

**postnord**

PostNord Interim Report

**Q3/2023**



# Adjustments to operations continuing

Income decreased due to lower volumes and high costs. PostNord is continuing to adjust its operations in order to boost its long-term competitiveness.

## Third quarter 2023<sup>1)</sup>

- Net sales totaled SEK 9,149 million (9,456), a decrease of –6 percent (–2) in fixed currency for like-for-like units
- Parcel volumes decreased by in all –2 percent (–4)
- Mail volumes decreased by –16 percent (–11)
- Operating income (EBIT) totaled SEK –6 million (65)
- Adjusted operating income (adjusted EBIT) was SEK –6 million (108)

<sup>1)</sup> The report comments on developments in July–September 2023 relative to the same period in 2022, unless otherwise indicated.



PostNord Sweden's e-commerce logistics have been awarded the Nordic Swan Ecolabel. The requirements for the Nordic Swan Ecolabel line up with PostNord's existing sustainability commitments and the ambition to drive the transport industry's climate transition. PostNord Sweden becomes the first licensee for Nordic Swan Eco-labelled e-commerce logistics in 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>
	2023	2022		2023	2022	
Net sales	9,149	9,456	–6%	28,860	29,265	–4%
Operating income (EBIT)	–6	65		–688	377	
Adjusted operating income (adjusted EBIT)	–6	108		171	420	
Income before tax	–43	49		–729	292	
Net income for the period	–38	19		–753	145	
Earnings per share (SEK)	–0.02	0.01		–0.38	0.07	
Cash flow from operating activities	504	–228		1,300	536	
Net debt ratio, % <sup>4)</sup>	–40	–46		–40	–46	
Return on capital employed (ROCE), %	–4.8	8.5		–4.8	8.5	

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

<sup>3)</sup> The term "like-for-like change" refers to the change in fixed currency (previous year's outcome translated at the exchange rates in the period) for like-for-like units, i.e. adjusted to take account of acquisitions/disposals.

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

# Comments by the President and Group CEO

## Third quarter

The Group's sales totaled SEK 9,149 million (9,456), a decrease of –6 percent in fixed currency for like-for-like units. Operating income totaled SEK –6 million (65). Parcel volumes decreased by –2 percent (–4), while mail volumes decreased by –16 percent (–11).

The Group's income decreased mainly through weak development in operations in Sweden, where production costs, primarily in the parcel and logistics business, have been high relative to the reduced volumes. The sharp decline in mail volumes should be viewed against the background of Sweden's parliamentary elections in the third quarter of 2022. The parcel market is characterized by pressure on prices and a continued decline in volumes. Income in Sweden was also negatively impacted by continued high inflation, together with actions to improve quality in the mail business. The latter has yielded results and mail quality in the month of September was measured at 95.6 (93.8) percent.

At the same time, in view of the challenging macroeconomic situation, we are pleased to report that in the quarter several of our major segments show improvements in income.

## Further actions being taken

The world remains challenging, with high inflation affecting our costs and those of our customers, along with high interest costs that are burdening consumers. We are maintaining a high pace in our improvement programs, as well as our focus on developing flexibility in our business model to enable us to adapt capacity more rapidly in response to changes in volume. We are continuing to apply price increases to compensate for rising costs. As we anticipate a macroeconomic environment that will remain challenging going forward, we are now looking at further measures to adapt our network in Sweden, along with further adjustments to our overall costs.

## Industry-leading climate action

It is natural for us to take the lead in the climate transition in the logistics and transport sector. We have high climate ambitions,

and have set a goal to be fossil-free by 2030. In September, our Swedish e-commerce logistics business was the first organization in the Nordics to be awarded the Nordic Swan Ecolabel. The award, which recognizes our solid work on sustainability, also enables consumers to feel secure in the knowledge that they are making a sustainable delivery choice. In addition, PostNord Sweden has signed an industry-wide agreement on fossil-free deliveries that makes it easier for e-commerce consumers to choose a delivery option with less environmental impact. Under the agreement, a delivery can be termed fossil-free when it is transported by vehicles driven by fossil-free fuels all the way from warehouse to end customer.

## Continued investments aimed at providing an attractive Nordic parcel offering

On the parcel side, we are continuing to invest in our Nordic offering. In Finland, we have completed the important process of establishing our own network of parcel lockers and distribution points. The network is now one of the most comprehensive in Finland.

Having a strong, comprehensive offering that caters to consumers' preferences is absolutely vital. We are continuing to expand and optimize our network of parcel lockers and distribution points. At the end of the quarter, we had 16,000 distribution points – parcel lockers and service points – operating in the Nordics.

## Major changes to the universal postal service in Denmark

Before the summer, the Danish government and five opposition parties announced that they were tabling a parliamentary bill to abolish the universal service obligation, effective January 1, 2024. The bill includes a special procurement scheme covering mail to small islands, mail for the visually impaired and international mail. The Danish government intends to enter into a transitional agreement with PostNord Denmark until the three procurements are completed. PostNord Denmark has for a long time been a provider of the universal service obligation and has in recent years received



Annemarie Gardshol, President and Group CEO

compensation from the Danish State for this. The timetable for the liberalization of the Danish postal market is tight. There is a dialogue between PostNord and the Danish state regarding transitional regulations.

In Sweden, the Commission of Inquiry into Financing of the Postal Service has stated that the universal service obligation comes at a net cost. On that basis, to ensure an accessible and efficient postal service going forward, compensation for performing the mandate should be paid.

In conclusion, I would like to thank all our employees for their excellent work in these challenging times. I would also like to thank our customers, consumers and partners for your continued trust.

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

# Net sales and income

## Net sales

Net sales totaled SEK 9,149 million (9,456) in the third quarter, a decrease of –6 percent (2) in fixed currency for like-for-like units. The change was in the main driven by structurally reduced mail volumes and lower volume on the Business-to-Business side due to weakness in the economy. The negative trend of volume in mail and parcels was partly offset by price increases to compensate for cost inflation.

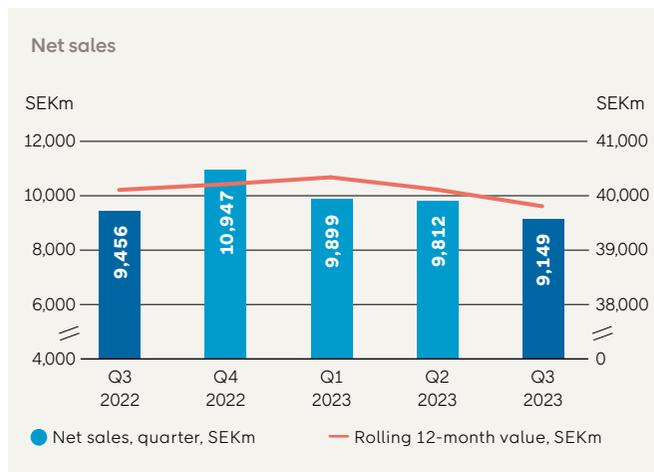
Mail volumes decreased by in all –16 (–11) percent driven by the ongoing digitalization, but also through comparison with a quarter that was boosted by elections in Sweden.

A total of 56 million (57) parcels were handled. A decrease of –2 (–4) percent. Business-to-Consumer volumes increased by 1 percent (–5), while Business-to-Business volumes decreased by –11 percent (0).

Other operating income totaled SEK 143 million (221), consisting mainly of State compensation of SEK 59 million (46) for the universal service obligation in Denmark, exchange rate gains of SEK 49 million (126) and payment of electricity subsidies of SEK 20 million (–) to businesses in Sweden.

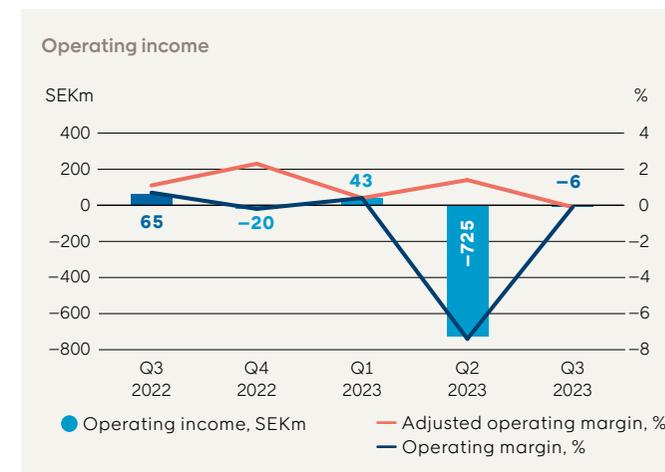
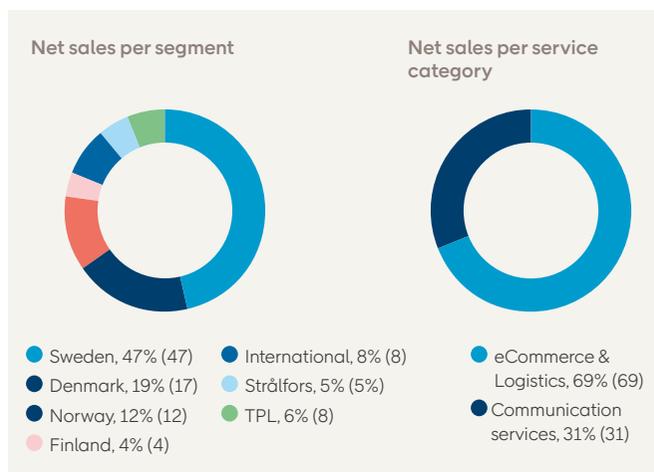
## Income

Operating income totaled SEK –6 million (65) in the third quarter, an operating margin of –0.1 percent (0.7). Items affecting comparability totaled SEK – million (–43) and adjusted operating income SEK –6 million (108).



Income deteriorated due to sharply reduced mail volumes, weakness in the economy, strong pressure on prices on the Business-to-Consumer side and continued high inflation. These negative factors hit the business in Sweden particularly hard during the quarter.

Net financial items totaled SEK –37 million (–16). The decline compared to the third quarter of 2022 is mainly due to exchange rate fluctuations. Both financial income and financial expense increased as a result of higher interest rates. Tax for the period totaled SEK 5 million (–29) and income for the period SEK –38 million (19). Return on capital employed (ROCE) decreased to –4.8 percent (8.5), above all as a result of lower income in the past 12 months.



# Cash flow and financial position

## Cash flow

Cash flow from operating activities totaled SEK 504 million (–228) in the third quarter. The increase over the same period last year arises mainly from changes in working capital. Cash flow from investing activities totaled SEK –277 million (–302). Investments in property, plant and equipment and in non-current intangible assets during the period totaled SEK 274 million (305). The investments consist mainly of vehicles and capitalized IT development costs as well as investments in third-party logistics. The decrease from the same period last year is mainly due to lower investments in machinery in Finland and Sweden.

Cash flow from financing activities totaled SEK –1,222 million (–373). Amortization of loan liabilities totaled SEK –810 million (–4) and amortization of lease liabilities SEK –412 million (–369).

## Net debt

The Group's net debt, including pensions and lease liabilities, decreased by SEK 380 million in the third quarter, mainly due to an

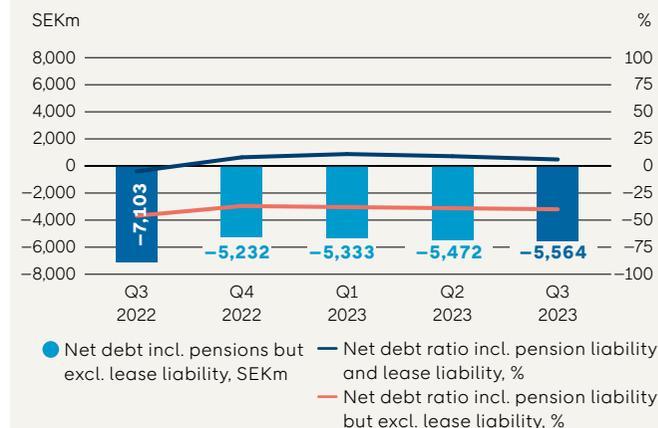
increased pension asset. The Group's pension asset increased by SEK 286 million in the quarter, from SEK 4,679 million to SEK 4,965 million. The increase in the asset was for the most part due to a higher discount rate.

The net debt ratio including pensions and lease liabilities was 6 percent (–5). The Group's net debt ratio including pensions but excluding lease liabilities was –40 percent (–46). Financial preparedness at the end of the period totaled SEK 5,564 million (5,809), including cash and cash equivalents of SEK 3,564 million (3,809) and unutilized credit facilities of SEK 2,000 million (2,000).

## Equity

The Group's equity increased to SEK 13,683 million from SEK 13,607 million on June 30, 2023. The change in the quarter was made up of the net income of SEK –38 million for the period, revaluation of SEK 204 million in the pension commitment net after tax and translation differences of SEK –90 million.

## Net debt/net debt ratio



## Cash flow from operating activities



## Net debt

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

	Sept. 30, 2023	June 30, 2023	Mar. 31, 2023	Dec. 31, 2022	Sept. 30, 2022
Interest-bearing liabilities	9,638	10,738	10,873	9,216	9,146
Pensions and disability pension plans	-4,965	-4,679	-4,144	-3,918	-5,866
Long- and short-term investments	-263	-270	-271	-276	-277
Cash and cash equivalents	-3,564	-4,561	-4,959	-3,886	-3,809
<b>Net debt incl. pensions and lease liabilities</b>	<b>847</b>	<b>1,227</b>	<b>1,500</b>	<b>1,137</b>	<b>-806</b>
Net debt ratio incl. pensions and lease liabilities	6%	9%	11%	8%	-5%
<b>Net debt incl. pensions but excl. lease liabilities</b>	<b>-5,564</b>	<b>-5,472</b>	<b>-5,333</b>	<b>-5,232</b>	<b>-7,103</b>
Net debt ratio incl. pensions but excl. lease liabilities	-40%	-39%	-38%	-37%	-46%

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

# Group

## – January–September period

The Group's net sales totaled SEK 28,860 million (29,265) during the year, a decrease of –4 percent (–4) percent in fixed currency for like-for-like units. During the period, mail volumes decreased by –14 percent (–12) and parcel volumes by –2 percent (–7).

Operating income totaled SEK –688 million (377). The decline in earnings was mainly due to impairment of SEK –903 million (–) of goodwill in Norway and to the decreased mail and parcel volumes. Adjusted operating income was SEK 171 million (420).

Cash flow from operating activities totaled SEK 1,300 million (536). The increase relative to the same period last year was mainly due to changes in working capital.

# Parent Company

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 33 million (11). The increase in income arose mainly through interest income from bank deposits and short-term investments.

# Sustainability information

As a major actor in logistics, PostNord takes responsibility for helping to progress sustainable development in the industry. Our sustainability agenda is intended to help drive positive change for people around us and to radically reduce the climate footprint of road transportation in the Nordic region. One ambition is to lead the mail and logistics industry 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.

## Climate impact

Carbon dioxide emissions for the quarter decreased by 16 percent, compared to the third quarter in 2022, to 71,557 tons. PostNord's total energy consumption in the quarter (for both transportation and use of premises) totaled 496,138 MWh. Renewable energy accounted for 48 percent of total energy consumption during the quarter. PostNord's climate transition requires the Company's investments to be steered in a green direction.

[Read more about our ambitious sustainability work at postnord.com](#)

## Employees

The average number of employees (FTEs) totaled 24,970 (27,271). Sickness absence averaged 6.5 percent (7.1) on a trailing 12-month basis, where the impact of each individual month is limited. During the quarter, the proportion of women at management levels 1–3 was 35 percent (36). At levels 4–6, the figure was 30 percent (32).

## Sustainable supply chain

The Responsible Procurement Index (RPI) illustrates how purchasing processes 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 CPIs address supplier loyalty and procurement in accordance with our purchasing policy. The last-mentioned CPI addresses the extent to which purchasing volumes from significant suppliers are procured from those who accept and comply with the PostNord Supplier Code of Conduct. The RPI result for the quarter was 94 (91). The target for 2023 is to achieve an index result of 95.

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
<b>Climate<sup>1)</sup></b>					
Energy consumption, MWh	496,138	450,815	510,777	559,277	514,475
Proportion of renewable energy, %	48	47	47	45	41
CO <sub>2</sub> emissions, tonnes	71,557	66,809	75,888	86,434	85,273
<b>Employees</b>					
Average number of employees (FTEs)	24,970	24,587	24,279	26,322	27,271
Sickness absence, % <sup>2)</sup>	6.5	6.0	7.2	7.8	7.1
Women managers, levels 1–3, %	35	35	37	35	36
Women managers, levels 4–6, %	30	31	32	32	32
<b>Sustainable supply chain</b>					
Responsible Procurement Index	94	92	90	91	91

<sup>1)</sup> Our emission figures have been adjusted at incorporation into the Group's Annual and Sustainability Report. Figures for comparison have been restated. For more information, see PostNord's Annual and Sustainability Report.

<sup>2)</sup> Rolling 12-month period.

# PostNord Sweden

Net sales totaled SEK 4,851 million (4,948), a change of –2 percent (–3) for like-for-like units. Sales were adversely affected by the weak economy, especially in Business-to-Business, where volumes decreased. At the same time, Business-to-Consumer parcel volumes increased by 1 percent (–2).

Mail volumes decreased by –16 percent (–12) in the quarter. The preceding year benefited from volumes in connection with Sweden's parliamentary elections. Discounting the effects of the election, the decline is in line with the structural digitalization. Also, sales decreased as a result of the discontinuation of the Unaddressed Direct Mail service.

Operating income totaled SEK 42 million (201). Income decreased due to a continued, inflation-driven, high level of costs. PostNord Sweden has faced challenges in realigning capacity to the lower volumes that have emerged. In addition, profitability was impacted negatively by tangible pressure on prices in the market.

Initiatives to raise delivery quality for mail have borne fruit, with delivery quality for the quarter being measured at 95.0 (93.5) percent and a continuingly positive trend. Parcel quality has also improved, to 95.8 percent (94.5) for the quarter.

Net sales and adjusted operating margin



Net sales



● e-Commerce & Logistics, 58% (57)  
● Communication services, 42% (43)

Delivery quality, mail

**95.0%**

Period  
July–September 2023  
Legal requirement 95%

SEKm, unless otherwise indicated	July–September		Like-for-like change	January–September		Like-for-like change
	2023	2022		2023	2022	
Net sales	4,851	4,948	–2%	15,446	15,338	1%
– Communication Services (external)	1,799	1,908	–6%	5,910	6,285	–6%
– eCommerce & Logistics (external)	2,476	2,527	–2%	7,702	7,488	3%
– Intra-Group	577	513	12%	1,834	1,565	17%
Operating income (EBIT)	42	201		417	661	
Operating margin, %	0.9	4.1		2.7	4.3	
Items affecting comparability	–	–43		43	–43	
Adjusted operating income (adjusted EBIT)	42	244		374	704	
Adjusted operating margin, %	0.9	4.9		2.4	4.6	

# PostNord Denmark

Net sales totaled SEK 1,937 million (1,845), a decrease of –5 percent (–1) in fixed currency for like-for-like units. Mail volumes decreased by –15 percent (–6) as a result of the structural process of digitalization. At the same time, the third quarter of 2022 was affected by major individual mailings, including recommendations for Covid–19 vaccination programs.

Parcel volumes decreased by –4 percent (–1) as an effect of lower demand from Business-to-Business customers due to the impact of weakening in the economy.

Operating income totaled SEK –48 million (–70). The trend of income is for the most part attributable to personnel reductions in both production and administration. These actions are part of the ongoing improvement programs and the continuous adaptation to the declining mail volumes. Also, compensation for the universal service obligation (USO) performed was higher in the quarter, at SEK 59 million (46).

Delivery quality for the “Brevet” service in the quarter was measured at 96.4 percent (96.1). Delivery quality for parcels in the quarter was 96.0 percent (94.2).

Net sales and adjusted operating margin



Net sales



- e-Commerce & Logistics, 67% (65)
- Communication services, 33% (35)

Delivery quality, “Brevet”

# 96.4%

Period

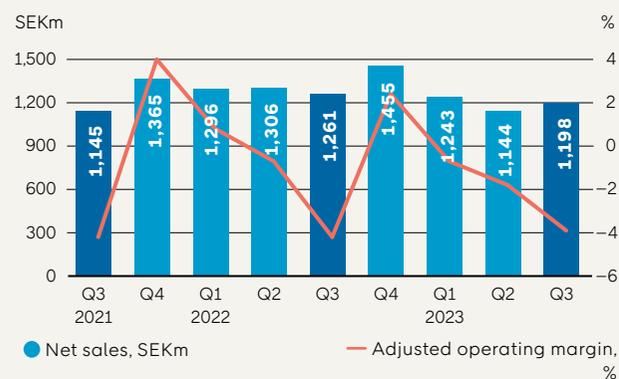
July–September 2023  
Legal requirement 93%

SEKm, unless otherwise indicated	July–September		Like-for-like change	January–September		Like-for-like change
	2023	2022		2023	2022	
Net sales	1,937	1,845	–5%	6,031	5,746	–4%
– Communication Services (external)	549	554	–11%	1,754	1,804	–11%
– eCommerce & Logistics (external)	1,106	1,034	–3%	3,370	3,133	–1%
– Intra-Group	283	258	–1%	907	810	3%
Operating income (EBIT)	–48	–70		–100	–216	
Operating margin, %	–2.5	–3.8		–1.7	–3.8	
Items affecting comparability	–	–		–	–	
Adjusted operating income (adjusted EBIT)	–48	–70		–100	–216	
Adjusted operating margin, %	–2.5	–3.8		–1.7	–3.8	

# PostNord Norway

Net sales totaled SEK 1,198 million (1,261), a decrease of –3 percent (3) in fixed currency for like-for-like units. Subdued demand led to a decrease of –5 percent (–16) in parcel volumes during the quarter. Operating income amounted to SEK –47(–53) million. The improvement was due to increased profitability in the parcel business. At the same time, results for the quarter suffered the effects of high inflation, reduced Business-to-Business volumes and challenges in adjusting production capacity to the sharp decline in volumes. Delivery quality for parcels was 93.1 percent (91.4) 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
	2023	2022		2023	2022	
Net sales	1,198	1,261	–3%	3,585	3,863	–4%
– Communication Services (external)	25	19	35%	70	57	27%
– eCommerce & Logistics (external)	960	1,035	–5%	2,908	3,125	–3%
– Intra-Group	213	207	5%	608	681	–7%
Operating income (EBIT)	–47	–53		–979	–51	
Operating margin, %	–3.9	–4.2		–27.3	–1.3	
Items affecting comparability	–	–		–903	–	
Adjusted operating income (adjusted EBIT)	–47	–53		–77	–51	
Adjusted operating margin, %	–3.9	–4.2		–2.1	–1.3	

# PostNord Finland

Net sales totaled SEK 399 million (380), a decrease of –5 percent (2) in fixed currency for like-for-like units. Parcel volumes decreased by –5 percent (–4), driven by lower import volumes and lower domestic volumes on the Business-to-Business side. Operating income decreased to SEK –7 million (–5). The level of costs remains high as a result of investments in a modified production model based on expanded terminal capacity for future growth. This, too, created challenges regarding delivery quality in parcels, which was measured at 86.7 percent (88.7) 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
	2023	2022		2023	2022	
Net sales	399	380	–5%	1,199	1,118	–2%
– Communication Services (external)	–	–	–	–	–	–
– eCommerce & Logistics (external)	276	265	–6%	834	783	–2%
– Intra-Group	123	115	–3%	365	335	0%
Operating income (EBIT)	–7	–5		–20	–25	
Operating margin, %	–1.8	–1.3		–1.7	–2.2	
Items affecting comparability	–	–		–	–	
Adjusted operating income (adjusted EBIT)	–7	–5		–20	–25	
Adjusted operating margin, %	–1.8	–1.3		–1.7	–2.2	

# PostNord International

Sales for PostNord International, which comprises Direct Link and the German logistics business, amounted to SEK 858 million (845). A decrease of –7 percent (–27) in fixed currency for like-for-like units. Sales and income for Direct Link increased over those of the third quarter last year, largely driven by growth in Asia. In Germany, parcel volumes decreased by –15 percent (–13), as a result of lower exports to the Business-to-Consumer market in the Nordics. Operating income for the segment totaled SEK 7 million (–9). The result for the previous year was negatively affected by final international settlements with regard to 2021. Operating income includes realized and unrealized gains/losses of SEK 12 million (–0) 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
	2023	2022		2023	2022	
Net sales	858	845	–7%	2,745	2,688	–6%
– Communication Services (external)	–	–	–	–	–	–
– eCommerce & Logistics (external)	855	842	–7%	2,734	2,679	–6%
– Intra-Group	3	3	14%	11	8	14%
Operating income (EBIT)	7	–9		–11	36	
Operating margin, %	0.8	–1.0		–0.4	1.3	
Items affecting comparability	–	–		–	–	
Adjusted operating income (adjusted EBIT)	7	–9		–11	36	
Adjusted operating margin, %	0.8	–1.0		–0.4	1.3	

# PostNord Strålfors

Net sales totaled SEK 503 million (484), a decrease of 0 percent (–0) in fixed currency for like-for-like units. Sales were maintained for the most part through inflation-based price adjustments and changes in exchange rates that compensated for the volume decrease of approximately –7 percent in the physical business. Operating profit totaled SEK 43 million (21), with production efficiency improvements helping to maintain a positive income trend. Profitability from digital services increased faster in the third quarter than in the first half of 2023, but growth was lower than for the physical business.

Net sales and adjusted operating margin



SEKm, unless otherwise indicated	July–September		Like-for-like change	January–September		Like-for-like change
	2023	2022		2023	2022	
Net sales	503	484	0%	1,667	1,524	6%
– Communication Services (external)	460	433	2%	1,510	1,348	9%
– eCommerce & Logistics (external)	–	–	–	–	–	–
– Intra-Group	43	51	–16%	157	175	–10%
Operating income (EBIT)	43	21		110	85	
Operating margin, %	8.5	4.3		6.6	5.6	
Items affecting comparability	–	–		–	–	
Adjusted operating income (adjusted EBIT)	43	21		110	85	
Adjusted operating margin, %	8.5	4.3		6.6	5.6	

# PostNord TPL

Net sales totaled SEK 652 million (849), a decrease of –24 percent (18). The decrease in sales was attributable mainly to lower demand from the end customer, lower prices for agency sea freight and liquidation of the operation based in Jordbro, south of Stockholm. As in the preceding quarter, the general trend was that demand from end customers was lower than in the corresponding period last year. Operating income totaled SEK 21 million (39). Income was adversely affected by the decrease in demand.

Net sales and adjusted operating margin



SEKm, unless otherwise indicated	July–September		Like-for-like change	January–September		Like-for-like change
	2023	2022		2023	2022	
Net sales	652	849	–24%	2,094	2,591	–20%
– Communication Services (external)	–	–	–	–	–	–
– eCommerce & Logistics (external)	648	844	–24%	2,079	2,575	–20%
– Intra-Group	5	5	–3%	15	16	–5%
Operating income (EBIT)	21	39		62	92	
Operating margin, %	3.2	4.6		3.0	3.6	
Items affecting comparability	–	–		–	–	
Adjusted operating income (adjusted EBIT)	21	39		62	92	
Adjusted operating margin, %	3.2	4.6		3.0	3.6	

# Other information

## Delivery quality

Over the quarter, delivery quality in Sweden met the legal requirement of 95 percent for the “Brevet” service, which must be delivered to the intended recipient within two working days. Quality in Sweden was measured at 95.0 percent (93.5) for the quarter. In Denmark, delivery quality exceeded the legal requirement of 93 percent, with quality for the “Brevet” service in the quarter showing at 96.4 percent (96.1). Overall delivery quality for parcels in the Group was measured at 95.1 percent (93.8) for the quarter.

## Major events in July–September 2023

An Extraordinary General Meeting of PostNord AB (publ) was held on August 21. The Meeting resolved to approve the election of Jenny Lahrin and Anja Bach Eriksson as members of the Board until the end of the next Annual General Meeting. They replace Erik Sandstedt and Charlotte Strand who resigned from the Board of Directors at their own request on July 1, 2023.

On September 28, it was announced that Peter Kjær Jensen, Group Vice President and Head of PostNord Denmark, has decided to leave PostNord. He will continue to support the Company until March 31, 2024. Nikolaj Grundtvig Ahrenkiel, currently serving as CFO at PostNord Denmark, will take over as Acting Head of PostNord Denmark and member of the Group Leadership Team as of October 1, 2023. Annemarie Gardshol, President and CEO of PostNord, will temporarily assume responsibility for PostNord International.

An account of major events in the January–June period is provided in the first and second quarter interim reports for 2023.

## Major events after the reporting period

On October 12, the Danish government presented its bill, proposing a new Danish Postal Services Act, for a first reading in Denmark’s Parliament, Folketinget. The intention is to transfer responsibility for a nationwide postal service to the market. The bill contains special arrangements for postal deliveries to small islands, mail for the visually impaired and international mail. Services for such deliveries are to be procured via tender. If approved by Folketinget, the bill is expected to pass into law on January 1, 2024.

PostNord Denmark delivers in accordance with the existing agreement on the universal service obligation in Denmark. The agreement runs until December 31, 2023, inclusive.

Anja Bach Eriksson has resigned from the Board of Directors at her own request as of October 24, 2023. PostNord will call for an Extraordinary General Meeting due to the shareholders’ proposal to elect a new board member.

Solna, October 27, 2023

PostNord AB (publ), CIN 556771-2640

**Annemarie Gardshol**  
President and Group CEO

# Auditor's review report

PostNord AB (publ), CIN 556771-2640

## Introduction

We have reviewed the summary interim financial information (the interim report) for PostNord AB for the period January 1, 2023–September 30, 2023. 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 (ISAs) 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 annexed hereto 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 27, 2023

Deloitte AB

Anneli Pihl  
Authorized Public Accountant

# Consolidated financial statements in brief

## Income statement

SEKm	Note	July–September		January–September	
		2023	2022	2023	2022
Net sales	1	9,149	9,456	28,860	29,265
Other operating income		143	221	493	700
<b>Operating revenue</b>	3	<b>9,291</b>	<b>9,678</b>	<b>29,352</b>	<b>29,966</b>
Personnel expenses		-3,528	-3,595	-11,289	-11,624
Transportation expenses		-2,747	-3,092	-8,413	-9,159
Other expenses		-2,276	-2,259	-7,211	-6,813
Depreciation and impairments		-747	-667	-3,127	-1,992
<b>Operating expenses</b>		<b>-9,298</b>	<b>-9,613</b>	<b>-30,040</b>	<b>-29,589</b>
<b>OPERATING INCOME</b>	3	<b>-6</b>	<b>65</b>	<b>-688</b>	<b>377</b>
Financial income		57	34	200	67
Financial expenses		-93	-50	-241	-153
<b>Net financial items</b>		<b>-37</b>	<b>-16</b>	<b>-41</b>	<b>-85</b>
<b>Income before tax</b>		<b>-43</b>	<b>49</b>	<b>-729</b>	<b>292</b>
Tax		5	-29	-24	-146
<b>NET INCOME FOR THE PERIOD</b>		<b>-38</b>	<b>19</b>	<b>-753</b>	<b>145</b>
<b>Attributable to</b>					
Parent Company shareholders		-39	19	-754	144
Non-controlling interests		1	0	1	1
Earnings per share, SEK		-0.02	0.01	-0.38	0.07

## Statement of comprehensive income

SEKm	July–September		January–September	
	2023	2022	2023	2022
<b>NET INCOME</b>	<b>-38</b>	<b>19</b>	<b>-753</b>	<b>145</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that cannot be transferred to net income</b>				
Revaluation of pension liabilities	257	1,863	860	7,153
Change in deferred tax	-53	-384	-180	-1,474
<b>Total</b>	<b>204</b>	<b>1,479</b>	<b>680</b>	<b>5,679</b>
<b>Items that have been or may be transferred to net income</b>				
Cash flow hedging after tax	-	0	-	0
Translation differences	-90	105	14	271
<b>Total</b>	<b>-90</b>	<b>105</b>	<b>14</b>	<b>271</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>114</b>	<b>1,584</b>	<b>694</b>	<b>5,950</b>
<b>COMPREHENSIVE INCOME</b>	<b>76</b>	<b>1,603</b>	<b>-59</b>	<b>6,095</b>
<b>Attributable to</b>				
Parent Company shareholders	75	1,603	-60	6,094
Non-controlling interests	1	0	1	1

# Consolidated financial statements in brief

## Statement of financial position

SEKm	Note	Sept. 30, 2023	Dec. 31, 2022	Sept. 30, 2022	SEKm	Note	Sept. 30, 2023	Dec. 31, 2022	Sept. 30, 2022
<b>ASSETS</b>	1, 6				<b>EQUITY AND LIABILITIES</b>				
Goodwill		1,698	2,639	2,620	<b>Equity</b>		<b>13,683</b>	<b>13,744</b>	<b>15,226</b>
Other non-current intangible assets		464	438	439	<b>Liabilities</b>				
Property, plant and equipment		8,096	8,400	8,045	Non-current interest-bearing liabilities		2,277	1,892	1,953
Right-of-use assets		6,381	6,329	6,249	Non-current lease liabilities		4,895	5,001	4,985
Participations in associated companies		141	154	167	Other non-current liabilities		72	71	71
Non-current interest-bearing receivables		252	264	266	Other provisions	5	649	686	696
Other non-current receivables		5,224	4,160	6,107	Deferred tax liabilities		1,502	1,317	1,678
Deferred tax assets		273	261	14	<b>Total non-current liabilities</b>		<b>9,395</b>	<b>8,968</b>	<b>9,383</b>
<b>Total non-current assets</b>		<b>22,528</b>	<b>22,645</b>	<b>23,906</b>	Current interest-bearing liabilities		878	874	813
Inventories		90	93	102	Current lease liabilities		1,588	1,449	1,396
Tax assets		382	356	369	Trade payables		2,758	3,383	3,194
Trade receivables		4,763	5,481	4,869	Tax liabilities		77	476	193
Prepaid expenses and accrued income		1,495	1,287	1,629	Other current liabilities		1,206	1,026	1,233
Other current receivables		74	133	123	Accrued expenses and deferred income		3,181	3,529	3,174
Current interest-bearing receivables		11	11	11	Other provisions	5	141	444	206
Cash and cash equivalents		3,564	3,886	3,809	<b>Total current liabilities</b>		<b>9,829</b>	<b>11,180</b>	<b>10,209</b>
<b>Total current assets</b>		<b>10,379</b>	<b>11,247</b>	<b>10,912</b>	<b>TOTAL LIABILITIES</b>		<b>19,224</b>	<b>20,148</b>	<b>19,591</b>
<b>TOTAL ASSETS</b>		<b>32,907</b>	<b>33,892</b>	<b>34,818</b>	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>32,907</b>	<b>33,892</b>	<b>34,818</b>

# Consolidated financial statements in brief

## Statement of cash flows

SEKm	Note	July–September		January–September	
		2023	2022	2023	2022
<b>OPERATING ACTIVITIES</b>					
Income before tax		-43	49	-729	292
Adjustments for non-cash items <sup>1)</sup>		622	494	2,449	1,200
Income tax paid		19	-30	-488	-28
<b>Cash flows from operating activities before changes in working capital</b>		<b>598</b>	<b>513</b>	<b>1,232</b>	<b>1,464</b>
<b>Change in working capital</b>					
Increase(-)/decrease(+) in inventories		-3	-10	2	-19
Increase(-)/decrease(+) in other operating receivables		379	-7	874	450
Increase(+)/decrease(-) in other operating liabilities		-470	-724	-808	-1,359
<b>Total change in working capital</b>		<b>-94</b>	<b>-741</b>	<b>68</b>	<b>-928</b>
<b>Cash flow from operating activities</b>		<b>504</b>	<b>-228</b>	<b>1,300</b>	<b>536</b>
<b>INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment		-201	-266	-670	-1,077
Divestment of property, plant and equipment		1	-	8	39
Acquisitions of non-current intangible assets		-73	-39	-146	-124
Acquisition of subsidiary, effect on cash and cash equivalents	4	-	-	-	-226
Divestment of subsidiary, effect on cash and cash equivalents	4	-	-	23	-
Increase (-)/decrease (+) in other financial assets		-4	3	2	3
<b>Cash flows from investing activities</b>		<b>-277</b>	<b>-302</b>	<b>-783</b>	<b>-1,385</b>

SEKm	Note	July–September		January–September	
		2023	2022	2023	2022
<b>FINANCING ACTIVITIES</b>					
New loans		-	-	1,200	-
Amortized loans		-810	-4	-816	-510
Amortized lease liabilities		-412	-369	-1,224	-1,093
Dividend paid		-	-	-2	-2
<b>Cash flows from financing activities</b>		<b>-1,222</b>	<b>-373</b>	<b>-842</b>	<b>-1,605</b>
<b>CASH FLOWS FOR THE PERIOD</b>					
Cash and cash equivalents, at beginning of period		4,561	4,704	3,886	6,242
Translation difference in cash and cash equivalents		-2	8	3	21
<b>Cash and cash equivalents, at end of period</b>		<b>3,564</b>	<b>3,809</b>	<b>3,564</b>	<b>3,809</b>
<sup>1</sup> Adjustments for non-cash items:					
Depreciation and impairments		747	667	3,127	1,992
Change in pension liability		-46	-28	-220	-217
Other provisions		-39	-89	-316	-425
Capital gain/loss, divestment of assets		1	-16	7	-20
Other		-41	-40	-149	-130
<b>Total</b>		<b>622</b>	<b>494</b>	<b>2,449</b>	<b>1,200</b>

# Consolidated financial statements in brief

## Statement of changes in equity

January–September 2022

SEKm	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
Equity, opening balance, Jan. 01, 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>–</b>	<b>–</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>–</b>	<b>4,597</b>	<b>1</b>	<b>15,226</b>

October–December 2022

SEKm	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
Equity, opening balance, October 1, 2022	2,000	9,954	-1,326	–	4,597	1	15,226
<b>Comprehensive income for the period</b>							
Net income for the period	–	–	–	–	-170	1	-169
Other comprehensive income for the period	–	–	95	–	-1,409	–	-1,314
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>–</b>	<b>95</b>	<b>–</b>	<b>-1,579</b>	<b>1</b>	<b>-1,482</b>
<b>Shareholders' equity, closing balance Dec. 31, 2022</b>	<b>2,000</b>	<b>9,954</b>	<b>-1,231</b>	<b>–</b>	<b>3,019</b>	<b>2</b>	<b>13,744</b>

January–September 2023

SEKm	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
Equity, opening balance, Jan. 1, 2023	2,000	9,954	-1,231	–	3,019	2	13,744
<b>Comprehensive income for the period</b>							
Net income for the period	–	–	–	–	-754	1	-753
Other comprehensive income for the period	–	–	14	–	680	–	694
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>–</b>	<b>14</b>	<b>–</b>	<b>-74</b>	<b>1</b>	<b>-59</b>
Dividend	–	–	–	–	–	-2	-2
<b>Equity, closing balance September 30, 2023</b>	<b>2,000</b>	<b>9,954</b>	<b>-1,217</b>	<b>–</b>	<b>2,945</b>	<b>1</b>	<b>13,683</b>

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

# Parent Company Condensed Financial Statements

## Income statement

SEKm	Note	July–September		January–September	
		2023	2022	2023	2022
	1				
Other operating income		4	4	15	21
<b>Operating revenue</b>		<b>4</b>	<b>4</b>	<b>15</b>	<b>21</b>
Personnel expenses		–6	–5	–19	–20
Other expenses		–19	–4	–23	–8
<b>Operating expenses</b>		<b>–25</b>	<b>–9</b>	<b>–42</b>	<b>–28</b>
<b>OPERATING INCOME</b>		<b>–21</b>	<b>–5</b>	<b>–26</b>	<b>–7</b>
Interest income and similar items		99	33	259	70
Interest expenses and similar items		–37	–13	–102	–35
<b>Financial items</b>		<b>62</b>	<b>20</b>	<b>157</b>	<b>35</b>
<b>Income after financial items</b>		<b>40</b>	<b>15</b>	<b>130</b>	<b>28</b>
Appropriations		–	–	–	–
<b>Income before tax</b>		<b>40</b>	<b>15</b>	<b>130</b>	<b>28</b>
Tax		–7	–4	–29	–5
<b>NET INCOME</b>		<b>33</b>	<b>11</b>	<b>101</b>	<b>23</b>

## Statement of comprehensive income

SEKm	July–September		January–September	
	2023	2022	2023	2022
Net income for the period	33	11	101	23
Other comprehensive income for the period	–	–	–	–
<b>COMPREHENSIVE INCOME</b>	<b>33</b>	<b>11</b>	<b>101</b>	<b>23</b>

## Balance sheet

SEKm	Note	Sept. 30,	Dec. 31,	Sept. 30,
		2023	2022	2022
	1			
<b>ASSETS</b>				
Participations in Group companies		10,861	10,861	10,861
Interest-bearing receivables		42	40	40
Interest-bearing receivables from Group companies		5,000	6,000	5,000
<b>Total non-current assets</b>		<b>15,903</b>	<b>16,901</b>	<b>15,901</b>
Interest-bearing receivables from Group companies		1,719	1,234	1,199
Other receivables from Group companies		1,000	32	1,000
Other current receivables		103	5	17
<b>Total current assets</b>		<b>2,823</b>	<b>1,272</b>	<b>2,216</b>
<b>TOTAL ASSETS</b>		<b>18,726</b>	<b>18,173</b>	<b>18,117</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>		<b>15,830</b>	<b>15,701</b>	<b>15,647</b>
Interest-bearing liabilities		2,041	1,639	1,638
Other non-current liabilities		10	10	10
<b>Total non-current liabilities</b>		<b>2,051</b>	<b>1,649</b>	<b>1,648</b>
Interest-bearing liabilities		800	800	800
Other current liabilities		45	23	22
<b>Total current liabilities</b>		<b>845</b>	<b>823</b>	<b>822</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,726</b>	<b>18,173</b>	<b>18,117</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). 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 2023 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. These are not expected to have any material effect on the consolidated or parent company financial statements, other than in the case of IAS 1 Presentation of Financial Statements, regarding accounting principles. The amendment concerned requires changes to disclosures regarding the Group's accounting principles, but the Group has not yet assessed the effects of the amendment.

### *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 deterioration in the macroeconomic situation adversely affected volumes and income in Norway, and consequently a review of carrying amounts in the second quarter. Combined with the effect a higher cost of capital (WACC), the review resulted in an impairment loss for goodwill. Otherwise, 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 33–36 of the Annual and Sustainability Report 2022.

The Group is continuously monitoring the world situation in order to identify direct risks and macro factors that could adversely affect PostNord. The external 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 Danish government has proposed a change in the Danish Postal Services Act. The intention is to abolish the universal postal service. PostNord's agreement with the Danish State runs until December 31, 2023. The bill contains special arrangements for postal deliveries to small islands, mail for the visually impaired and international mail. Services for such deliveries are to be procured via tender. If approved by Folketinget, the bill is expected to pass into law on January 1, 2024. With the existing proposal and the proposed timetable, there is a risk of financial impact on the company.

## Note 3 Operating segments

The Group's division into segments is primarily based on the companies' geographical domicile, plus the segments PostNord Strålfors, PostNord TPL and PostNord International, 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.

On April 1, 2023, PostNord changed the way its segments are classified. PostNord's third-party logistics operations in Sweden and Denmark were separated from the PostNord Sweden and PostNord Denmark segments, and from April 1 will form a separate segment, PostNord TPL. The Svensk Adressändring and Adresspoint businesses were transferred from the former Other business activities segment to PostNord Sweden. The former Other business activities segment was discontinued and a new segment, PostNord International, consisting of PostNord's parcel and logistics operations outside the Nordic region, along with Direct Link and PostNord Germany, was formed. All figures presented for comparison have been restated in accordance with the new segment classification.

**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 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.

*Cont. on next page*

Note 3 (cont.)

**PostNord TPL** operates in third-party logistics in Sweden and Denmark, offering logistics solutions all the way from producer to consumer.

**PostNord International** consists of Direct Link and PostNord's e-commerce and logistics business in Germany. 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 segment **Other** consists of shared services and corporate functions including the Parent Company and Group adjustments. Group adjustments regarding IFRS valuation of pensions in accordance with IAS 19 Employee Benefits are recognized in the segment Other and in the segment PostNord Sweden, where the defined benefit pension obligations are located. Group adjustments, including for FRS 16 Leases, are recognized in full in the segment Other.

**Eliminations** consists of the elimination of internal transactions.

### Net sales per segment<sup>1)</sup>

SEKm	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
PostNord Sweden	4,851	5,324	5,271	5,840	4,948
– of which, internal	577	662	595	624	513
PostNord Denmark	1,937	2,041	2,053	2,257	1,845
– of which, internal	283	338	287	302	258
PostNord Norway	1,198	1,144	1,243	1,455	1,261
– of which, internal	213	208	187	261	207
PostNord Finland	399	409	391	407	380
– of which, internal	123	126	116	131	115
PostNord Strålfors	503	571	594	553	484
– of which, internal	43	56	58	68	51
PostNord TPL	652	716	726	805	849
– of which, internal	5	5	6	11	5
PostNord International	858	1,010	877	1,036	845
– of which, internal	3	3	4	3	3
Other	–7	–4	–4	–4	–4
Eliminations	–1,242	–1,398	–1,252	–1,401	–1,151
<b>The Group</b>	<b>9,149</b>	<b>9,812</b>	<b>9,899</b>	<b>10,947</b>	<b>9,456</b>

<sup>1)</sup> Net sales and income for all periods in this report have been restated in accordance with the new segment classification of PostNord Sweden, PostNord Denmark, PostNord International and PostNord TPL.

### Operating income per segment<sup>1)</sup>

SEKm, unless otherwise indicated	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
PostNord Sweden	42	223	151	91	201
– Operating margin, %	0.9	4.2	2.9	1.6	4.1
PostNord Denmark	–48	–35	–18	–70	–70
– Operating margin, %	–2.5	–1.7	–0.9	–3.1	–3.8
PostNord Norway	–47	–923	–9	27	–53
– Operating margin, %	–3.9	–80.7	–0.7	1.9	–4.2
PostNord Finland	–7	–3	–10	–18	–5
– Operating margin, %	–1.7	–0.7	–2.6	–4.3	–1.2
PostNord Strålfors	43	39	28	16	21
– Operating margin, %	8.7	6.8	4.7	2.9	4.4
PostNord TPL	21	22	19	18	39
– Operating margin, %	3.2	3.0	2.7	2.2	4.6
PostNord International	7	8	–26	53	–9
– Operating margin, %	0.9	0.7	–3.0	5.1	–1.1
Other	–19	–54	–94	–138	–59
<b>Operating income</b>	<b>–6</b>	<b>–725</b>	<b>43</b>	<b>–20</b>	<b>65</b>
– Operating margin, %	–0.1	–7.4	0.4	–0.2	0.7

<sup>1)</sup> Net sales and income for all periods in this report have been restated in accordance with the new segment classification of PostNord Sweden, PostNord Denmark, PostNord International and PostNord TPL.

Note 3 (cont.)

### Adjusted operating income per segment<sup>1)</sup>

SEKm, unless otherwise indicated	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
PostNord Sweden	42	180	151	278	244
– Adjusted operating margin, %	0.9	3.3	2.9	4.8	4.9
PostNord Denmark	–48	–35	–18	1	–70
– Adjusted operating margin, %	–2.5	–1.7	–0.9	0	–3.8
PostNord Norway	–47	–21	–9	35	–53
– Adjusted operating margin, %	–3.9	–1.8	–0.7	2.4	–4.2
PostNord Finland	–7	–3	–10	–18	–5
– Adjusted operating margin, %	–1.7	–0.7	–2.6	–4.3	–1.2
PostNord Strålfors	43	39	28	16	21
– Adjusted operating margin, %	8.7	6.8	4.7	2.9	4.4
PostNord TPL	21	22	19	18	39
– Adjusted operating margin, %	3.2	3.0	2.7	2.2	4.6
PostNord International	7	8	–26	53	–9
– Adjusted operating margin, %	0.9	0.7	–3.0	5.1	–1.1
Other	–19	–54	–94	–138	–59
<b>Adjusted operating income</b>	<b>–6</b>	<b>135</b>	<b>43</b>	<b>247</b>	<b>108</b>
– Adjusted operating margin, %	–0.1	1.4	0.4	2.3	1.1

<sup>1)</sup> Net sales and income for all periods in this report have been restated in accordance with the new segment classification of PostNord Sweden, PostNord Denmark, PostNord International and PostNord TPL.

### Net sales per operating segment and service category<sup>1)</sup>

SEKm	Service category			
	Communication Services July–September		eCommerce & Logistics July–September	
	2023	2022	2023	2022
PostNord Sweden	1,799	1,908	2,476	2,527
PostNord Denmark	549	554	1,106	1,034
PostNord Norway	25	19	960	1,035
PostNord Finland	–	–	276	265
PostNord Strålfors	460	433	–	–
PostNord TPL	–	–	648	844
PostNord International	–	–	855	842
Other	–	–	–4	–4
<b>Total</b>	<b>2,833</b>	<b>2,914</b>	<b>6,315</b>	<b>6,542</b>

<sup>1)</sup> Net sales and income for all periods in this report have been restated in accordance with the new segment classification of PostNord Sweden, PostNord Denmark, PostNord International and PostNord TPL.

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 (97) and over time 3 percent (3). 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 cargo, 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 2023		January–September 2022	
	Acquisitions	Divestments	Acquisitions	Divestments
Property, plant and equipment	–	–22	243	–
Current assets	–	0	1	–
<b>Total assets</b>	<b>–</b>	<b>–22</b>	<b>244</b>	<b>–</b>
Other current liabilities	–	–	–129	–
<b>Total liabilities</b>	<b>–</b>	<b>21</b>	<b>–129</b>	<b>–</b>
<b>Net asset</b>	<b>–</b>	<b>–1</b>	<b>116</b>	<b>–</b>
Purchase consideration paid/received	–	23	–227	–
Cash and cash equivalents acquired/disposed of	–	–	1	–
<b>Net effect on cash and cash equivalents</b>	<b>–</b>	<b>23</b>	<b>–226</b>	<b>–</b>

### Acquisitions and divestments of subsidiaries

No acquisitions or disposals took place in the third quarter of 2023. In the second quarter of 2023, 100 percent of the shares in Randmärket logistikfastighet AB were sold. No acquisitions or disposals took place in the second or third quarter of 2022. In the first quarter of 2022, 100 percent of the shares in PostNord Terminal Bergen AS were acquired.

## Note 5 Other provisions

January–September 2023, SEKm	Opening balance	Provisions	Reversals	Utilization	Other <sup>1)</sup>	Closing balance
Transformation measures	587	59	–124	–267	7	262
Non-vested pension commitments	493	16	–	–	–31	477
Other	50	0	–	–3	4	51
<b>Total</b>	<b>1,130</b>	<b>75</b>	<b>–124</b>	<b>–270</b>	<b>–20</b>	<b>790</b>
<i>of which current</i>	444					141
<i>of which non-current</i>	686					649

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

<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, 2023				Carrying amount	Fair value
	Financial assets measured at fair value via income	Financial assets measured at amortized cost	Financial liabilities measured at fair value via income	Financial liabilities measured at amortized cost		
<b>Assets</b>	<b>277</b>	<b>10,061</b>	<b>–</b>	<b>–</b>	<b>10,338</b>	<b>10,338</b>
<i>of which, derivatives</i>	25	–	–	–	25	25
<b>Liabilities</b>	<b>–</b>	<b>–</b>	<b>–74</b>	<b>–9,124</b>	<b>–9,198</b>	<b>–9,196</b>
<i>of which, loan liabilities</i>	–	–	–	–2,972	–2,972	–2,970
<i>of which, derivatives</i>	–	–	–74	–	–74	–74
<b>Total financial assets and liabilities, by category</b>	<b>277</b>	<b>10,061</b>	<b>–74</b>	<b>–9,124</b>	<b>1,140</b>	<b>1,142</b>

Carrying amount and fair value of financial assets and liabilities, SEKm	September 30, 2022				Carrying amount	Fair value
	Financial assets measured at fair value via income	Financial assets measured at amortized cost	Financial liabilities measured at fair value via income	Financial liabilities measured at amortized cost		
<b>Assets</b>	<b>387</b>	<b>10,168</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>–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>–7,868</b>	<b>2,629</b>	<b>2,646</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 non-current and current 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 was recognized in the amount of SEK 59 million (46) in Post Danmark A/S in the quarter. 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, the August 2021 agreement for the September 2021–December 2022 period and the December 2022 agreement for the January–December 2023 period are subject to approval by the European Commission. The claim on the Danish State for compensation for the universal service obligation in the period January 2021 to September 2023 amounted to SEK 658 million (578) on September 30, 2023.

## 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, 2023	June 30, 2023	Mar. 31, 2023	Dec. 31, 2022	Sept. 30, 2022
Non-current interest-bearing liabilities	2,277	2,284	2,887	1,892	1,953
Non-current lease liabilities	4,895	5,166	5,332	5,001	4,985
Current interest-bearing liabilities	878	1,678	1,075	874	813
Current lease liabilities	1,588	1,609	1,579	1,449	1,396
Non-current interest-bearing receivables	-191	-195	-193	-195	-193
Non-current interest-bearing receivables, leases	-61	-64	-67	-70	-73
Other non-current receivables <sup>1)</sup>	-4,965	-4,679	-4,144	-3,918	-5,866
Current interest-bearing receivables, leases	-11	-11	-11	-11	-11
Cash and cash equivalents	-3,564	-4,561	-4,959	-3,886	-3,809
<b>Net debt</b>	<b>847</b>	<b>1,227</b>	<b>1,500</b>	<b>1,137</b>	<b>-806</b>

<sup>1)</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, 2023	Dec. 31, 2022	Sept. 30, 2022
Equity as per Statement of financial position	13,683	13,744	15,226
Accumulated effect of leases in accordance with IFRS	307	313	315
<b>Equity excluding leases in accordance with IFRS</b>	<b>13,990</b>	<b>14,057</b>	<b>15,541</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, 2023	Dec. 31, 2022	Sept. 30, 2022
<b>ASSETS</b>			
Goodwill	1,698	2,639	2,620
Other non-current intangible assets	464	438	439
Property, plant and equipment	8,096	8,400	8,045
Right-of-use assets	6,381	6,329	6,249
Participations in associated companies	141	154	167
Other non-current receivables excl. funded disability pensions	259	242	241
Deferred tax assets	273	261	14
Inventories	90	93	102
Tax assets	382	356	369
Trade receivables	4,763	5,481	4,869
Prepaid expenses and accrued income	1,495	1,287	1,629
Other current receivables	74	133	123
Other non-current liabilities	-72	-71	-71
Other provisions, long-term	-649	-686	-696
Deferred tax liabilities	-1,502	-1,317	-1,678
Trade payables	-2,758	-3,383	-3,194
Tax liabilities	-77	-476	-193
Other current liabilities	-1,206	-1,025	-1,233
Accrued expenses and deferred income	-3,181	-3,529	-3,174
Other provisions, short-term	-141	-444	-206
<b>Total capital employed</b>	<b>14,529</b>	<b>14,881</b>	<b>14,420</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 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
<b>The Group</b>									
Net sales	9,149	9,812	9,899	10,947	9,456	10,037	9,772	10,843	9,340
Other operating income	143	239	111	143	221	194	285	294	214
Operating expenses	-9,298	-10,775	-9,967	-11,110	-9,613	-10,016	-9,960	-10,374	-9,231
of which, personnel expenses	-3,528	-3,837	-3,924	-4,469	-3,595	-3,970	-4,059	-4,132	-3,535
of which, transportation expenses	-2,747	-2,727	-2,939	-3,306	-3,092	-3,115	-2,952	-2,960	-2,683
of which, other expenses	-2,276	-2,565	-2,370	-2,634	-2,259	-2,268	-2,286	-2,615	-2,366
of which, depreciation and impairments	-747	-1,646	-734	-702	-667	-661	-664	-666	-647
Operating income (EBIT)	-6	-725	43	-20	65	214	98	762	323
Operating margin, %	-0.1	-7.4	0.4	-0.2	0.7	2.1	1.0	7.0	3.4
Adjusted operating income (Adjusted EBIT)	-6	135	43	247	108	214	98	653	284
Cash flow from operating activities	504	270	526	1,113	-228	536	225	1,524	518
Net debt	847	1,227	1,500	1,137	-806	-15	2,987	3,885	3,408
Return on capital employed (ROCE), %	-4.8	-4.4	2.1	2.6	8.5	10.6	13.0	19.2	19.9
Operating capital	14,529	14,835	15,281	14,881	14,420	13,608	13,568	13,018	12,807
Average number of employees (FTE)	24,970	24,587	24,279	26,322	27,271	26,693	27,015	29,498	28,821
Staffing numbers (basic) at end of period	24,070	24,275	24,828	25,401	25,413	25,690	26,316	26,582	26,596
<b>Volumes, millions:</b>									
Sweden, mail <sup>1)</sup>	183	209	228	248	216	238	258	288	245
Denmark, mail	35	36	43	49	41	47	47	53	43
Group, parcels (volumes between countries eliminated) <sup>1)</sup>	56	61	58	70	57	62	60	73	59

<sup>1)</sup> During the second quarter 2023, a small letter service (Skicka lätt) was reclassified as a parcel service. The amounts recognized have been restated for the reporting periods.

### Financial calendar

Year-end report 2023	February 1, 2024
Annual and Sustainability Report 2023	March 2024
Interim report January– March 2024	April 23, 2024
2024 Annual General Meeting	April 23, 2024
Interim report January–June 2024	July 19, 2024

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