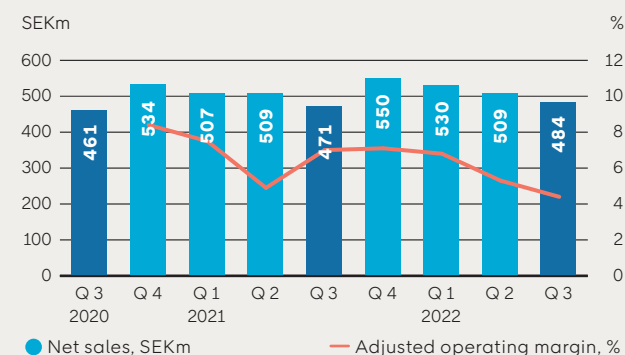


SEKm, unless otherwise indicated	July–September		Like-for-like change	January–September		Like-for-like change
	2022	2021		2022	2021	
Net sales	380	358	2%	1,118	1,059	2%
– Communication Services (external)	–	–	–	–	–	–
– eCommerce & Logistics (external)	265	248	2%	783	731	3%
– Intra-Group	115	109	1%	335	328	–2%
Operating income (EBIT)	–5	1		–25	2	
Operating margin, %	–1.3	0.3		–2.2	0.2	
Items affecting comparability	–	–		–	–	
Adjusted operating income (adjusted EBIT)	–5	1		–25	2	
Adjusted operating margin, %	–1.3	0.3		–2.2	0.2	

# PostNord Strålfors

Net sales totaled SEK 484 million (471), an increase of 0 percent (2) in fixed currency for like-for-like units. The trend of the market was unchanged from previous quarters. The increased process of digitalization is driving PostNord Strålfors' digital services and products in a positive direction, while the printed paper and physical letters market is continuing to decline. In the prevailing markets, PostNord Strålfors has increased revenues in both digital and physical services and products. Operating income totaled SEK 21 million (33). The higher share of physical products, along with non-recurring impacts in connection with capitalized development, had negative impact on operating income.

Net sales and adjusted operating margin



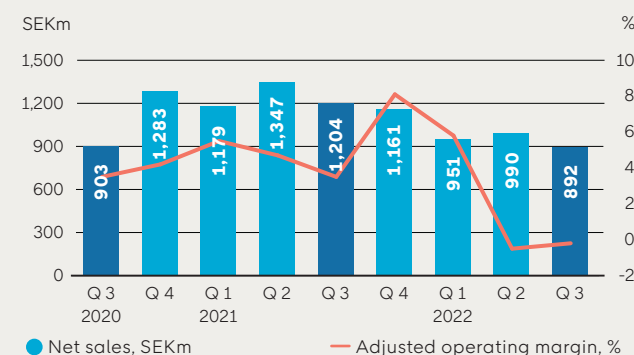
SEKm, unless otherwise indicated	July–September		Like-for-like change	January–September		Like-for-like change
	2022	2021		2022	2021	
Net sales	484	471	0%	1,524	1,487	0%
– Communication Services (external)	433	420	0%	1,348	1,327	0%
– Intra-Group	51	51	1%	175	159	2%
Operating income (EBIT)	21	33		85	96	
Operating margin, %	4.3	7.0		5.6	6.5	
Items affecting comparability	–	–		–	–	
Adjusted operating income (adjusted EBIT)	21	33		85	96	
Adjusted operating margin, %	4.3	7.0		5.6	6.5	

# Other business activities

Net sales totaled SEK 892 million (1,204), a decrease of –33 percent (35) in fixed currency for like-for-like units. Sales and income for Direct Link decreased sharply compared with the third quarter last year. The decrease was attributable primarily to Direct Link's loss of a major Asian customer, but also to costs arising from international settlements regarding 2021. In the logistics business in Germany, parcel volumes decreased by –11 percent (24), driven by lower exports to the business-to-consumer market in the Nordic region.

Operating income for the segment totaled SEK –2 million (42). Operating income includes realized and unrealized gains/losses of SEK 0 million (–11) from forward exchange contracts.

Net sales and adjusted operating margin



SEKm, unless otherwise indicated	July–September		Like-for-like change	January–September		Like-for-like change
	2022	2021		2022	2021	
Net sales	892	1,204	–33%	2,833	3,730	–30%
– Communication Services (external)	47	53	–11%	144	163	–12%
– eCommerce & Logistics (external)	842	1,148	–34%	2,679	3,558	–31%
– Intra-Group	3	3	0%	9	9	–7%
Operating income (EBIT)	–2	42		48	170	
Operating margin, %	–0.2	3.5		1.7	4.6	
Items affecting comparability	–	–		–	–	
Adjusted operating income (adjusted EBIT)	–2	42		48	170	
Adjusted operating margin, %	–0.2	3.5		1.7	4.6	

# Other information

## Update regarding the universal service obligation in Denmark

PostNord Denmark is operating in accordance with the extended contract for the universal postal service in Denmark, which runs until December 31, 2022, inclusive. Dialogue with the Danish State on future financing continues in parallel.

## Delivery quality

Delivery quality in Sweden failed to meet the legal requirement of 95 percent for “Brev”, which must be delivered to the intended recipient within two working days. Quality in Sweden was recorded at 93.5 percent (98.8) for the quarter. In Denmark, delivery quality exceeded the legal requirement, with quality for the “Brevet” service showing at 96.1 percent (96.9). Overall delivery quality for parcels in the Group was 93.8 percent (96.1) for the quarter.

## Major events in July–September 2022

### *State subsidy for 2020 in Denmark approved*

On August 10, the EU Commission approved the Danish State's compensation to Post Danmark A/S regarding the provision of the universal postal service for the year 2020.

Solna, October 28, 2022

PostNord AB (publ), CIN 556771-2640

## **Annemarie Gardshol**

President and Group CEO

# Review report

PostNord AB  
Corp. ID no. 556771-2640

## Introduction

We have reviewed the summary interim financial information (the interim report) for PostNord AB on September 30, 2022 and the nine-month period ending on that date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report on the basis of our limited review.

## Focus and scope of the review

We performed our review in accordance with the International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review comprises making enquiries, mainly to those responsible for financial and accounting matters, performing an analytical review and undertaking other review measures. A review has different focus to and substantially more limited scope than the focus and scope of an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards. The assessment performed in a review does not enable us to obtain a level of assurance that would make us aware of all key circumstances that may have been possible to identify had an audit been performed. The conclusion expressed on the basis of a review does not therefore give the same assurance as a conclusion expressed on the basis of an audit.

## Conclusion

On the basis of our review, nothing has come to light that gives us reason to believe that the interim report has not, in all material aspects, been drawn up for the Group according to IAS 34 and the Swedish Annual Accounts Act, and for the Parent Company according to the Swedish Annual Accounts Act.

Stockholm October 28, 2022

KPMG AB

Tomas Gerhardsson  
Authorized Public Accountant

# Financial statements – Group

## Income statement

SEKm	Note	July–September		January–September	
		2022	2021	2022	2021
	1				
Net sales		9,456	9,340	29,265	29,850
Other operating income		221	214	700	659
<b>Operating revenue</b>	3	<b>9,678</b>	<b>9,554</b>	<b>29,966</b>	<b>30,510</b>
Personnel expenses		–3,595	–3,535	–11,624	–11,670
Transportation expenses		–3,092	–2,683	–9,159	–8,123
Other expenses		–2,259	–2,366	–6,813	–7,068
Depreciation and impairments		–667	–647	–1,992	–1,930
<b>Operating expenses</b>		<b>–9,613</b>	<b>–9,231</b>	<b>–29,589</b>	<b>–28,791</b>
<b>OPERATING INCOME</b>	3	<b>65</b>	<b>323</b>	<b>377</b>	<b>1,719</b>
Financial income		34	6	67	16
Financial expenses		–50	–57	–153	–161
<b>Net financial items</b>		<b>–16</b>	<b>–51</b>	<b>–85</b>	<b>–145</b>
<b>Income before tax</b>		<b>49</b>	<b>273</b>	<b>292</b>	<b>1,574</b>
Tax		–29	–45	–146	–248
<b>NET INCOME FOR THE PERIOD</b>		<b>19</b>	<b>228</b>	<b>145</b>	<b>1,326</b>
<b>Attributable to</b>					
Parent Company shareholders		19	227	144	1,324
Non-controlling interests		0	1	1	2
Earnings per share, SEK		0.01	0.11	0.07	0.66

## Statement of comprehensive income

SEKm	July–September		January–September	
	2022	2021	2022	2021
<b>NET INCOME</b>	<b>19</b>	<b>228</b>	<b>145</b>	<b>1,326</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that cannot be transferred to net income</b>				
Revaluation of pension liabilities	1,863	620	7,153	3,818
Change in deferred tax	–384	–144	–1,474	–803
<b>Total</b>	<b>1,479</b>	<b>476</b>	<b>5,679</b>	<b>3,015</b>
<b>Items that have been or may be transferred to net income</b>				
Cash flow hedging after tax	0	0	0	1
Translation differences	105	42	271	153
<b>Total</b>	<b>105</b>	<b>42</b>	<b>271</b>	<b>154</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>1,584</b>	<b>518</b>	<b>5,950</b>	<b>3,169</b>
<b>COMPREHENSIVE INCOME</b>	<b>1,603</b>	<b>746</b>	<b>6,095</b>	<b>4,495</b>
<b>Attributable to</b>				
Parent Company shareholders	1,603	746	6,094	4,493
Non-controlling interests	0	0	1	2

# Financial statements – Group

## Statement of financial position

SEKm	Note	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021	SEKm	Note	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
	1, 6								
<b>ASSETS</b>					<b>EQUITY AND LIABILITIES</b>				
Goodwill		2,620	2,582	2,558	<b>Equity</b>		<b>15,226</b>	<b>9,133</b>	<b>9,399</b>
Other non-current intangible assets		439	475	463	<b>Liabilities</b>				
Property, plant and equipment		8,045	7,422	7,119	Non-current interest-bearing liabilities		1,953	2,752	2,748
Right-of-use assets		6,249	5,694	5,790	Non-current lease liabilities		4,985	4,499	4,613
Participations in associated companies		167	159	149	Other non-current liabilities		71	70	44
Non-current interest-bearing receivables		266	276	274	Pensions		–	1,386	811
Other non-current receivables		6,107	352	321	Other provisions	5	696	955	1,147
Deferred tax assets		14	23	23	Deferred tax liabilities		1,678	200	277
<b>Total non-current assets</b>		<b>23,906</b>	<b>16,983</b>	<b>16,697</b>	<b>Total non-current liabilities</b>		<b>9,383</b>	<b>9,861</b>	<b>9,640</b>
Inventories		102	83	89	Current interest-bearing liabilities		813	513	513
Tax assets		369	415	418	Current lease liabilities		1,396	1,371	1,352
Trade receivables		4,869	5,331	4,467	Trade payables		3,194	3,381	2,765
Prepaid expenses and accrued income		1,629	1,263	1,229	Tax liabilities		193	202	246
Other current receivables		123	260	380	Other current liabilities		1,233	1,227	1,375
Current interest-bearing receivables		11	11	13	Accrued expenses and deferred income		3,174	4,340	3,500
Cash and cash equivalents		3,809	6,242	6,238	Other provisions	5	206	562	754
Assets held for sale		–	–	13	<b>Total current liabilities</b>		<b>10,209</b>	<b>11,595</b>	<b>10,506</b>
<b>Total current assets</b>		<b>10,912</b>	<b>13,606</b>	<b>12,848</b>	<b>TOTAL LIABILITIES</b>		<b>19,591</b>	<b>21,457</b>	<b>20,146</b>
<b>TOTAL ASSETS</b>		<b>34,818</b>	<b>30,590</b>	<b>29,545</b>	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>34,818</b>	<b>30,590</b>	<b>29,545</b>

# Financial statements – Group

## Statement of cash flows

SEKm	Note	July–September		January–September	
		2022	2021	2022	2021
<b>OPERATING ACTIVITIES</b>					
Income before tax		49	273	292	1,574
Adjustments for non-cash items <sup>1</sup>		494	420	1,200	1,334
Income tax paid		-30	-108	-28	-371
<b>Cash flows from operating activities before change in working capital</b>		<b>513</b>	<b>585</b>	<b>1,464</b>	<b>2,537</b>
<b>Change in working capital</b>					
Increase(-)/decrease(+) in inventories		-10	-5	-19	0
Increase(-)/decrease(+) in other operating receivables		-7	823	450	741
Increase(+)/decrease(-) in other operating liabilities		-724	-885	-1,359	-791
<b>Total change in working capital</b>		<b>-741</b>	<b>-67</b>	<b>-928</b>	<b>-50</b>
<b>Cash flow from operating activities</b>		<b>-228</b>	<b>518</b>	<b>536</b>	<b>2,487</b>
<b>INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment		-266	-318	-1,077	-703
Divestment of property, plant and equipment		-	3	39	7
Acquisitions of non-current intangible assets		-39	-24	-124	-102
Acquisition of subsidiary, effect on cash and cash equivalents	4	-	-80	-226	-129
Acquisition of financial assets		-	0	-	-1
Divestment of financial assets		3	3	3	5
<b>Cash flows from investing activities</b>		<b>-302</b>	<b>-416</b>	<b>-1,385</b>	<b>-923</b>

SEKm	Note	July–September		January–September	
		2022	2021	2022	2021
<b>FINANCING ACTIVITIES</b>					
Amortized loans		-4	-504	-510	-538
Amortized lease liabilities		-369	-345	-1,093	-1,028
Dividend paid		-	-	-2	-2
<b>Cash flows from financing activities</b>		<b>-373</b>	<b>-849</b>	<b>-1,605</b>	<b>-1,568</b>
<b>CASH FLOWS FOR THE PERIOD</b>		<b>-903</b>	<b>-747</b>	<b>-2,454</b>	<b>-4</b>
Cash and cash equivalents, at beginning of period		4,704	6,979	6,242	6,229
Translation difference in cash and cash equivalents		8	6	21	13
<b>Cash and cash equivalents, at end of period</b>		<b>3,809</b>	<b>6,238</b>	<b>3,809</b>	<b>6,238</b>
<sup>1</sup> Adjustments for non-cash items:					
Depreciation and impairments		667	647	1,992	1,930
Change in pension liability		-28	39	-217	229
Other provisions		-89	-182	-425	-484
Capital gain/loss, divestment of assets		-16	-31	-20	-104
Other		-40	-53	-130	-237
<b>Total</b>		<b>494</b>	<b>420</b>	<b>1,200</b>	<b>1,334</b>

# Financial statements – Group

## Statement of changes in equity

January–September 2021	Equity attributable to the Parent Company's shareholders						
	Share capital <sup>1)</sup>	Other contributed equity	Translation reserve	Hedging reserve	Retained earnings	Non-controlling interests	Total equity
SEKm							
Equity, opening balance, Jan. 1, 2021	2,000	10,621	–1,820	–1	–5,896	2	4,906
<b>Comprehensive income for the period</b>							
Net income for the period	–	–	–	–	1,324	2	1,326
Other comprehensive income for the period	–	–	153	1	3,015	–	3,169
<b>Total comprehensive income for the period</b>	–	–	<b>153</b>	<b>1</b>	<b>4,339</b>	<b>2</b>	<b>4,495</b>
Dividend	–	–	–	–	–	–2	–2
<b>Shareholders' equity, closing balance September 30, 2021</b>	<b>2,000</b>	<b>10,621</b>	<b>–1,667</b>	<b>0</b>	<b>–1,557</b>	<b>2</b>	<b>9,399</b>

October–December 2021	Equity attributable to the Parent Company's shareholders						
	Share capital <sup>1)</sup>	Other contributed equity	Translation reserve	Hedging reserve	Retained earnings	Non-controlling interests	Total equity
SEKm							
Equity, opening balance, Oct. 1, 2021	2,000	10,621	–1,667	0	–1,557	2	9,399
<b>Comprehensive income for the period</b>							
Net income for the period	–	–	–	–	663	–	663
Other comprehensive income for the period	–	–	70	0	–312	–	–242
<b>Total comprehensive income for the period</b>	–	–	<b>70</b>	<b>0</b>	<b>351</b>	–	<b>421</b>
Repayment of unconditional capital injection <sup>2)</sup>	–	–667	–	–	–19	–	–686
<b>Shareholders' equity, closing balance Dec. 31, 2021</b>	<b>2,000</b>	<b>9,954</b>	<b>–1,597</b>	<b>0</b>	<b>–1,226</b>	<b>2</b>	<b>9,133</b>

January–September 2022	Equity attributable to the Parent Company's shareholders						
	Share capital <sup>1)</sup>	Other contributed equity	Translation reserve	Hedging reserve	Retained earnings	Non-controlling interests	Total equity
SEKm							
Equity, opening balance, Jan. 1, 2022	2,000	9,954	–1,597	0	–1,226	2	9,133
<b>Comprehensive income for the period</b>							
Net income for the period	–	–	–	–	144	1	145
Other comprehensive income for the period	–	–	271	0	5,679	–	5,950
<b>Total comprehensive income for the period</b>	–	–	<b>271</b>	<b>0</b>	<b>5,823</b>	<b>1</b>	<b>6,095</b>
Dividend	–	–	–	–	–	–2	–2
<b>Shareholders' equity, closing balance Sept. 30, 2022</b>	<b>2,000</b>	<b>9,954</b>	<b>–1,326</b>	<b>0</b>	<b>4,597</b>	<b>1</b>	<b>15,226</b>

<sup>1)</sup> Number of shares is 2,000,000,001, comprising 1,524,905,971 ordinary shares and 475,094,030 series B shares.

<sup>2)</sup> Repayment of unconditional capital injection of SEK 667 million plus interest of SEK 19 million.

# Parent Company

## Income statement

SEKm	Note	July–September		January–September	
		2022	2021	2022	2021
	1				
Other operating income		4	3	21	10
<b>Operating revenue</b>		<b>4</b>	<b>3</b>	<b>21</b>	<b>10</b>
Personnel expenses		-5	-6	-20	-16
Other expenses		-4	0	-8	-12
<b>Operating expenses</b>		<b>-9</b>	<b>-6</b>	<b>-28</b>	<b>-28</b>
<b>OPERATING INCOME</b>		<b>-5</b>	<b>-3</b>	<b>-7</b>	<b>-18</b>
Interest income and similar items		33	21	70	60
Interest expenses and similar items		-13	-13	-35	-38
<b>Financial items</b>		<b>20</b>	<b>8</b>	<b>35</b>	<b>22</b>
<b>Income after financial items</b>		<b>15</b>	<b>5</b>	<b>28</b>	<b>4</b>
Appropriations		-	-	-	-
<b>Income before tax</b>		<b>15</b>	<b>5</b>	<b>28</b>	<b>4</b>
Tax		-4	-	-5	0
<b>NET INCOME</b>		<b>11</b>	<b>5</b>	<b>23</b>	<b>4</b>

## Statement of comprehensive income

SEKm	July–September		January–September	
	2022	2021	2022	2021
Net income for the period	11	5	23	4
Other comprehensive income for the period	-	-	-	-
<b>COMPREHENSIVE INCOME</b>	<b>11</b>	<b>5</b>	<b>23</b>	<b>4</b>

## Condensed balance sheet

SEKm	Note	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
		1		
<b>ASSETS</b>				
Participations in Group companies		10,861	10,861	10,861
Interest-bearing receivables		40	39	36
Interest-bearing receivables from Group companies		5,000	5,000	7,000
<b>Total non-current assets</b>		<b>15,901</b>	<b>15,899</b>	<b>17,897</b>
Interest-bearing receivables from Group companies		1,199	2,074	762
Other receivables from Group companies		1,000	700	22
Other current receivables		17	22	35
<b>Total current assets</b>		<b>2,216</b>	<b>2,796</b>	<b>819</b>
<b>TOTAL ASSETS</b>		<b>18,117</b>	<b>18,695</b>	<b>18,716</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>		<b>15,647</b>	<b>15,623</b>	<b>15,756</b>
Interest-bearing liabilities		1,638	2,436	2,434
Other non-current liabilities		10	10	9
<b>Total non-current liabilities</b>		<b>1,648</b>	<b>2,446</b>	<b>2,443</b>
Interest-bearing liabilities		800	500	500
Other current liabilities		22	126	17
<b>Total current liabilities</b>		<b>822</b>	<b>626</b>	<b>517</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,117</b>	<b>18,695</b>	<b>18,716</b>



# Notes to the financial statements

## Note 1 Accounting principles

The consolidated accounts have been prepared in accordance with the EU-approved International Financial Reporting Standards (IFRS), as presented in the Group's Annual and Sustainability Report 2021. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and supplementary rules in the Swedish Annual Accounts Act. The provisions of Chapter 9 of the Swedish Annual Accounts are applied in the Parent Company. Other disclosures in accordance with IAS 34.16A are presented in both the financial statements and other parts of the interim report.

### *New and revised accounting principles*

The new or revised IFRS that entered into force in 2022 have not had any impact on the consolidated financial statements. A number of new or revised IFRS that will come into effect in the financial years ahead have not been adopted early in the preparation of these financial statements. They are not expected to have a material impact on the Group's or the Parent Company's forthcoming financial reports.

### *Significant assessments and estimates*

When preparing the financial statements, management has made assessments and estimates that affect the Group's reporting. These assessments and estimates are based on what was known at the time the accounts were presented, and on historic experience and the assumptions that management considers reasonable in the given circumstances. The most significant assessments have not changed since the last annual report.

## Note 2 Risks

The Parent Company and the Group are exposed to strategic, operational and financial risks. PostNord works continuously to identify, evaluate, manage and monitor risks in the world around us and within the business. Risk management is an integral part of the Group's strategy work and business planning. Agreed risk control activities are followed up continuously and reported back to the Group Leadership Team and Board of Directors. For further information on significant risks, please refer to pages 31–34 of the Annual and Sustainability Report 2021.

The general situation in Europe, with the ongoing war in Ukraine, is uncertain. The energy crisis and high inflation present challenges. The central banks are raising interest rates to bring inflation under control, which is affecting consumers' purchasing power and confidence in the economy. The Group is continuously monitoring the world situation in order to identify direct risks and macro factors that could adversely affect PostNord.

## Note 3 Operating segments

The Group's division into segments is primarily based on the companies' geographical domicile, plus the segments PostNord Strålfors and Other business activities, which are controlled and coordinated according to the nature of their operations. Market pricing is applied to legal transactions between PostNord's segments.

The operating segments reflect the Group's operational structure.

**PostNord Sweden** operates in mail, logistics and e-commerce in the Swedish market.

**PostNord Denmark** operates in mail, logistics and e-commerce in the Danish market.

**PostNord Norway** and **PostNord Finland** operate in logistics and e-commerce in the Norwegian and Finnish markets, respectively.

**PostNord Strålfors** operates in the area of information logistics. The company develops and offers communication solutions for companies with a large customer base. PostNord Strålfors operates in Sweden, Denmark, Norway and Finland.

**Other Business activities** includes Direct Link, PostNord's e-commerce and logistics business in Germany and other business activities. Direct Link operates in global distribution of marketing communications and lightweight goods, mainly for e-retailers. The business is conducted in the USA, the UK, Germany, Poland, Singapore, Hong Kong, China and Australia. Operations in Australia are being wound down.

**The Other and eliminations** segment consists of shared services and corporate functions including the Parent Company and Group adjustments. Group adjustments consist of IFRS measurement for pensions under IAS 19 Employee Benefits and IAS 16 Leases. An operational allocation of the cost of earning defined-benefit pensions is made between Other and eliminations and PostNord Sweden so that each segment carries its share of the earned entitlement. Eliminations consists of the elimination of internal transactions.

*Cont. on next page*

Note 3 (cont.)

## Net sales per segment

SEKm	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
PostNord Sweden	5,627	5,965	5,830	6,649	5,743
– of which, internal	441	426	490	622	745
PostNord Denmark	1,891	2,025	1,966	2,212	1,832
– of which, internal	257	291	258	353	275
PostNord Norway	1,261	1,306	1,296	1,365	1,145
– of which, internal	207	246	228	295	226
PostNord Finland	380	391	347	374	358
– of which, internal	115	120	100	117	109
PostNord Strålfors	484	509	530	550	471
– of which, internal	51	59	65	73	51
Other business activities	892	990	951	1,161	1,204
– of which, internal	3	3	3	3	3
Other and eliminations	-1,079	-1,150	-1,148	-1,468	-1,413
<b>The Group</b>	<b>9,456</b>	<b>10,037</b>	<b>9,772</b>	<b>10,843</b>	<b>9,340</b>

## Operating income per segment

SEKm, unless otherwise indicated	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
PostNord Sweden	232	318	187	638	274
– Operating margin, %	4.1	5.3	3.2	9.6	4.8
PostNord Denmark	-70	-57	-85	47	28
– Operating margin, %	-3.7	-2.8	-4.3	2.1	1.5
PostNord Norway	-53	-9	11	55	-48
– Operating margin, %	-4.2	-0.7	0.9	4.0	-4.2
PostNord Finland	-5	1	-22	-9	1
– Operating margin, %	-1.2	0.3	-6.4	-2.4	0.3
PostNord Strålfors	21	27	36	39	33
– Operating margin, %	4.4	5.4	6.8	7.1	7.0
Other business activities	-2	-5	55	94	42
– Operating margin, %	-0.2	-0.5	5.8	8.1	3.5
Other and eliminations	-59	-60	-84	-101	-7
<b>Operating income</b>	<b>65</b>	<b>214</b>	<b>98</b>	<b>762</b>	<b>323</b>
– Operating margin, %	0.7	2.1	1.0	7.0	3.5

## Adjusted operating income per segment

SEKm, unless otherwise indicated	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
PostNord Sweden	275	318	187	538	274
– Adjusted operating margin, %	4.9	5.3	3.2	8.1	4.8
PostNord Denmark	-70	-57	-85	39	-11
– Adjusted operating margin, %	-3.7	-2.8	-4.3	1.8	-0.1
PostNord Norway	-53	-9	11	55	-48
– Adjusted operating margin, %	-4.2	-0.7	0.9	4.0	-4.2
PostNord Finland	-5	1	-22	-9	1
– Adjusted operating margin, %	-1.2	0.3	-6.4	-2.4	0.3
PostNord Strålfors	21	27	36	39	33
– Adjusted operating margin, %	4.4	5.4	6.8	7.1	7.0
Other business activities	-2	-5	55	94	42
– Adjusted operating margin, %	-0.2	-0.5	5.8	8.1	3.5
Other and eliminations	-59	-60	-84	-101	-7
<b>Adjusted operating income</b>	<b>108</b>	<b>214</b>	<b>98</b>	<b>653</b>	<b>284</b>
– Adjusted operating margin, %	1.1	2.1	1.0	6.0	3.0

## Net sales per operating segment and service category

SEKm	Service category			
	Communication Services July–September		eCommerce & Logistics July–September	
	2022	2021	2022	2021
PostNord Sweden	2,018	2,086	3,167	2,912
PostNord Denmark	554	561	1,081	997
PostNord Norway	19	20	1,035	899
PostNord Finland	–	–	265	248
PostNord Strålfors	433	420	–	–
Other business activities	47	53	842	1,148
Other	–	–	-4	-4
<b>Total</b>	<b>3,071</b>	<b>3,140</b>	<b>6,386</b>	<b>6,200</b>

The above table shows PostNord's external net sales per service category and operating segment.

PostNord's revenue is mostly recognized at one point in time. The main items in revenue recognition over time are third-party logistics, subscription services and mail services. The relative shares of income recognized at one point in time were 97 percent (95) and over time 3 percent (5). Services in e-Commerce & Logistics consist of logistics services for deliveries to, from and within the Nordic region. The focus is on distribution of parcels, groupage, pallet goods and bulk logistics (part loads), as well as third-party logistics. The services in Communication Services consist of services in business and market communications, newspaper distribution and a postal service for individual customers. For a more detailed description of PostNord's services, see the Annual Report.

## Note 4 Acquisitions and divestments

Effect of acquisitions and divestments on assets and liabilities, SEKm	January–September 2022		January–September 2021	
	Acquisitions	Divestments	Acquisitions	Divestments
Non-current intangible assets	–	–	46	–
Property, plant and equipment	243	–	152	–
Current assets	1	–	15	–
<b>Total assets</b>	<b>244</b>	<b>–</b>	<b>213</b>	<b>–</b>
Other current liabilities	–129	–	–81	–
<b>Total liabilities</b>	<b>–129</b>	<b>–</b>	<b>–81</b>	<b>–</b>
<b>Net asset</b>	<b>116</b>	<b>–</b>	<b>132</b>	<b>–</b>
Purchase consideration paid/received	–227	–	–129	–
Cash and cash equivalents acquired/disposed	1	–	–	–
<b>Net effect on cash and cash equivalents</b>	<b>–226</b>	<b>–</b>	<b>–129</b>	<b>–</b>

### Acquisitions and divestments of subsidiaries

No material acquisitions or disposals took place during the second and third quarters of 2022. In quarter 1 2022, 100 percent of the shares in PostNord Terminal Bergen AS were acquired. The acquisition consisted of a logistics terminal outside Bergen, Norway.

## Note 5 Other provisions

January–September 2022, SEKm	Opening balance	Provisions	Reversals	Utilization	Other <sup>1</sup>	Closing balance
Transformation measures	729	82	–1	–519	31	322
Non-vested pension commitments	732	15	–	–	–217	530
Other	56	0	–	–1	–4	51
<b>Total</b>	<b>1,517</b>	<b>97</b>	<b>–1</b>	<b>–520</b>	<b>–190</b>	<b>903</b>
<i>of which current</i>	562					206
<i>of which non-current</i>	955					696

January–September 2021, SEKm	Opening balance	Provisions	Reversals	Utilization	Other <sup>1</sup>	Closing balance
Transformation measures	1,411	11	–19	–497	26	932
Non-vested pension commitments	946	16	–	–	–57	905
Other	65	–	–	–1	0	64
<b>Total</b>	<b>2,422</b>	<b>27</b>	<b>–19</b>	<b>–498</b>	<b>–31</b>	<b>1,901</b>
<i>of which current</i>	737					754
<i>of which non-current</i>	1,685					1,147

<sup>1)</sup> Miscellaneous includes translation effect of currency fluctuations, revaluation effect in pensions, discounting effect in provisions and reclassifications.

## Note 6 Financial instruments

Carrying amount and fair value of financial assets and liabilities, SEKm	September 30, 2022						
	Financial assets measured on an accruals basis via income	Financial assets measured at amortized cost	Financial liabilities measured at fair value via income	Derivatives used for hedging purposes	Financial liabilities measured at amortized cost	Carrying amount	Fair value
<b>Assets</b>	<b>387</b>	<b>10,168</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>10,555</b>	<b>10,555</b>
<i>of which, derivatives</i>	121	–	–	–	–	121	121
<b>Liabilities</b>	<b>–</b>	<b>–</b>	<b>–58</b>	<b>–</b>	<b>–7,868</b>	<b>–7,926</b>	<b>–7,909</b>
<i>of which, loan liabilities</i>	–	–	–	–	–2,582	–2,582	–2,565
<i>of which, derivatives</i>	–	–	–58	–	–	–58	–58
<b>Total financial assets and liabilities, by category</b>	<b>387</b>	<b>10,168</b>	<b>–58</b>	<b>–</b>	<b>–7,868</b>	<b>2,629</b>	<b>2,646</b>

Carrying amount and fair value of financial assets and liabilities, SEKm	September 30, 2021						
	Financial assets measured on an accruals basis via income	Financial assets measured at amortized cost	Financial liabilities measured at fair value via income	Derivatives used for hedging purposes	Financial liabilities measured at amortized cost	Carrying amount	Fair value
<b>Assets</b>	<b>291</b>	<b>12,535</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>12,826</b>	<b>12,826</b>
<i>of which, derivatives</i>	17	–	–	–	–	17	17
<b>Liabilities</b>	<b>–</b>	<b>–</b>	<b>–13</b>	<b>0</b>	<b>–9,567</b>	<b>–9,580</b>	<b>–9,615</b>
<i>of which, loan liabilities</i>	–	–	–	–	–3,075	–3,075	–3,110
<i>of which, derivatives</i>	–	–	–13	0	–	–13	–13
<b>Total financial assets and liabilities, by category</b>	<b>291</b>	<b>12,535</b>	<b>–13</b>	<b>0</b>	<b>–9,567</b>	<b>–3,246</b>	<b>–3 211</b>

The Group's financial instruments (assets) are mainly measured at amortized cost and consist above all of accounts receivable, cash and cash equivalents and terminal fees. The Group's assets in currency derivatives are measured at fair value via income.

The Group's financial instruments (liabilities) largely consist of long- and short-term loan liabilities, trade payables and terminal fees, which are recognized at amortized cost. Liabilities for currency derivatives are recognized at fair value via income. The Group's interest rate derivatives are recognized at fair value via comprehensive income.

## Note 7 Related parties

Compensation for the universal service obligation from the Danish State to Post Danmark A/S is recognized as income in the amount of SEK 46 million (63) for the quarter and SEK 138 million (189) on an accumulated basis. The amount has been recognized in accordance with IAS 20, Accounting for Government Grants and Disclosure of Government Assistance.

The December 2020 agreement with the Danish State for the January–August 2021 period and the August 2021 agreement for the September 2021–December 2022 period are subject to approval by the European Commission. In August 2022, the EU Commission approved the compensation for 2020. The claim on the Danish State for compensation for the universal service obligation in the period July 2020 to September 2022 amounted to SEK 578 million (343) on September 30, 2022.

## Note 8 Definitions and alternative key performance indicators

The Group's financial information has been prepared in accordance with IFRS. References are made to a number of alternative financial key performance indicators that are not defined in IFRS. These key performance indicators provide additional information and are used as guidance for the Group Leadership Team, Board of Directors and external stakeholders in their analysis of the Company's operations. Because not all companies calculate financial measures in the same way, these indicators are not always comparable with indicators used by other companies.

The alternative key performance indicators used by PostNord are important in underpinning focus areas and linking from business model and strategy.

### Definitions:

#### Operating margin

Operating income in relation to net sales.

#### Items affecting comparability

Items that are not recurring, or that do not relate directly to operating activities. The items must be of a material nature. For example, capital gains/losses on the sales of assets and impairment of assets.

Ongoing restructuring costs are not regarded as items affecting comparability.

#### Adjusted operating income

Operating income excluding items affecting comparability.

#### Adjusted operating margin

Adjusted operating income in relation to net sales.

#### Net debt

Interest-bearing liabilities, provision for pensions, lease liabilities less cash and cash equivalents, financial investments, financial receivables, as described in IAS 19, that are recognized as other non-current receivables and short-term investments.

SEKm	Sept. 30, 2022	June 30, 2022	Mar. 31, 2022	Dec. 31, 2021	Sept. 30, 2021
Non-current interest-bearing liabilities	1,953	2,749	2,750	2,752	2,748
Non-current lease liabilities	4,985	4,875	4,570	4,499	4,613
Pensions <sup>1)</sup>	–	–	–	1,386	811
Current interest-bearing liabilities	813	13	14	513	513
Current lease liabilities	1,396	1,367	1,359	1,371	1,352
Non-current interest-bearing receivables	–193	–191	–195	–196	–190
Non-current interest-bearing receivables, leases	–73	–75	–78	–81	–84
Other non-current receivables <sup>2)</sup>	–5,866	–4,038	–442	–105	–104
Current interest-bearing receivables	–	0	0	0	–2
Current interest-bearing receivables, leases	–11	–11	–11	–11	–11
Cash and cash equivalents	–3,809	–4,704	–4,979	–6,242	–6,238
<b>Net debt</b>	<b>–806</b>	<b>–15</b>	<b>2,987</b>	<b>3,885</b>	<b>3,408</b>

<sup>1)</sup> Including assets under management. When the plan assets exceed the estimated present value of the pension commitments, they are recognized as Non-current receivables.

<sup>2)</sup> The amount is the portion of non-current receivables that is attributable to funded defined-benefit disability pension plans and defined-benefit pension plans measured in accordance with IAS 19.

### Net debt ratio

Net liability in relation to equity.

### Net debt excluding leases in accordance with IFRS 16

Interest-bearing liabilities, provision for pensions less cash and cash equivalents, financial investments, financial receivables as described in IAS 19 that are recognized as other non-current receivables and short-term investments.

### Equity excluding leases in accordance with IFRS 16

Equity excluding effect of leasing in accordance with IFRS 16.

Cont. on next page

Note 8 (cont.)

## Reconciliation with financial statements

SEKm	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Equity as per Statement of financial position	15,226	9,133	9,399
Accumulated effect of leases in accordance with IFRS 16	315	326	329
<b>Equity excluding leases in accordance with IFRS 16</b>	<b>15,541</b>	<b>9,459</b>	<b>9,728</b>

### Net debt ratio excluding leases in accordance with IFRS 16

Net debt excluding leases in accordance with IFRS 16 in relation to equity excluding leases in accordance with IFRS 16.

### Financial preparedness

Cash and cash equivalents, short-term investments and unutilized committed credit line.

### Operating income over the 12 months to the end of the period

Total operating income for four quarters.

### Operating capital

Non-interest-bearing assets, less non-interest-bearing liabilities.

SEKm	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
<b>ASSETS</b>			
Goodwill	2,620	2,582	2,558
Other non-current intangible assets	439	475	463
Property, plant and equipment	8,045	7,422	7,119
Right-of-use assets	6,249	5,694	5,790
Participations in associated companies	167	159	149
Other non-current receivables excl. funded disability pensions	241	248	217
Deferred tax assets	14	23	23
Inventories	102	83	89
Tax assets	369	415	418
Trade receivables	4,869	5,331	4,467
Prepaid expenses and accrued income	1,629	1,263	1,229
Other current receivables	123	260	380
Assets held for sale	–	–	13
Other non-current liabilities	–71	–70	–44
Other provisions	–696	–955	–1,147
Deferred tax liabilities	–1,678	–200	–277
Trade payables	–3,194	–3,381	–2,765
Tax liabilities	–193	–202	–246
Other current liabilities	–1,233	–1,227	–1,375
Accrued expenses and deferred income	–3,174	–4,340	–3,500
Other provisions	–206	–562	–754
<b>Total capital employed</b>	<b>14,420</b>	<b>13,018</b>	<b>12,807</b>

### Return on capital employed (ROCE)

Operating income for a rolling 12-month period, in relation to average operating capital.

### Core staff

Refers to all full- and part-time regular employees.

### Average number of employees (FTE)

The total number of paid employee hours divided by the standard number of hours for a full-time employee during the cumulative period from the beginning of the year. The quarterly figure is calculated by weighting aggregated values such that the most recent quarter is the one most heavily weighted.

## Quarterly data

SEKm, if not otherwise stated	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
<b>The Group</b>									
Net sales	9,456	10,037	9,772	10,843	9,340	10,323	10,187	10,978	8,919
Other operating income	221	194	285	294	214	85	360	243	455
Operating expenses	-9,613	-10,016	-9,960	-10,374	-9,231	-9,891	-9,669	-10,378	-8,625
of which, personnel expenses	-3,595	-3,970	-4,059	-4,132	-3,535	-4,049	-4,086	-4,181	-3,594
of which, transport expenses	-3,092	-3,115	-2,952	-2,960	-2,683	-2,757	-2,683	-2,725	-2,458
of which, other expenses	-2,259	-2,268	-2,286	-2,615	-2,366	-2,442	-2,260	-2,772	-1,921
of which, depreciation and impairments	-667	-661	-664	-666	-647	-643	-640	-700	-653
Operating income (EBIT)	65	214	98	762	323	518	878	843	747
Operating margin (EBIT) (%)	0.7	2.1	1.0	7.0	3.4	5.0	8.6	7.7	8.4
Adjusted operating income (Adjusted EBIT)	108	214	98	653	284	518	805	833	520
Cash flow from operating activities	-228	536	225	1,524	518	835	1,134	877	1,342
Net debt	-806	-15	2,987	3,885	3,408	4,140	5,602	8,064	9,479
Return on capital employed (ROCE), %	8.5	10.6	13.0	19.2	19.9	23.0	22.9	18.6	12.2
Operating capital <sup>2</sup>	14,420	13,608	13,568	13,018	12,807	12,794	13,140	12,969	12,809
Average number of employees (FTE)	27,271	26,693	27,015	29,498	28,821	28,258	27,698	28,597	28,655
Staffing numbers (basic) at end of period	25,413	25,690	26,316	26,582	26,596	26,904	26,814	26,501	26,506
<b>Volumes, millions<sup>1)</sup>:</b>									
Sweden, letter	217	239	259	289	246	279	302	326	267
Denmark, letter	41	47	47	53	43	47	52	58	52
Group, parcels (volumes between countries eliminated)	56	61	59	72	58	65	65	73	55

<sup>1)</sup> The data on volumes have been modified using a calculation method that better reflects the revenue recognized and the transfer of "Varubrev" from letters to parcels. Figures for comparison have been restated.

<sup>2)</sup> In the interim reports for Q1 and Q2 2022, the figure for operating capital in Q2 2020 was incorrectly stated. The correct figure should be 13,188.

#### **Financial calendar**

Year-end report 2022	February 1, 2023
Annual Report	March 2023
Annual General Meeting	April 25, 2023
Interim report January–March 2023	April 25, 2023
Interim report January–June 2023	July 20, 2023
Interim report January–September 2023	October 27, 2023

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