

**postnord**

PostNord Year-end report 2021

**Q4/2021**

# A historically strong year with a challenging finish

High e-commerce volumes laid the foundations for historically strong results for the full year. The quarter's results decreased due to lower mail volumes and challenging conditions for planning, resulting in parcel costs that were slightly too high as well as increased transport costs. Within the scope of PostNord's ambitious sustainability drive, work is being pursued with increased intensity via an updated agenda for sustainable logistics.



PostNord is committed to its vision of being the favorite carrier of the Nordics. Since the end of the year, PostNord has been the most attractive brand in the industry to consumers in both Sweden and Denmark.

## Fourth quarter 2021<sup>1</sup>

- Net sales totaled SEK 10,843 million (10,978), a decrease of -1 percent (11) in fixed currency for like-for-like units
- Parcel volumes increased overall by 1 percent (27) as a result of growth in business-to-business
- Mail volumes decreased by -10 percent (-11) as a result of ongoing digitalization
- Operating income (EBIT) totaled SEK 762 million (843)

SEKm, if not otherwise stated <sup>2)</sup>	October – December		Change like-for-like <sup>3)</sup>	January – December		Change like-for-like <sup>3)</sup>
	2021	2020		2021	2020	
Net sales	10,843	10,978	-1%	40,693	38,729	7%
Operating income (EBIT)	762	843	-10%	2,481	2,421	2%
Adjusted operating income (Adjusted EBIT)	653	833	-22%	2,260	2,071	9%
Income before tax	754	794		2,328	2,153	
Net income for the period	663	606		1,989	1,711	
Earnings per share, SEK	0.33	0.30		0.99	0.85	
Cash flow from operating activities	1,524	877		4,011	4,151	
Net debt ratio, % <sup>4)</sup>	-20	38		-20	38	
Return on capital employed (ROCE), %	19.2	18.6		19.2	18.6	

<sup>1</sup> The report comments on developments in October–December 2021 compared to the same period in 2020, unless otherwise indicated.

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

<sup>3</sup> The term 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

## Challenges in the quarter ending a historically strong year

The Group's sales in the fourth quarter amounted to SEK 10,843 million (10,978), representing a decrease of -1 percent from the previous year. Operating income for the quarter was SEK 762 million (843). Results were negatively impacted by lower mail volumes, in line with the historical trend, as well as by challenging conditions for planning the parcels business, resulting in production costs that were slightly too high. Forecasting volume trends during the current period of restrictions is difficult, and fully adjusting our capacity at short notice to align with volume trends is challenging. Profitability was also negatively affected by increased transport costs, which was most evident in Sweden. In addition, the outbreak and spread of the omicron variant of COVID-19 led to high sickness rates and increased personnel costs. In Norway, the extensive restructuring of production has now been fully implemented, increasing our capacity in the Oslo region. Our results should also be seen in light that the end of 2020 was a very strong period for PostNord.

Looking at the full year 2021, it is pleasing to note that we are delivering the highest annual result since PostNord was established in 2009. This is mainly explained by a very strong parcels business, with exceptionally high volumes resulting from a continually robust e-commerce sector during the pandemic.

## Continued innovation and adaptation of service offerings

As part of our strategy, we are constantly developing our service offerings and expanding our capacity to meet future customer needs. We have continued to strengthen our parcels business through investments in our terminals and the roll-out of an additional 3,000 parcel lockers during the year. In the fourth quarter, we further strengthened our home delivery offering with guaranteed home delivery of Varubrev, our small parcel delivery service to the door, in Sweden. Against that background, it is pleasing to note that since the end of the year, PostNord has been the most attractive brand in the industry to consumers in both Sweden and Denmark. But we aren't stopping there. Technology is evolving rapidly, and we are constantly testing forms of delivery to stay at the forefront of developments in the market.

Implementation of alternate day delivery in Sweden, which includes letters, newspapers and advertising, has been well received and is going according to plan. The new delivery model will be fully

implemented nationwide by the summer. In Denmark, our contract with the Danish State to provide the universal postal service runs until the end of 2022.

## Updated agenda for sustainable logistics

In the fourth quarter, we adopted new targets for PostNord's sustainable logistics agenda, which extends to the middle of the decade. I am very pleased that we have launched an agenda that will clearly contribute to positive change for the people around us, and that will radically reduce the carbon footprint of transport in the Nordic market and make a completely fossil-free business possible by 2030. With our Green by PostNord initiative, we are taking the lead in securing a Nordic infrastructure for fossil-free transport by 2030 for the more than 13,000 vehicles that we and our partners operate on roads in the Nordic region. By no later than 2027, all our last-mile transport will be emission-free over the whole Nordic region. As a result of our clear ambitions, we have become the first logistics provider to be admitted as a member of The Pathways Coalition. The coalition is a collaboration of industry leaders in our value chain, who – like PostNord – aim to commercialize fossil-free heavy transport on a large scale in line with the goals of the Paris Agreement.

## Balance between focus on costs and investment in the business

We are well positioned with a strong business and are continuing to work towards our vision of being the favorite carrier of the Nordics. High sickness rates and COVID-19 related concerns continue to dominate our day-to-day activities and, at times, our quality. In the context of our improvement programs, and the major transformation we are engaged in, we are moving forward via balanced investments in technology and service offerings. We will also continue our efforts to reduce costs and raise productivity in all stages of production to ensure our continued competitiveness.

Finally, I would like to thank all our employees for their strong commitment and our customers for their continued trust!

[Annemarie Gardshol](#)  
President and Group CEO



Annemarie Gardshol, President and Group CEO

# Net sales and income

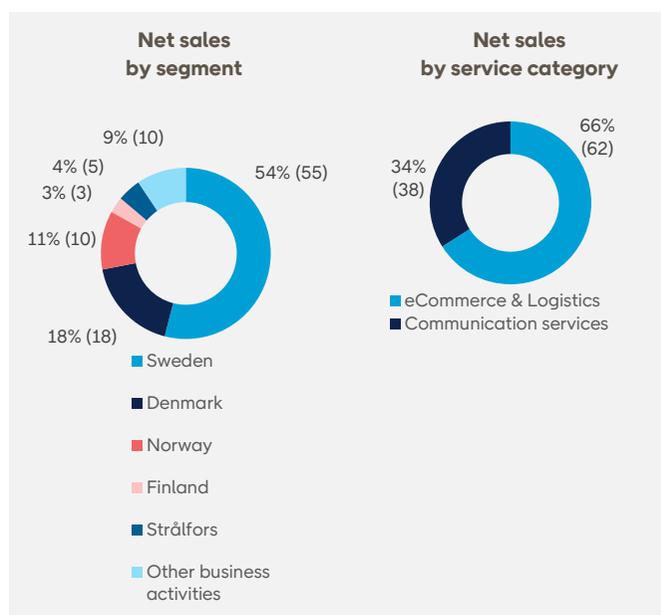
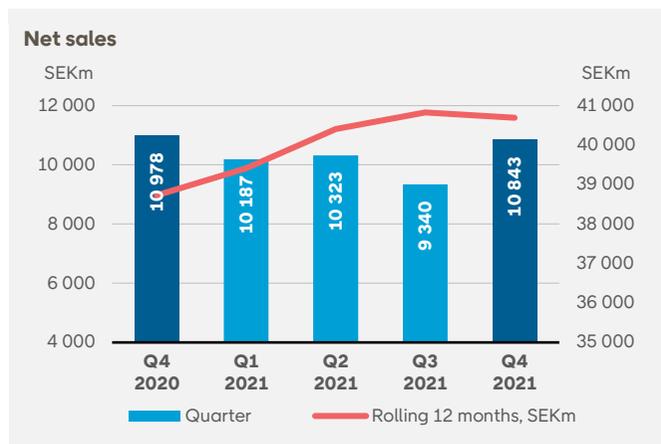
## Net sales

Net sales totaled SEK 10,843 million (10,978) in the year's fourth quarter, a decrease of -1 percent (11) in fixed currency for like-for-like units.

A total of 62 million (62) parcels were handled during the quarter, an increase of 1 percent (27). Volumes to business-to-consumer customers were unchanged, a percentage change of 0 (35). Volumes to business-to-business customers increased by 5 percent (9).

During the quarter, mail volumes decreased by the equivalent of -10 percent (-11) as a result of continued digitalization.

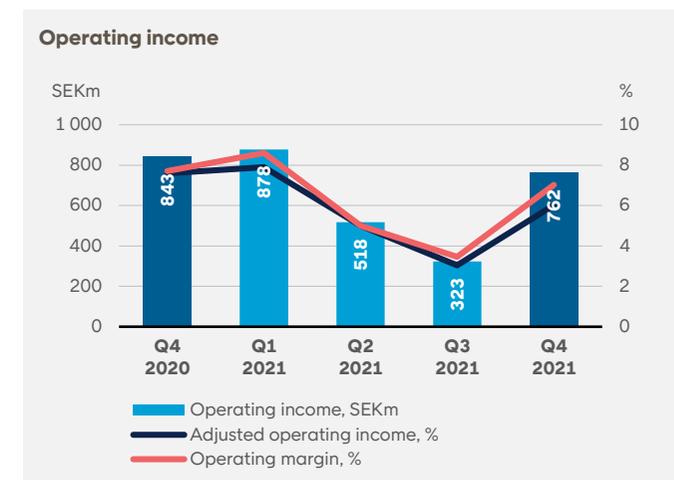
Other operating income totaled SEK 294 million (243), consisting in the main of capital gains on the sale of properties, compensation for the universal service obligation in Denmark and exchange rate gains. The change compared to the previous year is mainly explained by higher capital gains on the sale of properties.



## Income

Operating income totaled SEK 762 million (843), representing an operating margin of 7.0 percent (7.7). Reduced mail volumes and challenging conditions for planning the parcels business had a negative impact on results. Income was also adversely impacted by increased transport costs, but also by higher personnel costs arising from the high spread of infection at the end of the quarter. Government compensation in connection with the pandemic amounted to SEK 13 million (38). Adjusted operating income totaled SEK 653 million (833). Capital gains from property sales contributed SEK 109 million (11). Net financial items totaled SEK -8 million (-50), consist mainly of interest expense in connection with leases, loans, and pensions. The change from the preceding year mainly arose through lower interest costs from pensions and a positive revaluation of disability pension plans. Tax for the period totaled SEK -91 million (-188) and income for the period SEK 663 million (606).

Return on capital employed (ROCE) improved to 19.2 percent (18.6), above all as a result of the excellent income in the past twelve months.



# Cash flow and financial position

## Cash flow

Cash flow from operating activities totaled SEK 1,524 million (877) in the fourth quarter. Changes in working capital amounted to SEK 592 million (115). IT problems at one of the Group's banks affected payments scheduled for December 30, resulting in the Group having higher trade payables at the end of the period than at a normal quarterly turnaround.

Cash flow from investing activities totaled SEK -483 million (-332). The effect of divestment of subsidiary companies on cash and cash equivalents was SEK 104 million (60). Investments in property, plant, and equipment and in non-current intangible assets during the period totaled SEK 603 million (392). The investments mainly concerned vehicles, construction of the terminal at Drammen in Norway, sorting machines and IT development. The increase from the same period last year is mainly due to increased vehicle investments and investments in the terminal network in Norway.

Cash flow from financing activities totaled SEK -1,036 million (-349). The change arose mainly through repayment of an unconditional capital injection, including interest, of SEK 686 million. Amortization of lease liabilities amounted to SEK -347 million (-345).

## Net debt

The Group's net debt, including pensions and lease liabilities, increased by SEK 477 million during the fourth quarter, mainly due to an increased pension liability. Cash and cash equivalents decreased due to the repayment of a capital injections, but the effect was offset by the aforementioned delayed payments. Liabilities related to pensions and disability pension plans increased by SEK 574 million in the quarter, from SEK 707 million to SEK 1,281 million, mainly due to an increase in the assumed rate of inflation and actuarial experience adjustments of the pension liability. The increase was offset by a positive return in Postens Pensionsstiftelse (the Posten Pension Fund).

The net debt ratio including pensions and lease liabilities was 43 percent (164). The Group's net debt ratio excluding lease liabilities was -20 percent (38).

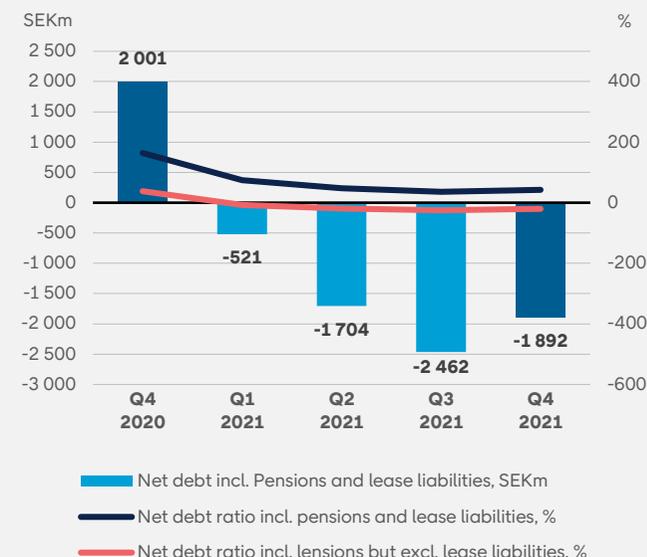
Financial preparedness on December 31, 2021 totaled SEK 8,242 million (8,229), including cash and cash equivalents of SEK 6,242 million (6,229) and unutilized credit facilities of SEK 2,000 million (2,000). During the quarter, the Group's revolving credit facility was extended for a further one year, until a new final maturity in January 2025.

## Equity

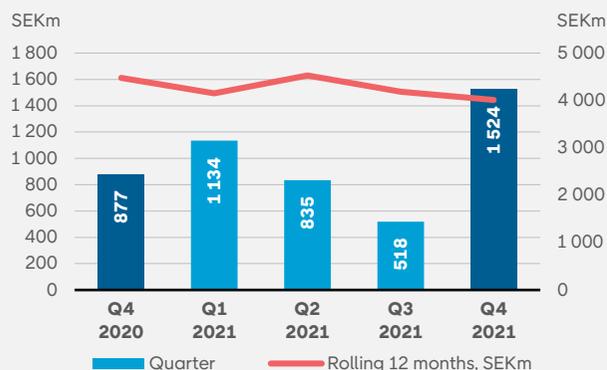
The Group's equity decreased to SEK 9,133 million from SEK 9,399 million on September 30, 2021. The change in the quarter encompassed income of SEK 663 million for the period, repayment of

a capital injections amounting to SEK 686 million including interest, revaluation of the pension commitment in the amount of SEK -312 million net after tax and translation differences of SEK 70 million.

### Net debt and net debt ratio



### Cash flow from operating activities



### Net debt<sup>1</sup>

SEKm	Dec. 31 2021	Sep. 30 2021	Jun. 30 2021	Mar. 31 2020	Dec. 31 2020
Interest-bearing liabilities	9,134	9,226	10,049	10,322	10,267
Pensions and disability pension plans	1,281	707	1,360	2,392	4,318
Long- and short-term investments	-288	-287	-290	-291	-292
Cash and cash equivalents	-6,242	-6,238	-6,979	-6,821	-6,229
<b>Net debt incl. pensions and lease liabilities</b>	<b>3,885</b>	<b>3,408</b>	<b>4,140</b>	<b>5,602</b>	<b>8,064</b>
Net debt ratio incl. pensions and lease liabilities	43%	36%	48%	74%	164%
<b>Net debt incl. pensions but excl. lease liabilities</b>	<b>-1,892</b>	<b>-2,462</b>	<b>-1,704</b>	<b>-521</b>	<b>2,001</b>
Net debt ratio incl. pensions but excl. lease liabilities	-20%	-25%	-19%	-7%	38%

# 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. In January 2021, the Parent Company's loan to the subsidiary PostNord Group AB was converted from a short-term receivable, a deposit in the subsidiary's Group account, to a fixed-term loan, reflecting the long-term nature of the receivable. A Group contribution received amounted to SEK 700 (150) million. Net income for the period totaled SEK 552 million (117).

## Full year 2021

The Group's net sales totaled SEK 40,693 million (38,729) during the year, an increase of 7 percent (4) in fixed currency for like-for-like units. During the period, mail volumes decreased by -10 percent (-13) while parcel volumes increased by 14 percent (14). Operating income totaled SEK 2,481 million (2,421), with an operating margin of 6.1 percent (6.2). The improvement in income was mainly due to sales growth.

Cash flow from operating activities totaled SEK 4,011 million (4,151).

# Sustainability information

As a major logistics provider, PostNord takes responsibility for helping to progress sustainable development in the industry. An ambition is to lead the mail and logistics sector into the low-carbon economy by becoming fossil-free by 2030. At PostNord, we protect the health and safety of our employees, promote equality and inclusion and require our suppliers to comply with our requirements.

## Employees

The average number of employees (FTEs) was 29,498 (28,597), an increase compared with the corresponding period last year. Sick leave averaged 6.5 percent (6.2) 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 at management levels 1–3 was 36 percent (38). At levels 4–6, the figure was 32 percent (32).



## Sustainable supply chain

The target for a sustainable supply chain in 2021 was that 83 percent of purchase volumes from significant suppliers should be from those who accept and comply with PostNord's Supplier Code of Conduct. The result for the fourth quarter was 84 (80) percent. For the full year, the result was also 84 (80) percent. The increase is due to strong efforts in general, but also to the involvement of Direct Link and the organization in Germany. During the quarter, 21 suppliers were requested to complete self-assessments, of which 13 have responded so far. For the full year, 102 self-assessments were sent, and 66 responses were received. 19 audits were carried out during the year, including 12 in the last quarter.

## Climate impact

Carbon dioxide emissions for the quarter decreased by 6 percent, compared to the fourth quarter of 2020, to 71,344 tons. PostNord's total energy consumption in the quarter (comprising both transportation and use of premises) totaled 468,464 MWh. Renewable energy accounted for 40 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 has started on classifying and monitoring PostNord's operations in accordance with the EU's taxonomy and taxonomy regulation. For the full year, carbon dioxide emissions amounted to 277,846 tonnes, a reduction of 7 percent from 2020. The share of renewable energy was 38 percent during the year.

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

# PostNord Sweden

Net sales totaled SEK 6,649 million (6,735), a decrease of -1 percent (10) for like-for-like units.

E-commerce levels remained high, but business-to-consumer volume growth slowed in the quarter due to easing of restrictions and strong competition. Compared to the fourth quarter of last year, business-to-business volumes recovered to pre-pandemic levels. Parcel volumes increased on aggregate by 1 percent (23). The ongoing process of digitization resulted in a decrease of -12 (-11) percent in mail volumes in the quarter.

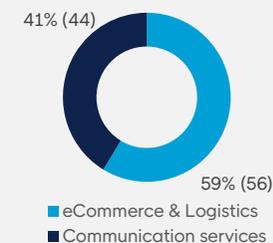
Operating income totaled SEK 638 million (756). Capital gains from property sales contributed SEK 100 million (-). Adjusted operating income totaled SEK 538 million (756). Lower mail volumes, subdued growth and changes in the product mix demanded in the parcels business had a negative impact on profitability. Income was also negatively affected by high production costs, mainly for purchased transportation resources and fuel, as well as higher costs for hired staff.

Over the past 12-month period, delivery quality in mail was 97.9 percent (98.1). During the quarter, quality was 96.4 percent (96.9). Delivery quality for parcels over the past 12-month period was 95.4 percent (95.4). During the quarter, quality was 95.1 percent (94.2).

Net sales and adjusted operating margin



Net sales



# 97.9%

**Delivery quality, mail**  
**Legal requirement 95%**  
 Period  
 January 2021–December 2021

SEKm, if not otherwise stated	October – December		Like-for-like change	January – December		Like-for-like change
	2021	2020		2021	2020	
Net sales	6,649	6,735	-1%	24,824	23,694	6%
– Communication Services (external)	2,487	2,702	-8%	9,351	9,734	-4%
– eCommerce & Logistics (external)	3,539	3,361	6%	12,686	11,968	9%
– Internal	623	672	-7%	2,787	1,992	40%
Operating income (EBIT)	638	756		1,954	2,240	
Operating margin, %	9.6	11.2		7.9	9.5	
Items affecting comparability	100	-		100	202	
Adjusted operating income (adjusted EBIT)	538	756		1,854	2,038	
Adjusted operating margin, %	8.1	11.2		7.5	8.6	

# PostNord Denmark

Net sales totaled SEK 2,212 million (2,257), a change of 0 percent (18) in fixed currency for like-for-like units. Mail volumes were unchanged, a percentage change of 0 (-12). The fourth quarter was marked by a continued sharp fall in import mail due to the abolition of the minimum VAT threshold for purchases of goods outside the EU. However, this was offset by demands for public information and marketing communication linked to the pandemic and the November municipal elections. Parcel volumes were unchanged, a percentage change of 0 (37), with business-to-consumer demand declining in line with the re-opening of Danish society, but with the share of international parcels increasing.

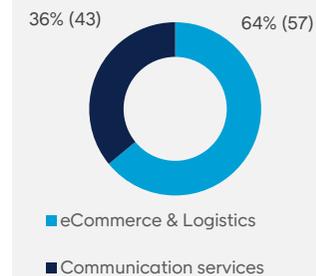
Operating income totaled SEK 48 million (42). Items affecting comparability amounted to SEK 9 million (11), consisting of capital gains on property sales. Adjusted operating income improved to SEK 39 million (31). The improvement was mainly attributable to the ongoing improvement program.

Over the past 12-month period, delivery quality for the Brevet service was 96.5 percent (95.4), as against the legal requirement that 93 percent of letters must be delivered to the intended recipient within five working days. During the quarter, mail quality was 95.0 percent (95.2). Delivery quality for parcels was 94.9 percent (94.7) over the past 12-month period. During the quarter, quality was 89.5 percent (91.6). The deterioration in quality figures for the quarter is mainly explained by high COVID-19 related sickness rates in the production operation.

Net sales and adjusted operating margin



Net sales



# 96.5%

Delivery quality, Brevet  
Legal requirement 93%  
Period

January 2021–December 2021

SEKm, if not otherwise stated	October – December <sup>1)</sup>		Like-for-like change	January – December <sup>1)</sup>		Like-for-like change
	2021	2020		2021	2020	
Net sales	2,212	2,257	0%	8,265	7,697	11%
– Communication Services (external)	664	758	-11%	2,548	2,839	-7%
– eCommerce & Logistics (external)	1,195	1,171	4%	4,464	3,849	20%
– Internal	353	328	8%	1,253	1,009	28%
Operating income (EBIT)	48	42		307	63	
Operating margin, %	2.2	1.9		3.7	0.8	
Items affecting comparability	9	11		121	149	
Adjusted operating income (adjusted EBIT)	39	31		186	-86	
Adjusted operating margin, %	1.8	1.4		2.3	-1.1	

<sup>1)</sup> PostNord's operations in Germany has been transferred from segment PostNord Denmark to segment Other business activities as from January 1, 2021. Comparable figures are recalculated.

# PostNord Norway

Net sales totaled SEK 1,365 million (1,246), an increase of 4 percent (14) in fixed currency for like-for-like units. Parcel volumes increased by 9 percent (26). Operating income totaled SEK 55 million (59). The lower result is mainly explained by costs related to the new production model and additional costs due to COVID-19 outbreaks in the production operation. Delivery quality was 87.2 percent (93.4) for the quarter and 91.2 percent (95.3) over the past 12-month period. The deterioration in quality figures for the quarter is mainly explained by high COVID-19 related sickness rates in the production operation.



SEKm, if not otherwise stated	October – December		Like-for-like change	January – December		Like-for-like change
	2021	2020		2021	2020	
Net sales	1,365	1,246	4%	4,978	4,481	9%
– Communication Services (external)	21	24	-17%	85	83	0%
– eCommerce & Logistics (external)	1,049	969	2%	3,906	3,592	7%
– Internal	295	253	14%	988	807	18%
Operating income (EBIT)	55	59		37	128	
Operating margin, %	4.0	4.7		0.7	2.8	
Items affecting comparability	-	-		-	-	
Adjusted operating income	55	59		37	128	
Adjusted operating margin, %	4.0	4.7		0.7	2.8	

# PostNord Finland

Net sales totaled SEK 374 million (366), an increase of 4 percent (14) in fixed currency for like-for-like units. Sales in the logistics business increased, mainly due to increased deliveries to the healthcare sector. Parcel volumes increased by 3 percent (3). Operating income totaled SEK -9 million (2). The lower result is explained by increased costs related to the start-up of a new terminal in Tampere, increased staffing in the TPL business, higher fuel prices and a change in the product mix. Delivery quality was 94.3 percent (96.4) for the quarter and 94.8 percent (95.7) over the past 12-month period.



SEKm, if not otherwise stated	October – December		Like-for-like change	January – December		Like-for-like change
	2021	2020		2021	2020	
Net sales	374	366	4%	1 433	1 371	8%
– Communication Services (external)	-	-	-	-	-	-
– eCommerce & Logistics (external)	256	247	6%	988	922	11%
– Internal	117	119	1%	445	449	3%
Operating income (EBIT)	-9	2		-7	10	
Operating margin, %	-2.4	0.5		-0.4	0.7	
Items affecting comparability	-	-		-	.	
Adjusted operating income	-9	2		-7	10	
Adjusted operating margin, %	-2.4	0.5		-0.4	0.7	

# PostNord Strålfors

Net sales totaled SEK 550 million (534), an increase of 3 percent in fixed currency for like-for-like units. The long-term trend, a structurally declining market for printed matter and physical letters in the wake of digitalization, remains. Sales are benefiting from continued growth in revenues from digital services and products, albeit often at lower margins than from the physical business. Operating income totaled SEK 39 million (45). The deterioration in operating profit is in the main attributable to a lower gross margin associated with the product mix sold and increased service development costs in the growing digital business.

Net sales and adjusted operating margin



SEKm, if not otherwise stated	October – December		Like-for-like change	January – December		Like-for-like change
	2021	2020		2021	2020	
Net sales	550	534	3%	2,037	1,981	4%
– Communication Services (external)	477	471	1%	1,804	1,795	2%
– Internal	73	63	14%	233	186	23%
Operating income (EBIT)	39	45		135	142	
Operating margin, %	7.1	8.4		6.6	7.2	
Items affecting comparability	-	-		-	-	
Adjusted operating income	39	45		135	142	
Adjusted operating margin, %	7.1	8.4		6.6	7.2	

# Other business activities

Net sales totaled SEK 1,161 million (1,283), a decrease of -8 percent (33) in fixed currency for like-for-like units.

As a result of increased transport costs, as well as declining volumes for some customers, sales and profit for Direct Link declined, compared with the fourth quarter of last year.

The logistics business in Germany shows very strong volume growth, driven by exports of business-to-consumer parcels to the Nordic market.

Operating income improved to SEK 94 million (54). Operating income includes a revaluation effect of SEK 18 million in the quarter from the hedging of forecast foreign currency transaction exposure in the German business.

Net sales and adjusted operating margin



SEKm, if not otherwise stated	October – December <sup>1)</sup>		Like-for-like change	January – December <sup>1)</sup>		Like-for-like change
	2021	2020		2021	2020	
Net sales	1,161	1,283	-8%	4,891	3,977	28%
– Communication Services (external)	47	51	-8%	210	219	-4%
– eCommerce & Logistics (external)	1,112	1,229	-9%	4,670	3,740	30%
– Internal	3	3	0%	11	18	-40%
Operating income (EBIT)	94	54		264	167	
Operating margin, %	8.1	4.2		5.4	4.2	
Items affecting comparability	-	-		-	-	
Adjusted operating income	94	54		264	167	
Adjusted operating margin, %	8.1	4.2		5.4	4.2	

<sup>1)</sup> PostNord's operations in Germany has been transferred from segment PostNord Denmark to segment Other business activities as from January 1, 2021. Comparable figures are recalculated.

# Other information

## Update regarding the universal service obligation in Denmark

PostNord Denmark operates in accordance with the extended contract for the universal postal service in Denmark, which runs until December 31, 2022. In parallel, dialogue on future financing continues with the Danish State.

## Delivery quality

Delivery quality in Sweden is still above the legal requirement of 95 percent for the Brev service, which must be delivered to the intended recipient within two working days, maintaining a level of 97.9 percent (98.1) over the past 12-month period. During the quarter, quality was 96.4 percent (96.9). In Denmark, quality also exceeded the legal requirement. Over the past 12-month period, delivery quality for the Brevet service was 96.5 percent (95.4), as against the legal requirement that 93 percent of letters must be delivered to the intended recipient within five working days. During the quarter, quality was 95.0 percent (95.2). Overall delivery quality for parcels in the PostNord Group was 94.5 percent (95.2) over the past 12-month period. During the quarter, quality was 92.3 percent (93.5).

## Highlights of the fourth quarter

10/06/2021 The Pathways Coalition welcomes PostNord

10/15/2021 PostNord Denmark exchanges diesel cars for electric cars on Bornholm

11/01/2021 Guaranteed home delivery for Varubrev in Sweden

11/08/21 PostNord Denmark distributed 4.6 million voting cards in connection to municipal and regional elections

11/12/21 PostNord Denmark tests self-propelled parcel locker

11/12/21 PostNord Norway's first biogas truck on site

11/16/2021 Falling mail volumes lead to increased postage in Sweden

12/22/2021 Alternate day delivery of letters now in southern and central Sweden

## Major events in October–December 2021

During the autumn, the European Commission announced that the capital injection that PostNord received from its owners in 2018 must be recovered. PostNord received the repayment request during the

quarter and repaid to its owners, the Swedish and Danish states, the capital injection plus interest in the total amount of SEK 686 million.

On October 6, it was announced that PostNord had become the first logistics operator to be approved as a member of The Pathways Coalition. The coalition is a collaboration of several major industry leaders in the transport value chain, committed to accelerating the drive towards fossil-free heavy transportation. It was established by E.ON, H&M Group, Scania and Siemens. More recently, Ericsson has also joined. Members of The Pathways Coalition are committed to its vision of achieving zero fossil emissions by no later than 2050.

## Major events after the reporting period

On February 1, PostNord AB (publ) held an Extraordinary General Meeting in connection with the shareholders' proposal to elect a new member to the Board of Directors. The EGM approved the election of Hillevi Engström as a new member of the Board until the end of the next Annual General Meeting. She replaces Ulrica Messing.

The Board of Directors proposes that no dividend be paid in respect of the 2021 financial year.

### Solna, February 2, 2022

PostNord AB (publ), CIN 556771–2640

### Annemarie Gardshol

President and Group CEO

# Financial statements

## — Group

### Income statement

SEKm	Note	October – December		January – December	
		2021	2020	2021	2020
Net sales	1	10,843	10,978	40,693	38,729
Other operating income		294	243	953	1,427
<b>Operating revenue</b>	3	<b>11,136</b>	<b>11,221</b>	<b>41,646</b>	<b>40,156</b>
Personnel expenses		-4,132	-4,181	-15,802	-15,704
Transportation expenses		-2,960	-2,725	-11,083	-10,410
Other operating expenses		-2,615	-2,772	-9,683	-8,985
Depreciation and impairments		-666	-700	-2,596	-2,636
<b>Operating expenses</b>		<b>-10,374</b>	<b>-10,378</b>	<b>-39,165</b>	<b>-37,735</b>
<b>OPERATING INCOME</b>	3	<b>762</b>	<b>843</b>	<b>2,481</b>	<b>2,421</b>
Financial income		33	11	49	48
Financial expenses		-41	-62	-202	-317
<b>Net financial items</b>		<b>-8</b>	<b>-50</b>	<b>-153</b>	<b>-268</b>
<b>Income before tax</b>		<b>754</b>	<b>794</b>	<b>2,328</b>	<b>2,153</b>
Tax		-91	-188	-339	-442
<b>NET INCOME</b>		<b>663</b>	<b>606</b>	<b>1,989</b>	<b>1,711</b>
<b>Attributable to</b>					
Parent Company shareholders		663	607	1,987	1,709
Non-controlling interests		0	-1	2	2
Earnings per share, SEK		0.33	0.30	0.99	0.85

### Statement of comprehensive income

SEKm	October – December		January – December	
	2021	2020	2021	2020
<b>NET INCOME</b>	<b>663</b>	<b>606</b>	<b>1,989</b>	<b>1,711</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that cannot be transferred to net income</b>				
Revaluation of pension liabilities	-392	1,390	3,426	-182
Change in deferred tax	80	-287	-723	37
<b>Total</b>	<b>-312</b>	<b>1,103</b>	<b>2,703</b>	<b>-145</b>
<b>Items that have been or may be transferred to net income</b>				
Cash flow hedges after tax	0	0	1	-1
Translation differences	70	-134	223	-311
<b>Total</b>	<b>70</b>	<b>-134</b>	<b>224</b>	<b>-312</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>-242</b>	<b>969</b>	<b>2,927</b>	<b>-457</b>
<b>COMPREHENSIVE INCOME</b>	<b>421</b>	<b>1,575</b>	<b>4,916</b>	<b>1,254</b>
<b>Attributable to</b>				
Parent Company shareholders	421	1,576	4,914	1,252
Non-controlling interests	0	-1	2	2

# Financial statements

## — Group

### Condensed statement of financial position

SEKm	Note	Dec. 31 2021	Dec. 31 2020
<b>ASSETS</b>	1		
Goodwill		2,582	2,510
Other non-current intangible assets		475	439
Property, plant and equipment		7,422	6,992
Right-of-use assets		5,694	5,954
Participations in associated companies		159	134
Non-current interest-bearing receivables	6	276	280
Other non-current receivables	6	352	411
Deferred tax assets		23	627
<b>Total non-current assets</b>		<b>16,983</b>	<b>17,350</b>
Inventories		83	90
Tax assets		415	299
Trade receivables	6	5,331	4,967
Prepaid expenses and accrued income	6	1,263	878
Other current receivables	6	260	600
Current interest-bearing receivables	6	11	11
Cash and cash equivalents	6	6,242	6,229
Assets held for sale		-	65
<b>Total current assets</b>		<b>13,606</b>	<b>13,139</b>
<b>TOTAL ASSETS</b>		<b>30,590</b>	<b>30,489</b>

### (cont.)

SEKm	Note	Dec. 31 2021	Dec. 31 2020
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>		<b>9,133</b>	<b>4,906</b>
<b>LIABILITIES</b>			
Non-current interest-bearing liabilities	6	2,752	3,243
Long-term lease liabilities		4,499	4,849
Other non-current liabilities		70	42
Pensions		1,386	4,395
Other provisions	5	955	1,685
Deferred tax liabilities		200	120
<b>Total non-current liabilities</b>		<b>9,861</b>	<b>14,334</b>
Current interest-bearing liabilities	6	513	857
Current lease liabilities		1,371	1,318
Trade payables	6	3,381	2,877
Tax liabilities		202	313
Other current liabilities	6	1,227	1,503
Accrued expenses and deferred income	6	4,340	3,643
Other provisions	5	562	737
<b>Total current liabilities</b>		<b>11,595</b>	<b>11,249</b>
<b>TOTAL LIABILITIES</b>		<b>21,457</b>	<b>25,582</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>30,590</b>	<b>30,489</b>

# Financial statements

## —Group

### Statement of cash flows

SEKm	Note	October – December		January – December	
		2021	2020	2021	2020
<b>OPERATING ACTIVITIES</b>					
Income before tax		754	794	2,328	2,153
Adjustments for non-cash items <sup>1)</sup>		297	196	1,631	903
Income tax paid		-119	-228	-490	-362
<b>Operating activities before changes in working capital</b>		<b>932</b>	<b>762</b>	<b>3,469</b>	<b>2,694</b>
<b>Changes in working capital</b>					
Increase(-)/decrease(+) in inventories		7	6	7	15
Increase(-)/decrease(+) in other operating receivables		-746	-1,038	-5	553
Increase(+)/decrease(-) in other operating liabilities		1,331	1,147	540	889
<b>Changes in working capital</b>		<b>592</b>	<b>115</b>	<b>542</b>	<b>1,457</b>
<b>Cash flow from operating activities</b>		<b>1,524</b>	<b>877</b>	<b>4,011</b>	<b>4,151</b>
<b>INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment		-549	-349	-1,252	-999
Sale of property, plant and equipment		16	3	23	28
Acquisitions of non-current intangible assets		-54	-43	-156	-75
Acquisition of subsidiary, effect on cash and cash equivalents	4	-	-	-129	-
Sale of subsidiary, effect on cash and cash equivalents	4	104	60	104	1,148
Acquisition of financial assets		0	-3	-1	-10
Sale of financial assets		0	0	5	11
<b>Cash flows from investing activities</b>		<b>-483</b>	<b>-332</b>	<b>-1,406</b>	<b>103</b>

### (cont.)

SEKm	Note	October – December		January – December	
		2021	2020	2021	2020
<b>FINANCING ACTIVITIES</b>					
Amortized loans		-3	-2	-541	-86
Amortized lease liabilities		-347	-345	-1,375	-1,307
Repayment of unconditional capital injection <sup>2)</sup>		-686	-	-686	-
Dividend paid		-	-	-2	-2
Increase(+)/decrease(-) in other interest-bearing liabilities		0	-2	0	-2
<b>Cash flows from financing activities</b>		<b>-1,036</b>	<b>-349</b>	<b>-2,604</b>	<b>-1,397</b>
<b>CASH FLOWS FOR THE PERIOD</b>					
Cash and cash equivalents, at beginning of period		6,238	6,053	6,229	3,398
Translation difference in cash and cash equivalents		-1	-20	12	-26
<b>Cash and cash equivalents, closing balance</b>		<b>6,242</b>	<b>6,229</b>	<b>6,242</b>	<b>6,229</b>
<sup>1)</sup> Adjustments for non-cash items:					
Depreciation and impairments		666	700	2,596	2,636
Change in pension liability		3	-273	232	-294
Other provisions		-201	-139	-685	-879
Capital gain, property, plant and equipment sold		-2	-9	-106	-153
Capital gain, sale of subsidiaries		-100	-6	-100	-228
Other		-69	-77	-306	-179
<b>Total</b>		<b>297</b>	<b>196</b>	<b>1,631</b>	<b>903</b>

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

# Financial statements

## — Group

### Statement of changes in equity

January – December 2020	Equity attributable to the Parent Company's shareholders						Non-controlling interests	Total equity
	Capital stock <sup>1)</sup>	Other contributed capital	Translation reserve	Hedging reserve	Retained earnings			
<b>SEKm</b>								
<b>Opening balance Jan. 1, 2020</b>	<b>2,000</b>	<b>10,621</b>	<b>-1,509</b>	<b>0</b>	<b>-7,460</b>	<b>2</b>	<b>3,654</b>	
<b>Comprehensive income for the period</b>								
Net income for the period	-	-	-	-	1,709	2	1,711	
Other comprehensive income for the period	-	-	-311	-1	-145	-	-457	
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-311</b>	<b>-1</b>	<b>1,564</b>	<b>2</b>	<b>1,254</b>	
Dividend	-	-	-	-	-	-2	-2	
<b>Shareholders' equity, closing balance Dec. 31 2020</b>	<b>2,000</b>	<b>10,621</b>	<b>-1,820</b>	<b>-1</b>	<b>-5,896</b>	<b>2</b>	<b>4,906</b>	

January – December 2021	Equity attributable to the Parent Company's shareholders						Non-controlling interests	Total equity
	Capital stock <sup>1)</sup>	Other contributed capital	Translation reserve	Hedging reserve	Retained earnings			
<b>SEKm</b>								
<b>Opening balance Jan. 1, 2021</b>	<b>2,000</b>	<b>10,621</b>	<b>-1,820</b>	<b>-1</b>	<b>-5,896</b>	<b>2</b>	<b>4,906</b>	
<b>Comprehensive income for the period</b>								
Net income for the period	-	-	-	-	1,987	2	1,989	
Other comprehensive income for the period	-	-	223	1	2,703	-	2,927	
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>223</b>	<b>1</b>	<b>4,690</b>	<b>2</b>	<b>4,916</b>	
Repayment of unconditional capital injection <sup>2)</sup>	-	-667	-	-	-19	-	-686	
Dividend	-	-	-	-	-	-2	-2	
<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>	

<sup>1)</sup> Number of shares is 2,000,000,001: 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.

# Financial statements

## — Parent Company

### Income statement

SEKm	Note	October - December		January – December	
		2021	2020	2021	2020
	1				
Other operating income		-2	5	8	16
<b>Operating revenue</b>		<b>-2</b>	<b>5</b>	<b>8</b>	<b>16</b>
Personnel expenses		-9	-3	-25	-14
Other expenses		-3	-7	-15	-21
<b>Operating expenses</b>		<b>-12</b>	<b>-10</b>	<b>-40</b>	<b>-35</b>
<b>OPERATING INCOME</b>		<b>-14</b>	<b>-6</b>	<b>-32</b>	<b>-20</b>
Interest income and similar income items		20	6	80	12
Interest expenses and similar items		-12	-15	-50	-62
<b>Financial items</b>		<b>8</b>	<b>-9</b>	<b>30</b>	<b>-50</b>
<b>Income after financial items</b>		<b>-6</b>	<b>-15</b>	<b>-2</b>	<b>-70</b>
Appropriations		700	150	700	150
<b>Income before tax</b>		<b>694</b>	<b>135</b>	<b>698</b>	<b>80</b>
Tax		-142	-18	-142	-18
<b>NET INCOME</b>		<b>552</b>	<b>117</b>	<b>556</b>	<b>62</b>

### Statement of comprehensive income

SEKm	October - December		January – December	
	2021	2020	2021	2020
Net income for the period	552	117	556	62
Other comprehensive income for the period	-	-	-	-
<b>COMPREHENSIVE INCOME</b>	<b>552</b>	<b>117</b>	<b>556</b>	<b>62</b>

### Condensed balance sheet

SEKm	Note	Dec. 31	Dec. 31
		2021	2020
	1		
<b>ASSETS</b>			
Participations in Group companies		10,861	10,861
Interest-bearing receivables		39	33
Interest-bearing receivables from Group companies		5,000	-
<b>Total non-current assets</b>		<b>15,899</b>	<b>10,894</b>
Interest-bearing receivables from Group companies		2,074	8,152
Other receivables from Group companies		700	150
Other current receivables		22	37
<b>Total current assets</b>		<b>2,796</b>	<b>8,339</b>
<b>TOTAL ASSETS</b>		<b>18,695</b>	<b>19,233</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		<b>15,623</b>	<b>15,752</b>
Interest-bearing liabilities		2,436	2,929
Other non-current liabilities		10	8
<b>Total non-current liabilities</b>		<b>2,446</b>	<b>2,937</b>
Current interest-bearing liabilities		500	500
Other current liabilities		126	43
<b>Total current liabilities</b>		<b>626</b>	<b>543</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,695</b>	<b>19,233</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 both in 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 2021 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

The Group continuously monitors credit risk, including payment information regarding trade receivables. The Group's trade receivables are spread over various customers, sectors, and regions in which the Group operates. Collective provision for expected credit losses based on historical proportion of losses is supplemented by case-by-case assessment of trade receivables. The levels of historical credit losses and proportion of losses are low. In general, the Group monitors and assesses, on a case-by-case basis, trade receivables that have been due for payment for more than 60 days. In addition, it assesses, on a case-by-case basis, major trade receivables where there are indications of increased credit risk.

## 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.

The COVID-19 pandemic is affecting the whole of society and thus also the markets where PostNord operates. The long-term impact on sales and the product mix will be determined by what behavioral changes become permanent and how the wider economy will be affected as the financial support measures are phased out.

## 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 overseen and coordinated according to the nature of their operations. Market pricing is applied to legal transactions between PostNord's segments. In the segment reporting, PostNord has transferred its e-commerce and logistics operations in Germany from the PostNord Denmark segment to the Other Business segment effective January 1, 2021. Figures for comparison have been restated.

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 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** includes Direct Link and PostNord's e-commerce and logistics business in Germany, as well as 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 Group-wide 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.

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### Net sales per segment

SEKm	Q4	Q3	Q2	Q1	Q4
	2021	2021	2021	2021	2020
PostNord Sweden	6,649	5,743	6,247	6,184	6,735
- of which internal	622	745	723	696	672
PostNord Denmark <sup>1)</sup>	2,212	1,832	2,058	2,163	2,257
- of which internal	353	275	313	311	330
PostNord Norway	1,365	1,145	1,275	1,193	1,246
- of which internal	295	226	263	203	253
PostNord Finland	374	358	370	331	366
- of which internal	117	109	119	99	118
PostNord Strålfors	550	471	509	507	534
- of which internal	73	51	55	53	62
Other business activities <sup>1)</sup>	1,161	1,204	1,347	1,179	1,283
- of which internal	3	3	3	3	3
Other and eliminations	-1,468	-1,413	-1,483	-1,371	-1,442
<b>Group</b>	<b>10,843</b>	<b>9,340</b>	<b>10,323</b>	<b>10,187</b>	<b>10,978</b>

### Operating income per segment

SEKm	Q4	Q3	Q2	Q1	Q4
	2021	2021	2021	2021	2020
PostNord Sweden	638	274	474	568	756
- Operating margin, %	9.6	4.8	7.6	9.2	11.2
PostNord Denmark <sup>1)</sup>	47	28	38	194	43
- Operating margin, %	2.1	1.5	1.8	9.0	1.9
PostNord Norway	55	-48	-3	33	59
- Operating margin, %	4.0	-4.2	-0.2	2.8	4.8
PostNord Finland	-9	1	-1	2	2
- Operating margin, %	-2.4	0.3	-0.3	0.6	0.6
PostNord Strålfors	39	33	25	38	45
- Operating margin, %	7.1	7.0	4.9	7.5	8.4
Other business activities <sup>1)</sup>	94	42	63	65	54
- Operating margin, %	8.1	3.5	4.7	5.5	4.2
Other and eliminations	-101	-7	-78	-21	-116
<b>Operating income</b>	<b>762</b>	<b>323</b>	<b>518</b>	<b>878</b>	<b>843</b>
- Operating margin, %	7.0	3.5	5.0	8.6	7.7

### Adjusted operating income per segment

SEKm, unless otherwise indicated	Q4	Q3	Q2	Q1	Q4
	2021	2021	2021	2021	2020
PostNord Sweden	538	274	474	568	756
- Adjusted operating margin, %	8.1	4.8	7.6	9.2	11.2
PostNord Denmark <sup>1)</sup>	39	-11	38	121	31
- Adjusted operating margin, %	1.8	-0.1	1.8	5.6	1.4
PostNord Norway	55	-48	-3	33	59
- Adjusted operating margin, %	4.0	-4.2	-0.2	2.8	4.8
PostNord Finland	-9	1	-1	2	2
- Adjusted operating margin, %	-2.4	0.3	-0.3	0.6	0.6
PostNord Strålfors	39	33	25	37	45
- Adjusted operating margin, %	7.1	7.0	4.9	7.3	8.4
Other business activities <sup>1)</sup>	94	42	63	65	54
- Adjusted operating margin, %	8.1	3.5	4.7	5.5	4.2
Other and eliminations	-101	-7	-78	-21	-115
<b>Adjusted operating income</b>	<b>653</b>	<b>284</b>	<b>518</b>	<b>805</b>	<b>833</b>
- Adjusted operating margin, %	6.0	3.0	5.0	7.9	7.6

### Net sales per operating segment and service category

Operating segments SEKm	Service category			
	Communication Services		eCommerce & Logistics	
	October – December 2021	2020	October – December 2021	2020
PostNord Sweden	2,487	2,702	3,539	3,361
PostNord Denmark <sup>1)</sup>	664	758	1,195	1,171
PostNord Norway	21	24	1,049	969
PostNord Finland	0	-	256	247
PostNord Strålfors	477	471	-	-
Other business activities <sup>1)</sup>	47	51	1,112	1,229
<b>Total</b>	<b>3,696</b>	<b>4,006</b>	<b>7,148</b>	<b>6,976</b>

<sup>1)</sup> PostNord's operations in Germany has been transferred from segment PostNord Denmark to segment Other business activities as from 1 January 2021. Comparable figures are recalculated.

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, 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 postal service for individual customers.

## Note 4 – Acquisitions and divestments of subsidiaries

Effects of acquisitions and disposals on assets and liabilities, SEKm	January – December 2021		January – December 2020	
	Acquisitions	Disposals	Acquisitions	Disposals
Non current intangible assets	46	-	-	-
Property, plant and equipment	152	-	-	655
Current assets	15	4	-	108
<b>Total assets</b>	<b>213</b>	<b>4</b>	<b>-</b>	<b>763</b>
Other current liabilities	-81	-	-	-105
<b>Total liabilities</b>	<b>-81</b>	<b>-</b>	<b>-</b>	<b>-105</b>
<b>Net asset</b>	<b>132</b>	<b>4</b>	<b>-</b>	<b>658</b>
Purchase consideration paid/received	-129	104	-	1 157
Less deposit	-	-	-	-9
<b>Net effect on cash and cash equivalents</b>	<b>-129</b>	<b>104</b>	<b>-</b>	<b>1 148</b>

### Acquisitions and divestments of subsidiaries

No acquisitions or disposals took place in the first quarter of 2021.

In the second quarter of 2021, Post Danmark A/S acquired the remaining 51 percent of the shares in Nordic Infrastructure A/S. The company was previously recognized as an associate but is now part of the Group as a wholly owned subsidiary. Nordic Infrastructure A/S has a nationwide network of parcel lockers in Denmark.

In the third quarter of 2021, PostNord AS acquired 100 percent of the shares in PostNord Terminal Drammen AS. The acquisition relates in the main to land for the construction of a future parcel terminal.

In the fourth quarter of 2021, PostNord TPL AB divested 100 percent of the shares in Stigamo logistikpark AB. The divestment consisted principally of a land allocation in Vaggeryd.

In 2020, PostNord Group AB divested all shares in PostNord Termo AB, as well as in the property companies Kardinalmärket 1 AB, KB Sveterm, Lokesvej 18 ApS (Hillerød HUB), Kometvej 15 ApS (Horsens HUB) and M.P Allerupsvej 61 ApS.

## Note 5 – Other provisions

January – December 2021, SEKm	Opening balance	Provisions	Reversals	Utilization	Other <sup>1)</sup>	Closing balance
Transformation measures	1,411	38	-37	-710	27	729
Non-vested pension commitment	946	22	-	-261	25	732
Other	65	0	-	-3	-6	56
<b>Total</b>	<b>2,422</b>	<b>60</b>	<b>-37</b>	<b>-974</b>	<b>46</b>	<b>1,517</b>
<i>Of which, current</i>	<i>737</i>					<i>955</i>
<i>Of which, non-current</i>	<i>1,685</i>					<i>562</i>

January – December 2020, SEKm	Opening balance	Provisions	Reversals	Utilization	Other <sup>1)</sup>	Closing balance
Transformation measures	2,371	100	-22	-1,008	-30	1,411
Non-vested pension commitment	1,191	38	-	-272	-11	946
Other	69	1	-	-4	-2	65
<b>Total</b>	<b>3,631</b>	<b>139</b>	<b>-22</b>	<b>-1,284</b>	<b>-43</b>	<b>2,422</b>
<i>Of which, current</i>	<i>1,083</i>					<i>737</i>
<i>Of which, non-current</i>	<i>2,548</i>					<i>1,685</i>

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

## Note 6 – Financial instruments

December 31, 2021

Carrying amount and fair value of financial assets and liabilities, SEKm	Financial assets reported at fair value via income	Financial assets measured at amortized cost <sup>1)</sup>	Financial liabilities at fair value via income	Derivatives used for hedging purposes	Financial liabilities measured at amortized cost <sup>1)</sup>	Carrying amount	Fair value
<b>Assets</b>	<b>314</b>	<b>12,995</b>	-	-	-	<b>13,309</b>	<b>13,309</b>
<i>of which, derivatives</i>	38	-	-	-	-	38	38
<b>Liabilities</b>	-	-	<b>-20</b>	<b>0</b>	<b>-10,505</b>	<b>-10,525</b>	<b>-10,552</b>
<i>of which, loan liabilities</i>	-	-	-	-	-3,079	-3,079	-3,106
<i>of which, derivatives</i>	-	-	-20	0	-	-20	-20
<b>Total financial assets and liabilities, by category</b>	<b>314</b>	<b>12,995</b>	<b>-20</b>	<b>0</b>	<b>-10,505</b>	<b>2,784</b>	<b>2,757</b>

December 31, 2020

Carrying amount and fair value of financial assets and liabilities, SEKm	Financial assets reported at fair value via income	Financial assets measured at amortized cost <sup>1)</sup>	Financial liabilities at fair value via income	Derivatives used for hedging purposes	Financial liabilities measured at amortized cost <sup>1)</sup>	Carrying amount	Fair value
<b>Assets</b>	<b>233</b>	<b>12,211</b>	-	-	-	<b>12,444</b>	<b>12,444</b>
<i>of which, derivatives</i>	3	-	-	-	-	3	3
<b>Liabilities</b>	-	-	<b>-43</b>	<b>-1</b>	<b>-10,295</b>	<b>-10,339</b>	<b>-10,366</b>
<i>of which, loan liabilities</i>	-	-	-	-	-3,608	-3,608	-3,635
<i>of which, derivatives</i>	-	-	-43	-1	-	-44	-44
<b>Total financial assets and liabilities, by category</b>	<b>233</b>	<b>12,211</b>	<b>-43</b>	<b>-1</b>	<b>-10,295</b>	<b>2,105</b>	<b>2,078</b>

<sup>1)</sup> Financial assets and liabilities valued at accrued acquisition value have from 2021 been supplemented with financial liabilities measured at amortized cost outside of terminal fees. The comparative figures have been recalculated.

The Group's assets in financial instruments are mainly measured at amortized cost and consist mainly 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 interest-bearing 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 used for hedging purposes 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 63 million (80) for the quarter and SEK 252 million (318) on an accumulated basis. The assessment has been made in accordance with IAS 20, Accounting for Government Grants and Disclosure of Government Assistance.

The June 2020 agreement with the Danish State for the July–December 2020 period, the December 2020 agreement 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. As of December 31, 2021, approval has not been obtained and thus the compensation has not been received. The claim on the Danish State for compensation for the universal service obligation amounted to SEK 408 million (151) on December 31, 2021.

In September, the EU Commission announced that the capital injection of SEK 667 million in 2018 that PostNord AB received from its owners, the Swedish and Danish States, must be recovered. During the quarter, PostNord received a repayment request and repaid to its owners, the Swedish and Danish States, the capital injection received, plus interest, in the total amount of SEK 686 million.

## 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 securing focus areas and linking to business model and strategy.

### Definitions:

#### EBITDAI

Operating income excluding depreciation, amortization, and impairments.

#### 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 on 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 minus 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.

### Reconciliation with financial statements

SEKm	Dec. 31 2021	Sep. 30 2021	Jun. 30 2021	Mar. 31 2021	Dec. 31 2020
Current interest-bearing liabilities	513	513	1,356	1,356	857
Current lease liabilities	1,371	1,352	1,324	1,336	1,318
Non-current interest-bearing liabilities	2,752	2,748	2,751	2,743	3,243
Long-term lease liabilities	4,499	4,613	4,618	4,887	4,849
Pensions <sup>1)</sup>	1,386	811	1,483	2,486	4,395
Non-current interest-bearing receivables	-195	-190	-187	-190	-188
Non-current interest-bearing receivables, leases	-81	-84	-87	-90	-93
Other non-current receivables <sup>2)</sup>	-105	-104	-123	-94	-77
Current interest-bearing receivables	0	-2	-5	-	-
Current interest-bearing receivables, leases	-11	-11	-11	-11	-11
Cash and cash equivalents	-6,242	-6,238	-6,979	-6,821	-6,229
<b>Net debt</b>	<b>3,885</b>	<b>3,408</b>	<b>4,140</b>	<b>5,602</b>	<b>8,064</b>

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

<sup>2)</sup> This 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, minus 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 the effect of IFRS 16.

### Reconciliation with financial statements

SEK m	Dec. 31 2021	Sep. 30 2021	Dec. 31 2020
Equity as per Statement of financial position	9,133	9,399	4,906
Accumulated effect of leases in accordance with IFRS 16	326	329	366
<b>Equity excluding leases in accordance with IFRS 16</b>	<b>9,459</b>	<b>9,728</b>	<b>5,272</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 capital

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

SEK m	Dec. 31 2021	Sep. 30 2021	Dec. 31 2020
<b>ASSETS</b>			
Goodwill	2,582	2,558	2,510
Other non-current intangible assets	475	463	439
Property, plant and equipment	7,422	7,119	6,992
Right-of-use assets	5,694	5,790	5,954
Participations in associated companies	159	149	134
Other non-current receivables excluding disability pensions	248	217	334
Deferred tax assets	23	23	627
Inventories	83	89	90
Tax assets	415	418	299
Trade receivables	5,331	4,467	4,967
Prepaid expenses and accrued income	1,263	1,229	878
Other current receivables	260	380	600
Assets held for sale	-	13	65
Other non-current liabilities	-70	-44	-42
Other provisions	-955	-1,147	-1,685
Deferred tax liabilities	-200	-277	-120
Trade payables	-3,381	-2,765	-2,877
Tax liabilities	-202	-246	-313
Other current liabilities	-1,227	-1,375	-1,503
Accrued expenses and deferred income	-4,340	-3,500	-3,643
Other provisions	-562	-754	-737
<b>Total capital employed</b>	<b>13,018</b>	<b>12,807</b>	<b>12,969</b>

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

Total operating income for four quarters.

#### 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.

# Quarterly data

<b>SEKm, if not otherwise stated</b>	<b>Q4 2021</b>	<b>Q3 2021</b>	<b>Q2 2021</b>	<b>Q1 2021</b>	<b>Q4 2020</b>	<b>Q3 2020</b>	<b>Q2 2020</b>	<b>Q1 2020</b>	<b>Q4 2019</b>
<b>Group</b>									
Net sales	10,843	9,340	10,323	10,187	10,978	8,919	9,328	9,504	10,267
Other operating income	294	214	85	360	243	455	418	311	79
Operating expenses	-10,374	-9,231	-9,891	-9,669	-10,378	-8,625	-9,230	-9,501	-10,313
<i>of which, personnel expenses</i>	-4,132	-3,535	-4,049	-4,086	-4,181	-3,594	-3,976	-3,953	-4,176
<i>of which, transport expenses</i>	-2,960	-2,683	-2,757	-2,683	-2,725	-2,458	-2,514	-2,713	-2,924
<i>of which, other expenses</i>	-2,615	-2,366	-2,442	-2,260	-2,772	-1,921	-2,090	-2,202	-2,495
<i>of which, depreciation and impairments</i>	-666	-647	-643	-640	-700	-653	-651	-632	-718
Operating income (EBITDAI)	1,428	970	1,161	1,518	1,543	1,400	1,168	947	753
Operating margin (EBITDAI) (%)	13.2	10.4	11.2	14.9	14.0	15.7	12.5	10.0	7.3
Operating income (EBIT)	762	323	518	878	843	747	517	314	35
Operating margin (EBIT) (%)	7.0	3.4	5.0	8.6	7.7	8.4	5.5	3.3	0.3
Adjusted operating income (Adjusted EBIT)	653	284	518	805	833	520	404	314	181
Cash flow from operating activities	1,524	518	835	1,134	877	1,342	1,175	757	1,205
Net debt	3,885	3,408	4,140	5,602	8,064	9,479	10,382	9,103	9,454
Return on operating capital (ROCE), %	19.2	19.9	23.0	22.9	18.6	12.2	7.0	2.6	1.6
Adjusted return on operating capital, %	17.5	18.9	20.6	19.7	15.9	10.8	7.6	5.3	4.6
Average number of employees (FTE)	29,498	28,821	28,258	27,698	28,597	28,655	27,695	27,077	28,156
Staffing numbers (basic) at end of period	26,582	26,596	26,904	26,814	26,501	26,506	26,882	27,228	27,679
<b>Volumes, millions of mails produced:</b>									
Sweden, priority mail	141	116	132	138	157	132	139	149	156
Sweden, non-priority mail	138	116	136	152	159	134	138	178	198
Denmark, priority mail/Quickbrev	6	5	5	6	6	5	5	6	6
Denmark, non-priority and business mail	45	34	35	41	45	40	37	48	52
<b>Group total, Mail</b>	<b>330</b>	<b>272</b>	<b>307</b>	<b>336</b>	<b>368</b>	<b>311</b>	<b>319</b>	<b>381</b>	<b>412</b>
<b>Volumes, millions of parcels produced (net):</b>									
Parcels, Group total, (volumes between countries eliminated)	62	50	58	56	62	46	48	42	49

### Financial calendar

Annual and Sustainability Report 2021	March 2022
Interim report January–March 2022	April 26, 2022
Annual General Meeting	April 26, 2022
Interim report January–June 2022	July 19, 2022
Interim report January–September 2022	October 28, 2022

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